



**10th Anniversary**



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# **DC Health Benefit Exchange Authority**

**Mila Kofman, J.D., Executive Director**

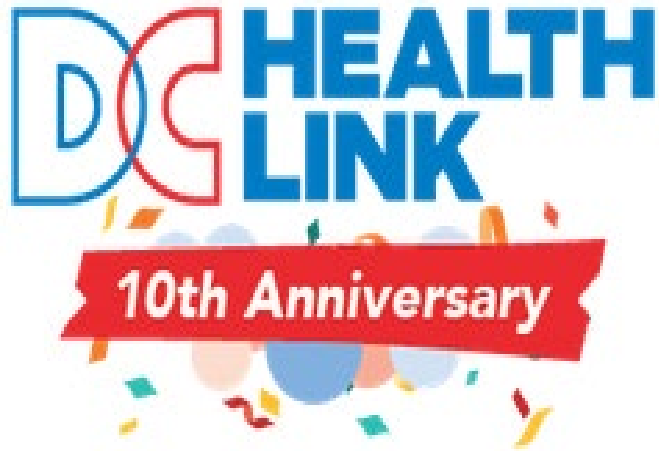
**HBX Proposed Budget FY25**

**Budget Oversight Hearing**

**DC Council Committee on Health**

**Chairperson Councilmember Henderson**

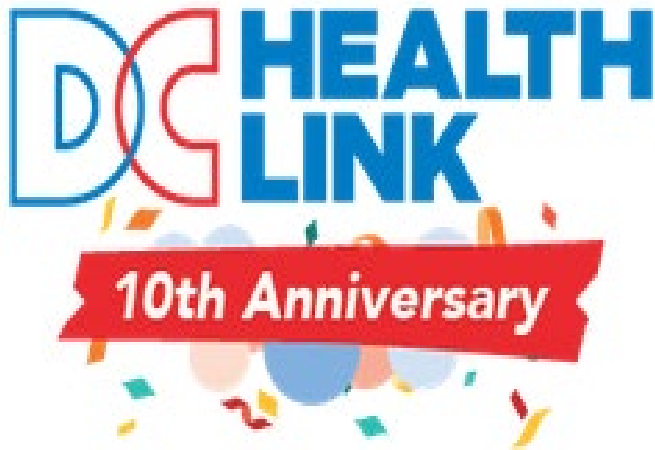
**April 08, 2024**



- ✓ Background
- ✓ Successes
- ✓ Proposed Budget



## DC Health Link: **10** Years of Success



- HBX is responsible for DC Health Link – DC's Affordable Care Act online health insurance marketplace
- Last state to start IT build, **1 of 4 state marketplaces opened for business on time** (& stayed open) Oct 1, 2013
- **Funded** through assessment on health carriers



## DC Health Link: **10** Years of Success

**NEAR UNIVERSAL COVERAGE:** nearly **97%** of DC residents covered

- ✓ Cut uninsured rate by half since DC Health Link opened for business
- ✓ DC ranks **#2** in U.S. for lowest uninsured
- **Cover 100,000 people** (private health insurance);
- **Cover 5,200+** District small businesses and non-profits
- **Have 900+** DC Health Link brokers providing free help to customers
- **Responsible for \$670+ million** in annual premiums
- **Advocate for lowest possible premiums** and have helped residents, employers and their workers save millions of dollars in premiums



## Health insurance with all ACA protections and equity-based benefit design

- **All ACA consumer protections**
- **Affordable coverage: More residents qualify for lower monthly premiums** because of Inflation Reduction Act. **Premiums as low as \$13/month** for quality health insurance through DC Health Link.
  - ✓ HBX is working closely with other state-based marketplaces, federal partners, consumer and patient advocates, and others to advocate for Congress to make lower premiums permanent.
- **Standard Plans: Access to essential care** like primary care, specialists, mental and behavioral health, urgent care and generic Rx **without deductibles**.



## Addressing Health Disparities Through Equity-Based Benefit Design In Standard Plans

DC Health Link changed its benefit design to **equity-based benefit design** removing financial barriers to care focusing on conditions which disproportionately impact communities of color in DC, e.g., heart disease is a leading cause of death for Black residents.

- ✓ **2023 plan year: No cost sharing for Type 2 Diabetes outpatient care and services.** No deductibles, no co-insurance, no copays for physician visits, lab work, eye exams and foot exams, supplies and insulin/Rx.
- ✓ **2024 plan year: Reduced to \$5 cost sharing for outpatient pediatric mental and behavioral health care and services** including office visits with specialists, certain lab work and medication (e.g. reduced \$45 copay to \$5 copay). No limit on number of visits.
- ✓ **2025 plan year: No cost sharing for outpatient cardiovascular and cerebrovascular services including** office visits with family medicine or internal medicine doctor, generic Rx, laboratory tests and imaging services including CT scans and electrocardiograms.



## A HISTORY OF SUCCESSFUL IMPLEMENTATION OF LOCAL AFFORDABILITY PROGRAMS

- ✓ Mayor Bowser's COVID relief for District employers and residents with health insurance premiums in arrears helped employers and residents maintain their health insurance during COVID (\$18 million in premium relief)
- ✓ HealthCare4ChildCare providing free and lower cost health insurance for early child development facilities and workers.



## SUCCESSFUL IMPLEMENTATION OF LOCAL AFFORDABILITY PROGRAMS: HealthCare4ChildCare

### Small Group Enrollment

- **Licensed facilities doubled** from 94 to **198**
- **Employers more than doubled** from 61 to **141**
- **Employees doubled** from 516 to **1,096**
- **Employees and their dependents more than doubled** from 594 to **1,258**

### Individual Marketplace Enrollment

- **Residents more than quadrupled** from 41 to **226**
- **Residents and their dependents more than quadrupled** from 62 to **361**

**HealthCare4ChildCare covers  
1,619 people\***

*\*As of 3/26/24; growth from 1/2023 to 4/2024*





## HBX PROPOSED BUDGET FY25

- PROCESS: Staff, Board Finance Committee, Standing Advisory Board (diverse stakeholders) & HBX Executive Board
- Organized to Reflect Function Areas
- Efficiency: Leverage DC gov't agencies; phase-out consultants and transition to FTEs, and reduce operational costs through partnership with the Massachusetts Health Connector
  - **\$1,666,704 savings with MA partnership**
- FY25 PROPOSED BUDGET **\$41,752,784**:
  - Funding \$38,903,624 from health carrier assessments, \$1,349,160 from MA, and \$1,500,000 from investment income.
- Funded through an assessment on health carriers (**projected assessment 0.825% same as FY24**).



## ANNUAL ASSESSMENT ON HEALTH CARRIERS

**Projected assessment for FY25 and historical actual assessment rates**

To fund (FY)	Assessment Rate
<b>FY25</b>	<b>0.825%</b>
FY24	0.825%
FY23	0.800%
FY22	0.825%
FY19, FY20, FY21	0.900%
FY15, FY16, FY17, FY18	1.000%



## BUDGET COMPARISON: FY24 & FY25

	FY24 APPROVED BUDGET	FY25 PROPOSED BUDGET	\$ CHANGE	% CHANGE
AGENCY MANAGEMENT OPERATIONS	\$6,365,078	\$6,638,858	\$273,781	4.12%
CONSUMER EDUCATION AND OUTREACH	\$3,363,705	\$3,366,786	\$3,081	0.09%
PARTNERSHIPS AND MARKETPLACE OPERATIONS*	\$13,768,917	\$16,681,589	\$2,912,672 (\$2,249,770 call center costs increase)	17.46%
HEALTH COVERAGE AND INNOVATION*				
IT (DCHealthLink.com)	\$13,225,400	\$14,285,511	\$1,060,111	7.42%
AGENCY FINANCIAL OPERATIONS	\$829,048	\$780,040	(\$49,008)	-6.28%
<b>TOTAL BUDGET</b>	<b>\$37,552,148</b>	<b>\$41,752,784</b>	<b>\$4,200,637</b>	<b>10.06%</b>

\*FY24 PARTNERSHIPS AND MARKETPLACE OPERATIONS TOGETHER WITH HEALTH COVERAGE AND INNOVATION WERE IN MARKETPLACE INNOVATION, POLICY, AND OPERATIONS. FY25 APPROACH PROVIDES MORE TRANSPARENCY.



## BUDGET RECONCILIATION TO ASSESSMENT BUDGET

<b>FY25 Proposed Budget</b>	<b>\$41,752,784</b>
<b>Less:</b>	
6.0 FTEs Budgeted for MA Health Connector	(811,260)
Admin Fees Budgeted for MA Health Connector	(260,300)
Contact Center Costs Budgeted for MA Health Connector	(165,600)
Mailing and Postage Fees Budgeted for MA Health Connector	(40,000)
Cloud Security for MA Health Connector	(72,000)
FY23 Investment and Interest Earnings	(1,000,000)
FY24 Estimated Investment and Interest Earnings	(500,000)
<b>Net FY25 Budget for Assessment Calculation</b>	<b>\$38,903,624</b>



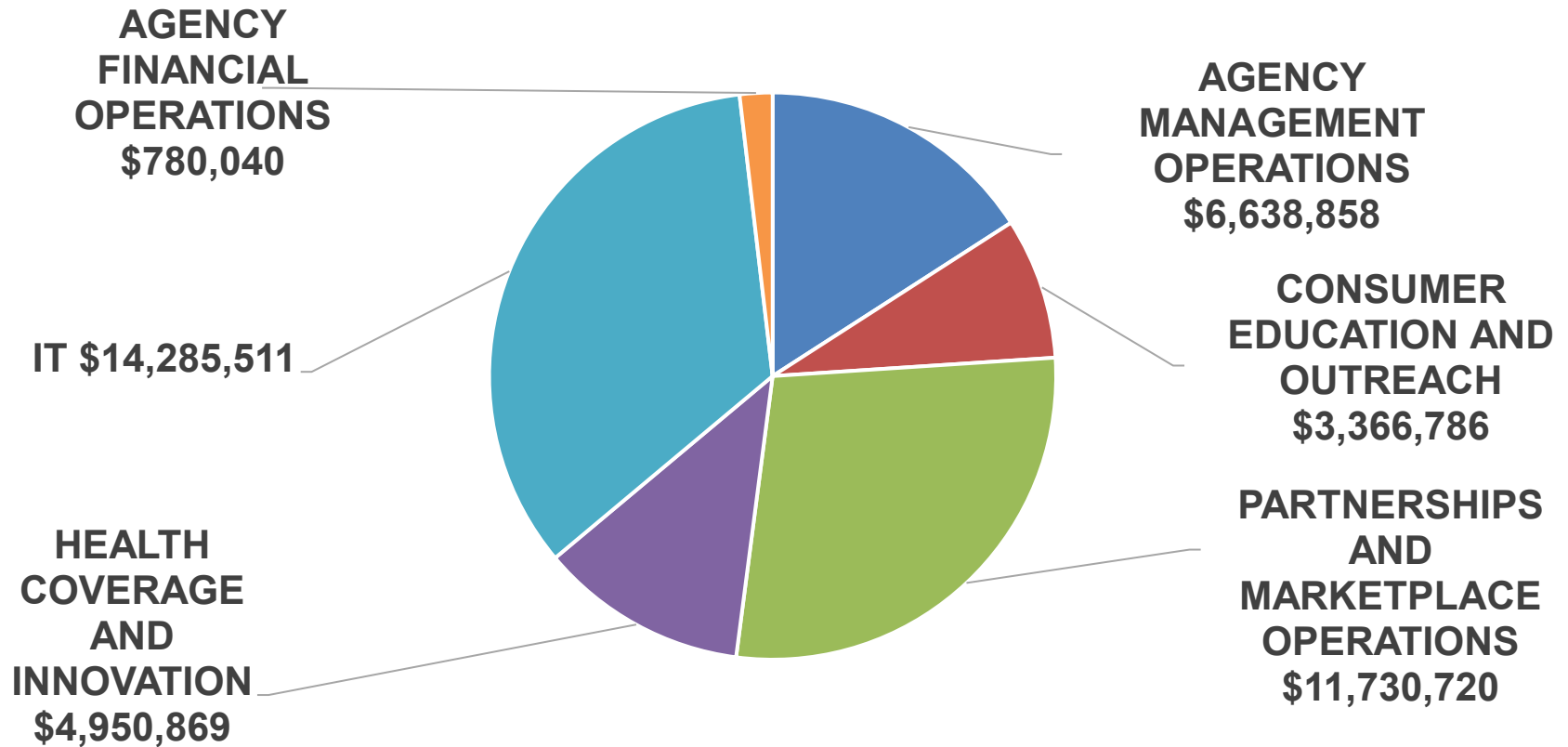
## FY25 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

Category	FY25 Budget
Personnel – 6.0 FTEs	811,260
Admin Fees	260,300
Premium Aggregation*	317,544
Contact Center Fees	165,600
Mailing and Postage	40,000
Cloud Security	72,000
<b>Total</b>	<b>\$1,666,704</b>

\* SAVINGS ALREADY REFLECTED IN FY25 PROPOSED BUDGET



## PROPOSED FY25 BUDGET BY PROGRAM



**FY25 BUDGET FOR ASSESSMENT: \$38,903,625**



## **PARTNERSHIPS AND MARKETPLACE OPERATIONS (PMO)**

**PROPOSED FY25 BUDGET: \$11,730,720**

**FY25 PERSONNEL SERVICES BUDGET FOR 35.8 FTEs: \$4,677,498**

**NON-PERSONNEL SERVICES (NPS): \$7,053,222:**

- CONTACT CENTER: \$5,233,209 (cost allocated share only)
- PLAN MANAGEMENT: \$726,750 (cost allocated share only)
- S.H.O.P.: \$924,622
- PERFORMANCE AND STRATEGIC MANAGEMENT: \$168,641 (cost allocated share only)



## HEALTH COVERAGE AND INNOVATION (HCI)

**PROPOSED FY25 BUDGET: \$4,950,869**

**FY25 PERSONNEL SERVICES BUDGET FOR 24.45 FTEs: \$3,406,351**

**NON-PERSONNEL SERVICES (NPS): \$1,544,518:**

- CONTACT CENTER: \$923,508 (cost allocated share only)
- PLAN MANAGEMENT: \$128,250 (cost allocated share only)
- ELIGIBILITY AND ENROLLMENT: \$463,000
- PERFORMANCE AND STRATEGIC MANAGEMENT: \$29,760 (cost allocated share only)





## **CONTACT CENTER**

**(TOTAL COST BELOW IS 85% PMO AND 15% HCI)**

**PROPOSED NPS FY25 BUDGET: \$6,156,717**  
**(FY24 BUDGET: \$3,906,947)**

- CONTACT CENTER SERVICE CONTRACT: \$5,562,737 (FY24 \$3,504,726)
- SALESFORCE LICENSES : \$210,600 (FY24 \$173,021)
- SALESFORCE DEVELOPMENT AND MAINTENANCE:  
\$124,800
- MICROSOFT OFFICE 365 LICENSES: \$18,000
- AMAZON CONNECT (TELEPHONY): \$98,280 (FY24 \$84,000)
- TOLL FREE LINE: \$35,700
- ADMIN (COURIER SERVICE, EQUIPMENT, COMPUTER REFRESH,  
SUPPLIES): \$52,000
- LANGUAGE LINE: \$54,600



## **PLAN MANAGEMENT**

**(TOTAL COST BELOW IS 85% PMO AND 15% HCI)**

**PROPOSED NPS FY25 BUDGET: \$855,000**  
**(FY24 BUDGET: \$831,600)**

- ACTUARIAL SERVICES: \$175,000
- DOCTOR DIRECTORY, HEALTH PLAN MATCH, PRESCRIPTION DRUG FORMULARY LOOKUP TOOL, DENTAL PLAN MATCH: \$680,000 (FY24 \$656,600)



## **PERFORMANCE AND STRATEGIC MANAGEMENT (TOTAL COST BELOW IS 85% PMO AND 15% HCI)**

**PROPOSED NPS FY25 BUDGET: \$198,400  
(FY24 BUDGET: \$190,594)**

- INTERNAL SURVEY SOFTWARE: \$500
- BROKER TRAINING: \$25,000
- EMMA EMAIL TOOL: \$37,900
- ADMIN (POSTAGE, TRAINING, SUPPLIES AND EQUIPMENT): \$135,000



## **PARTNERSHIPS AND MARKETPLACE OPERATIONS (PMO): SMALL BUSINESS MARKETPLACE (S.H.O.P.)**

**PROPOSED NPS FY25 BUDGET: \$924,622  
(FY24 BUDGET: \$899,822)**

- PREMIUM AGGREGATION: \$504,822\*
- CONSULTING SERVICES: \$250,000
- MAILING AND POSTAGE: \$124,800\*\*
- TRANSLATION: \$25,000
- RETURNED MAIL SERVICE: \$20,000

*\*REFLECTS SAVINGS OF \$317,544 FROM MA HEALTH CONNECTOR PARTNERSHIP*

*\*\*INCLUDES \$40,000 TO BE REIMBURSED BY THE MA HEALTH CONNECTOR*



## **HEALTH COVERAGE AND INNOVATION (HCI): ELIGIBILITY AND ENROLLMENT**

**PROPOSED NPS FY25 BUDGET: \$463,000  
(FY24 BUDGET: \$463,000)**

- MOA WITH OFFICE OF ADMINISTRATIVE HEARINGS FOR ELIGIBILITY APPEALS: \$6,000
- NOTICE PRINTING/MAILING: \$180,000
- AMHARIC/SPANISH TRANSLATION OF NOTICES: \$27,000
- CONSULTING SERVICES: \$250,000



## CONSUMER EDUCATION AND OUTREACH

**PROPOSED FY25 BUDGET: \$3,366,786  
(FY24 BUDGET \$3,363,705)**

- PERSONNEL SERVICES FOR 7 FTEs: \$1,101,937
- NON-PERSONNEL SERVICES: \$2,264,849 (same as FY24)
  - OUTREACH AND ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$1,050,000
  - OUTREACH AND MARKETING: \$1,092,050
  - HEALTH INSURANCE LITERACY: \$90,000
  - DATA RESOURCES: \$25,000
  - ADMIN (OFFICE SUPPLIES, COMPUTER REFRESH): \$7,799



## IT (DCHealthLink.com)

**PROPOSED FY25 BUDGET: \$14,285,511**  
**(FY24 BUDGET: \$13,225,400)**

- PERSONNEL SERVICES FOR 36.5 FTEs: \$6,075,092
- NON-PERSONNEL SERVICES BUDGET: \$8,210,419 (FY24 BUDGET \$7,491,537)
  - IT CONSULTANTS: \$5,661,789
  - SOFTWARE: \$1,744,372
  - EXTRA CARE: \$535,500 (additional resources post-deployments for quicker ticket resolution)
  - MICROSOFT OFFICE 365 LICENSES: \$45,000
  - OCTO: \$125,910
  - ADMIN (OFFICE SUPPLIES, TRAINING, PROFESSIONAL SERVICE, COMPUTER REFRESH): \$97,848



## **AGENCY MANAGEMENT PROGRAM (AMP)**

**PROPOSED FY25 BUDGET: \$6,638,858  
(FY24 BUDGET \$6,365,078)**

- **PERSONNEL SERVICES FOR 21.25 FTEs: \$4,328,376**
- **NON-PERSONNEL SERVICES BUDGET: \$2,310,483**
  - FIXED COST (INCLUDES RENT & TELEPHONE): \$1,672,160
  - MOA WITH DCHR FOR HR SUPPORT SERVICES & SUITABILITY STUDIES: \$110,725
  - MOA WITH DCHR FOR CAPITAL CITY FELLOWS: \$80,198
  - MOA WITH DISB FOR ASSESSMENT SERVICES: \$50,000
  - MOA WITH CONTRACT APPEALS BOARD: \$5,000
  - MOA WITH DSLBD: \$700
  - LEGAL EXPENSES (CONSULTANTS, WESTLAW, ETC): \$44,650
  - EMPLOYEE TRAINING (INCLUDING SOCIAL JUSTICE INITIATIVE TRAINING): \$150,000
  - MEMBERSHIPS & SUBSCRIPTIONS (INCLUDING NASHP): \$32,000
  - CONSULTING SERVICES: \$20,000
  - ADMIN (COMPUTER REFRESH, EQUIPMENT, TRAVEL, OFFICE SUPPLIES): \$145,049





## AGENCY FINANCIAL OPERATIONS (AFO)

**PROPOSED FY25 BUDGET: \$780,040**  
**(FY24 BUDGET: \$829,048)**

- PERSONNEL SERVICES FOR 3 FTEs: \$614,507
- NON-PERSONNEL SERVICES: \$165,533
  - AUDITING SERVICES (INCLUDING ANNUAL COMPREHENSIVE FINANCIAL REPORT AND SMART AUDIT): \$150,000
  - EMPLOYEE TRAINING AND TRAVEL: \$7,000
  - ADMIN (COMPUTER REFRESH, SUPPLIES): \$8,533



## HBX Awards and Recognition

- ✓ **Won 2019 Sustainability and Equity Award:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **Featured in the Fall 2019 AWS City on a Cloud International Announcement For Applications:** <https://aws.amazon.com/stateandlocal/cityonacloud/>
- ✓ **Won 2018 & 2016 Best Practices in Innovation:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **Ranked #1 for consumer decision support tools (ranking of State-Based Marketplaces and Federal Exchange 2018 and 2017)**
- ✓ **Five PR News Awards in 2019 and 2018**
- ✓ **2017 AWS IT case study on cloud solutions:** <https://aws.amazon.com/solutions/case-studies/DC-HBX/>
- ✓ **First in the nation SBM partnership:** Selected by the Massachusetts Health Connector to provide IT solution and on-going operations support for the MA SHOP (Feb 2017)



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