DC Health Benefit Exchange Authority

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HEALTHY DC PLAN

HealthCare4ChildCare HC4CC

Mila Kofman, J.D.
Executive Director
DC Health Benefit Exchange Authority

HBX Proposed Budget FY2027
DC Council Committee on Health
Chairperson Councilmember Henderson

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- ✓HBX Background
- ✓Healthy DC Plan - update
- ✓Federal proposal on paying for state benefit mandates
- ✓Federal law changes requiring major IT updates
- ✓Proposed HBX Budget FY2027

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Who we are and our record of success

- DC Health Link – DC's Affordable Care Act online health insurance marketplace.
  - ✓ Last state to start IT build, 1 of 4 state marketplaces to open for business on time (& stay open) Oct 1, 2013
- HealthCare4ChildCare – DC's locally funded health coverage program (June 2022 law changed, opened for enrollment October 2022, coverage effective January 1, 2023)
- NEW 2026 Healthy DC Plan – DC's Basic Health Plan under section 1331 of the ACA (announced May 2025, opened Nov 1, 2025 for enrollment, coverage started January 1, 2026)

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2026 DC Health Link
Successful ACA State-Based Marketplace

- ✓NEAR UNIVERSAL COVERAGE: approx. 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 approximately 115,000 people (private health insurance)
- ✓Cover 5,300+ District small businesses and non-profits
- ✓Have 700+ DC Health Link brokers providing free help to customers
- ✓Responsible for approximately $800 million in annual premiums
- ✓First in the Nation state-based marketplace Partnership with the Massachusetts Health Connector for Business (2017)

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Healthy DC Plan
Current Enrollment (as of 4/27/26)

Healthy DC Plan Carrier	Current Enrollments April 27, 2026
AmeriHealth Caritas DC Healthy DC Plan	6,577
MedStar Family Choice Healthy DC Plan	3,555
CareFirst BlueCross Blue Shield Healthy DC Plan*	4,694
TOTAL	**14,826**

*There are 44 lawfully present residents with income under 100% FPL covered by CareFirst Blue Cross Blue Shield Healthy DC Plan starting May 1, 2026. These residents are eligible for BHP but not eligible for federal funding due to changes in federal law that became effective January 1, 2026. They are included in current enrollments.

NOTE: 288 residents covered by Healthy DC Plan purchased dental coverage.

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Update since Performance Oversight: Healthy DC Plan

- ✓ HBX and DHCF worked on a fourth auto-enrollment file. HBX enrolled several hundred residents for Healthy DC Plan starting April 1, 2026.
- ✓ HBX worked with carriers on coverage for lawfully present residents who do not qualify for federal funding in Healthy DC Plan. CareFirst Blue Cross Blue Shield Healthy DC Plan agreed to cover impacted residents for 2026. We enrolled 44 residents for coverage starting May 1, 2026.
- ✓ HBX continues to work on non-emergency transportation. This is not a covered benefit.
- ✓ HBX and carriers are on track to implement risk adjustment leveraging existing federal government risk adjustment program.
- ✓ **Mayor Bowser included in the Mayor's Proposed Budget funding for dental and vision benefits.** Planning for implementation.
- ✓ **REMINDER federal law changes for 2027 plan year: HR 1** changed who qualifies for federal funding. Starting January 1, 2027, residents with certain visa status will no longer qualify. This impacts approximately 400 residents covered in Healthy DC Plan and 175 covered in DC Health Link. This is in addition to 2026 changes that resulted in loss of federal coverage for residents under 100% FPL (estimated 250 residents impacted in 2027).

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Update since Performance Oversight: Healthy DC Plan Cont.

- ✓NEW EXPENSE: Outstanding Verifications (OVs) for BHP
- ✓In the first quarter, there are 2,848 Healthy DC Plan enrollees with one or more outstanding verifications requiring documentation. Enrollees have 90 days under federal law to provide documents. Failure to provide will mean loss of coverage.
- ✓Most common outstanding verifications are for income, citizenship and lawfully present status. Outstanding verifications are triggered when trusted data sources cannot verify information from applicants.

First quarter data: total of 4,432 outstanding verifications (some enrollees have multiple outstanding verifications)

- ➢Nearly 80% are open waiting for documentation from enrollees
- ➢2,357 enrollees at risk for losing BHP coverage if they don't provide necessary documents

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HealthCare4ChildCare Current Enrollment

Mayor Bowser's Budget: $12 Million for HC4CC.

- ✓HC4CC covers 2,447 people -- 2,007 employees and 440 dependents.
- ✓HC4CC covers 213 facilities (153 employers).
- ✓Since January 2023, HC4CC has helped 3,517 people and 241 facilities.

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Proposed Payment Parameters Notice 2027

DC passed a mandate applicable to individual, small, and large group health plans to cover fertility treatment including IVF. To-date only for calendar year 2025, the estimated claims for this mandate in individual and small group coverage is approximately $6.6 million (expected to rise to approximately $7million when all claims are validated for calendar year 2025). Claims are from individual, small group, and Congressional enrollees in DC Health Link. DC is paying for this mandate for calendar year 2025.

- While there is no obligation for 2026, proposed federal regulations (not yet finalized) would require DC to pay for claims for individual and small group coverage for this mandate starting as early as plan year 2027.
- If the rule is finalized as proposed, the defrayal cost for fertility treatment is currently estimated to exceed **$8 million** in FY27 and **increase by at least 10% annually** and likely more as enrollees become aware of this benefit and as medical inflation cost increase.

Recommendation: make coverage mandate applicable only if the federal gov't does not require defrayal.

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Other Expenses Not in the Budget

- BHP Cost for vendor to process outstanding verifications: March 2026 is $75,000 (actuals); estimated vendor cost per month: $60,000 to $90,000/month. This is in addition to HBX staff working on outstanding verifications for BHP.
- Budget does not include IT changes for:
  - pre-enrollment verification (HR 1) estimated to be $10+million (guidance at OMB but not yet released; may cost tens of millions to rearchitect IT system);
  - changes to lawfully present (HR 1) estimated $1.3 million;
  - verifications automation estimated $2 million;
  - periodic data matching (BHP) estimated $360,000;
  - notices (BHP) $240,000 (IT) (and $1+ million for printing and mailing);
  - change to shorten open enrollment period $120,000;
  - identity proofing required change $580,000; and
  - other federally required changes.
- Additional staffing needs for new federal audits, e.g., Improper Payment, and non-IT vendor cost related to federal law changes.

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STAFF-PROPOSED BUDGET FY27

- Organized to Reflect Function Areas
- Includes new Basic Health Program (a.k.a. Healthy DC Plan)
- Efficiency: Continue to leverage DC gov't agencies, phase-out consultants and transition to FTEs, and reduce operational costs through partnership with the Massachusetts Health Connector
- FY27 PROPOSED BUDGET **$47,440,511** with a **$43,430,875** PROPOSED BUDGET FOR ASSESSMENT
- Funded through an assessment on health carriers (projected assessment is **0.85%**).

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BUDGET COMPARISON: FY26 & FY27

	FY26 APPROVED BUDGET	FY27 PROPOSED BUDGET	$ CHANGE	% CHANGE
TOTAL PERSONNEL SERVICES	$20,874,335	$25,449,961	$4,575,625**	21.92%
TOTAL NON-PERSONNEL SERVICES	$20,760,135	$21,990,550	$1,230,416	5.93%
TOTAL	$41,634,470	$47,440,511*	$5,796,041	13.95%

*FY27 BUDGET FOR ASSESSMENT: $43,430,875

**Personnel for BHP and federal regulatory framework compliance.

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ANNUAL ASSESSMENT ON HEALTH CARRIERS

Fiscal Year Funded	Assessment Rate
FY27	0.85% (projected)
FY25, FY26	0.800%
FY24	0.825%
FY23	0.800%
FY22	0.825%
FY19, FY20, FY21	0.900%
FY15, FY16, FY17, FY18	1.000%

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HBX STAFF-PROPOSED BUDGET RECONCILIATION TO ASSESSMENT BUDGET

FY27 Proposed Budget	**$47,440,511**
Less:	
8.0 FTEs for MA Health Connector	(975,000)
Admin Fees for MA Health Connector	(380,000)
Contact Center for MA Health Connector	(633,000)
Mailing & Postage for MA Health Connector	(45,000)
Cloud Hosting, IT Development, & Software Licenses for MA Health Connector	(356,636)
Investment and Interest Earnings	(1,620,000)
Net FY27 Budget for Assessment Calculation	**$43,430,875**

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FY27 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

Category	FY27 Budget
Personnel – 8.0 FTEs	975,000
Admin Fees	380,000
Premium Aggregation*	317,546
Contact Center	633,000
Mailing and Postage	45,000
Cloud Hosting, IT Development & Software Licenses	356,636
Total	**$2,707,182**

* SAVINGS ALREADY REFLECTED IN FY27 PROPOSED BUDGET

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SUMMARY STAFF-PROPOSED FY27 BUDGET

AGENCY PROGRAM	BUDGET	FTEs
AGENCY MANAGEMENT OPERATIONS	$7,316,997	23.25
CONSUMER EDUCATION AND OUTREACH	$3,916,728	9.0
PARTNERSHIPS AND MARKETPLACE OPERATIONS	$10,195,684	36.0
HEALTH COVERAGE AND INNOVATION	$5,602,672	33.65
BASIC HEALTH PLAN/HEALTHY DC PLAN	$3,229,849	12.6
IT (DCHealthLink.com)	$16,338,767	39.5
AGENCY FINANCIAL OPERATIONS	$839,814	3.0
TOTAL BUDGET	**$47,440,511***	**157.0****

*FY27 BUDGET FOR ASSESSMENT: $43,430,875

**8 FTEs funded by MA Health Connector. Increased FTEs for BHP and compliance with federal law changes.

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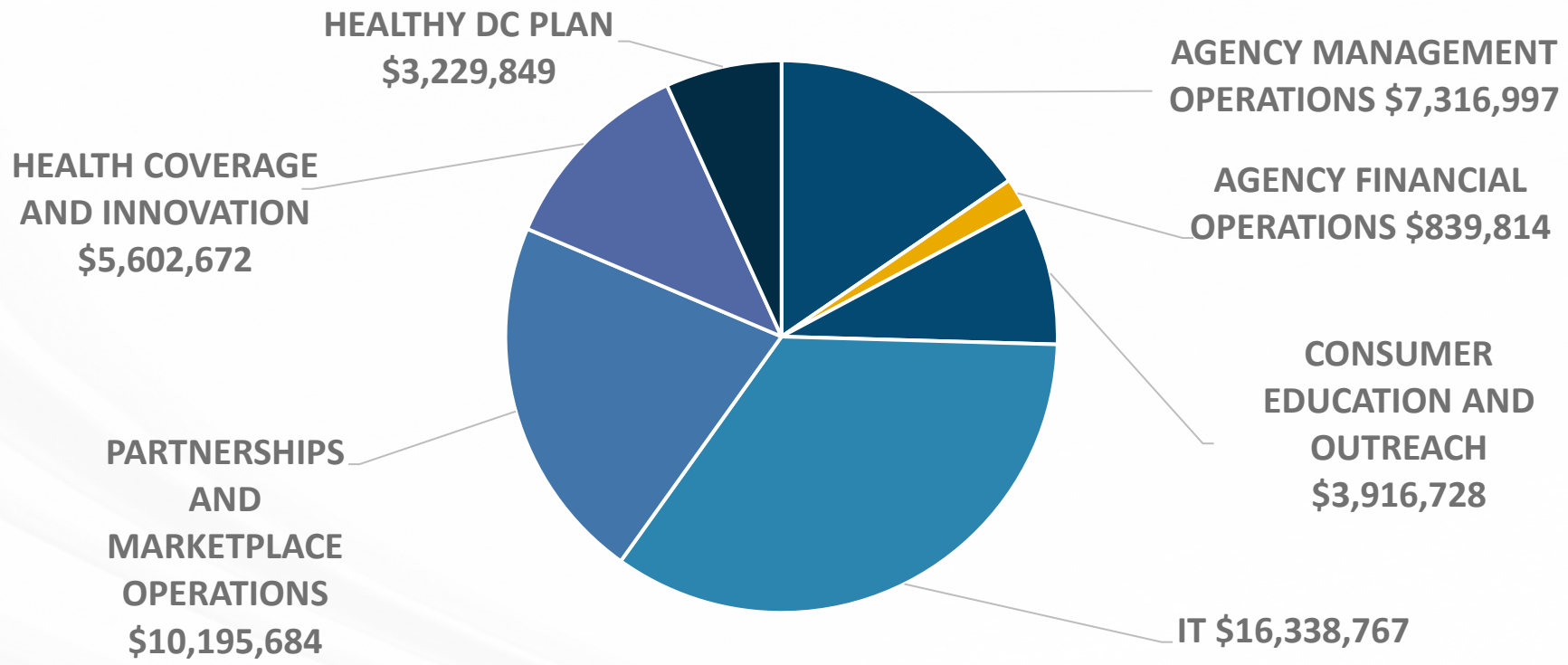
STAFF-PROPOSED FY27 BUDGET BY PROGRAM



FY27 BUDGET FOR ASSESSMENT: $43,430,875

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CONTACT CENTER

(TOTAL COST BELOW IS ALLOCATED: 70% PMO; 14% HCI; 16% BHP)

PROPOSED FY27 NPS BUDGET: $4,925,184* (FY26 NPS BUDGET: $5,139,504)

- CONTACT CENTER SERVICE CONTRACT: $4,303,350 (FY26 $4,581,200)
- SALESFORCE LICENSES: $243,072
- SALESFORCE DEVELOPMENT AND MAINTENANCE: $128,250
- MICROSOFT OFFICE 365 LICENSES: $11,500
- AMAZON CONNECT (TELEPHONY) & TOLL-FREE LINE: $133,980
- ADMIN (COURIER SERVICE, EQUIPMENT, COMPUTER REFRESH, SUPPLIES): $50,432
- LANGUAGE LINE: $54,600

**Includes $633,000 to be reimbursed by MA Health Connector*

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PLAN MANAGEMENT

(TOTAL COST BELOW IS ALLOCATED: 70% PMO; 14% HCI; 16% BHP)

PROPOSED FY27 NPS BUDGET: $1,095,000 (FY26 NPS BUDGET: $870,000)

- ACTUARIAL SERVICES: $175,000
- DOCTOR DIRECTORY, HEALTH PLAN ANONYMOUS SHOPPING (PLAN MATCH), PRESCRIPTION DRUG FORMULARY LOOKUP TOOL, DENTAL PLAN ANONYMOUS SHOPPING, HEALTHY DC PLAN HOSPITAL AND CLINIC DIRECTORY AND PHYSICAN DIRECTORY, HEALTHY DC PLAN ANONYMOUS SHOPPING: $920,000 (FY26 $695,000)

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PERFORMANCE AND STRATEGIC MANAGEMENT

(TOTAL COST BELOW IS ALLOCATED: 70% PMO; 14% HCI; 16% BHP)

PROPOSED FY27 NPS BUDGET: $167,050 (FY26 NPS BUDGET: $177,500)

- BROKER TRAINING: $15,000
- EMMA EMAIL TOOL: $39,350
- DATA ANALYTICS & REPORTING: $1,500
- ADMIN (POSTAGE, TRAINING, SUPPLIES AND EQUIPMENT): $111,200

PARTNERSHIPS AND MARKETPLACE OPERATIONS (PMO)

PROPOSED FY27 NPS BUDGET: $5,370,741 (FY26 NPS BUDGET: $6,177,708)

- CONTACT CENTER: $3,637,506 (cost allocated share and MA partnership)
- PLAN MANAGEMENT: $766,500 (cost allocated share only)
- PERFORMANCE AND STRATEGIC MANAGEMENT: $116,935 (cost allocated share only)
- S.H.O.P.: $849,800 (detail on next slide)

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PARTNERSHIPS & MARKETPLACE OPERATIONS (PMO):
SMALL BUSINESS MARKETPLACE (S.H.O.P.)

PROPOSED FY27 NPS BUDGET: $849,800 (FY26 NPS BUDGET: $874,800)

- PREMIUM AGGREGATION: $475,000*
- CONSULTING SERVICES: $250,000
- MAILING AND POSTAGE: $104,800**
- RETURNED MAIL SERVICE: $20,000

**REFLECTS SAVINGS OF $317,546 FROM MA HEALTH CONNECTOR PARTNERSHIP*

***INCLUDES $45,000 TO BE REIMBURSED BY THE MA HEALTH CONNECTOR*

HEALTH COVERAGE AND INNOVATION (HCI)

PROPOSED FY27 NPS BUDGET: $1,209,588 (FY26 NPS BUDGET: $1,300,096)

- CONTACT CENTER: $600,901 (cost allocated share only)
- PLAN MANAGEMENT: $153,300 (cost allocated share only)
- PERFORMANCE AND STRATEGIC MANAGEMENT: $23,387 (cost allocated share only)
- ELIGIBILITY AND ENROLLMENT: $432,000 (detail on next slide)

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HEALTH COVERAGE AND INNOVATION (HCI):
ELIGIBILITY AND ENROLLMENT

PROPOSED FY27 NPS BUDGET: $432,000 (FY26 NPS BUDGET: $416,000)

- MOA WITH OFFICE OF ADMINISTRATIVE HEARINGS FOR ELIGIBILITY APPEALS: $15,000
- NOTICE PRINTING/MAILING: $140,000
- AMHARIC/SPANISH TRANSLATION OF NOTICES: $27,000
- CONSULTING SERVICES: $250,000

HEALTHY DC PLAN

PROPOSED FY27 NPS BUDGET: $1,525,604 (NEW: NO FY26 NPS BUDGET)

- CONTACT CENTER: $686,776 (cost allocated share only)
- PLAN MANAGEMENT: $175,200 (cost allocated share only)
- PERFORMANCE AND STRATEGIC MANAGEMENT: $26,728 (cost allocated share only)
- HEALTHY DC PLAN ELIGIBILITY AND ENROLLMENT: $636,900 (detail on next slide)

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HEALTHY DC PLAN: ELIGIBILITY AND ENROLLMENT

PROPOSED FY27 NPS BUDGET: $636,900 (NEW: NO FY26 NPS BUDGET)

- MOA WITH OAH FOR ELIGIBILITY APPEALS: $10,000
- DISB MOU: $115,104
- ENROLLMENT (834 FILES) AND PAYMENT (820 FILES) TRANSACTIONS WITH CARRIERS: $156,900
- NOTICE PRINTING/MAILING: $75,000
- TRANSLATION: $20,000
- RETURNED MAIL SERVICE: $125,000
- CONSULTING SERVICES: $134,896

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CONSUMER EDUCATION AND OUTREACH

PROPOSED FY27 NPS BUDGET: $2,264,849 (FY26 NPS BUDGET: $2,264,849)

- OUTREACH & ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ ASSISTERS: $1,050,000
- OUTREACH & MARKETING: $1,092,050
- HEALTH INSURANCE LITERACY: $90,000
- DATA RESOURCES: $25,000
- ADMIN (OFFICE SUPPLIES, COMPUTER REGRESH): $7,799

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IT (DCHealthLink.com and HealtyDCPlan.com)

PROPOSED FY27 NPS BUDGET: $9,330,027 (FY26 NPS BUDGET: $8,612,310)

- IT CONSULTANTS: $5,958,755
- SOFTWARE: $2,479,984 (FY26: $2,005,300)
- EXTRA CARE: $535,500
- MICROSOFT OFFICE 365 LICENSES: $65,000
- OCTO: $211,788 (FY26: $148,432)
- ADMIN (OFFICE SUPPLIES, TRAINING, PROFESSIONAL SERVICE, COMPUTER REFRESH): $79,000

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AGENCY MANAGEMENT PROGRAM (AMP)

PROPOSED FY27 NPS BUDGET: $2,127,208 (FY26 NPS BUDGET: $2,242,139)

- FIXED COST (INCLUDES RENT & TELEPHONE): $1,658,007
- MOA WITH DCHR FOR HR SUPPORT SERVICES & SUITABILITY: $95,000
- MOA WITH DISB FOR ASSESSMENT SERVICES: $50,000
- MOA WITH CONTRACT APPEALS BOARD: $2,000
- MOA WITH DSLBD: $672
- LEGAL EXPENSES (CONSULTANTS, WESTLAW, ETC): $41,650
- EMPLOYEE TRAINING (INCLUDING SOCIAL JUSTICE TRAINING): $77,000
- MEMBERSHIPS & SUBSCRIPTIONS (INCLUDING NASHP): $35,000
- CONSULTING SERVICES: $20,000
- ADMIN (COMPUTER REFRESH, EQUIPMENT, TRAVEL, OFFICE SUPPLIES): $147,879

AGENCY FINANCIAL OPERATIONS (AFO)

PROPOSED FY27 NPS BUDGET: $162,533 (FY26 NPS BUDGET: $163,033)

- AUDITING SERVICES (INCLUDING ANNUAL COMPREHENSIVE FINANCIAL REPORT AND SMART AUDIT): $150,000
- EMPLOYEE TRAINING AND TRAVEL: $7,000
- ADMIN (COMPUTER REFRESH, SUPPLIES): $5,533

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HBX Awards and Recognition

- ✓ **Awarded DC Chamber of Commerce Small Business Champion of the Year Award (May 2026)**
- ✓ **Awarded Mayor Bowser's DC Impact Award (April 2026)**
- ✓ **Awarded Medical Society of the District of Columbia's John Benjamin Nichols Award (March 2026)**
- ✓ **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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It Takes a Village

- DC Mayors and Councilmembers
- DC Health Link Business Partners
- DC Health Link Assisters, Navigators & Certified Application Counselors
- DC Health Link Certified Brokers
- DC Government Agencies
- Faith-based Community
- Community Organizations
- Business Leaders
- Providers

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greaterwashington hispanic chamber of commerce

DC Chamber of Commerce DELIVERING THE CAPITAL

NABIP Shaping the *future* of healthcare

RAMW RESTAURANT ASSOCIATION METROPOLITAN WASHINGTON