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# Health Benefit Exchange Authority

<http://hbx.dc.com>

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Description	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed	% Change from FY 2014
Operating Budget	\$10,914,705	\$66,140,499	\$28,751,244	-56.5
FTEs	0.0	37.0	54.0	45.9

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The mission of the D.C. Health Benefit Exchange Authority is to implement a health care exchange program in the District of Columbia in accordance with the Patient Protection and Affordable Care Act, thereby ensuring access to quality and affordable health care to all District of Columbia residents.

## Summary of Services

In March of 2010, the Patient Protection and Affordable Care Act of 2010 was signed into law with the central goal of ensuring that all Americans have access to quality, affordable health care. In 2014, significant health insurance reforms were implemented including the establishment of Health Benefit Exchanges nationwide. The D.C. Health Benefit Exchange Authority is a quasi-governmental agency of the District of Columbia government charged with implementing and operating the District's Health Benefit Exchange. The Health Benefit Exchange is an online marketplace for District residents and small businesses to compare private health insurance plans, learn if they are eligible for tax credits or subsidies to purchase private insurance or qualify for public health programs such as Medicaid, and enroll in a health plan that best meets their needs. The Health Benefit Exchange enables individuals and small employers to find affordable and easier-to-understand health insurance and assist small employers in purchasing qualified health plans for their employees. Enrollment in the District's Health Benefit Exchange began October 2013, with coverage starting January 1, 2014.

The agency's FY 2015 proposed budget is presented in the following tables:

## FY 2015 Proposed Gross Funds Operating Budget, by Revenue Type

Table HI0-1 contains the proposed FY 2015 agency budget compared to the FY 2014 approved budget. It also provides FY 2013 actual expenditures.

**Table HI0-1**  
(dollars in thousands)

Appropriated Fund	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
<b>General Fund</b>					
Special Purpose Revenue Funds	10,915	66,140	0	-66,140	-100.0
<b>Total for General Fund</b>	<b>10,915</b>	<b>66,140</b>	<b>0</b>	<b>-66,140</b>	<b>-100.0</b>
<b>Enterprise and Other</b>					
Enterprise and Other Funds	0	0	28,751	28,751	N/A
<b>Total for Enterprise and Other</b>	<b>0</b>	<b>0</b>	<b>28,751</b>	<b>28,751</b>	<b>N/A</b>
<b>Gross Funds</b>	<b>10,915</b>	<b>66,140</b>	<b>28,751</b>	<b>-37,389</b>	<b>-56.5</b>

\*Percent change is based on whole dollars.

**Notes:** If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2015 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2015 Proposed Full-Time Equivalents, by Revenue Type

Table HI0-2 contains the proposed FY 2015 FTE level compared to the FY 2014 approved FTE level by revenue type. It also provides FY 2013 actual data.

**Table HI0-2**

Appropriated Fund	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change
<b>General Fund</b>					
Special Purpose Revenue Funds	0.0	37.0	0.0	-37.0	-100.0
<b>Total for General Fund</b>	<b>0.0</b>	<b>37.0</b>	<b>0.0</b>	<b>-37.0</b>	<b>-100.0</b>
<b>Enterprise and Other</b>					
Enterprise and Other Funds	0.0	0.0	54.0	54.0	N/A
<b>Total for Enterprise and Other</b>	<b>0.0</b>	<b>0.0</b>	<b>54.0</b>	<b>54.0</b>	<b>N/A</b>
<b>Total Proposed FTEs</b>	<b>0.0</b>	<b>37.0</b>	<b>54.0</b>	<b>17.0</b>	<b>45.9</b>

## FY 2015 Proposed Operating Budget, by Comptroller Source Group

Table HI0-3 contains the proposed FY 2015 budget at the Comptroller Source Group (object class) level compared to the FY 2014 approved budget. It also provides FY 2013 actual expenditures.

**Table HI0-3**  
(dollars in thousands)

Comptroller Source Group	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
11 - Regular Pay - Continuing Full Time	1,580	3,946	5,762	1,817	46.0
12 - Regular Pay - Other	0	0	394	394	N/A
13 - Additional Gross Pay	23	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	196	908	1,478	570	62.8
15 - Overtime Pay	2	0	0	0	N/A
<b>Subtotal Personal Services (PS)</b>	<b>1,801</b>	<b>4,853</b>	<b>7,634</b>	<b>2,781</b>	<b>57.3</b>
20 - Supplies and Materials	14	22	20	-2	-9.7
31 - Telephone, Telegraph, Telegram, Etc.	50	0	68	68	N/A
32 - Rentals - Land and Structures	0	780	1,588	808	103.6
40 - Other Services and Charges	51	131	2,357	2,225	1,694.5
41 - Contractual Services - Other	8,534	45,079	17,060	-28,019	-62.2
50 - Subsidies and Transfers	464	15,200	0	-15,200	-100.0
70 - Equipment and Equipment Rental	0	75	25	-50	-66.6
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>9,114</b>	<b>61,287</b>	<b>21,117</b>	<b>-40,170</b>	<b>-65.5</b>
<b>Gross Funds</b>	<b>10,915</b>	<b>66,140</b>	<b>28,751</b>	<b>-37,389</b>	<b>-56.5</b>

\*Percent change is based on whole dollars.

## **Program Description**

The Health Benefit Exchange Authority operates through the following 7 programs:

**Plan Management** – working in conjunction with local and federal regulatory bodies, establishes and oversees the process to certify, recertify, and decertify qualified health plans available on the Exchange, along with assigning quality ratings to each qualified health plan and applying the ratings for certification.

**Eligibility and Enrollment** – provides a seamless, web-based eligibility process for enrollment in the qualified health plans available through the Health Benefit Exchange, as well as Medicaid and other government assistance programs in the District.

**SHOP Operations** – provides support to the Small Business Health Options Program (SHOP) exchange. The SHOP facilitates the purchase of coverage in qualified health plans for employees of small businesses with 2 to 50 employees that choose to purchase coverage through the D.C. Health Benefit Exchange and conducts employer eligibility appeals.

**Consumer Education and Outreach** – informs residents about the Health Benefit Exchange, the health coverage options available through it, and the benefits of purchasing coverage through the Exchange; provides ease of access to various health plans through an on-line information and enrollment system; and assists individuals with eligibility for premium subsidies, cost-sharing reductions, as well as whether they may be eligible for Medicaid or other public benefit programs.

**Business Development** – promotes economic development through marketing initiatives and the establishment of new business relationships that ensure District residents have access to a broad range of affordable, easily accessible and diverse health care options.

**Agency Management** – provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

**Agency Financial Operations** – provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This program is standard for all agencies using performance-based budgeting.

## **Program Structure Change**

The Health Benefit Exchange Authority has no program structure changes in the FY 2015 proposed budget.

## FY 2015 Proposed Operating Budget and FTEs, by Program and Activity

Table HI0-4 contains the proposed FY 2015 budget by program and activity compared to the FY 2014 approved budget. It also provides the FY 2013 actual data.

**Table HI0-4**

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014
<b>(1000) Agency Management</b>								
(1010) Personnel	0	159	301	142	0.0	1.0	1.0	0.0
(1015) Training	0	55	35	-20	0.0	0.0	0.0	0.0
(1020) Contracts and Procurement	9,521	14,295	1,614	-12,681	0.0	2.0	5.0	3.0
(1030) Property Management	50	1,187	1,083	-105	0.0	0.0	0.0	0.0
(1040) Information Technology	99	30,350	9,107	-21,243	0.0	2.0	5.0	3.0
(1055) Risk Management	0	300	100	-200	0.0	0.0	0.0	0.0
(1060) Legal Services	261	608	1,025	417	0.0	4.0	5.0	1.0
(1070) Fleet Management	0	12	0	-12	0.0	0.0	0.0	0.0
(1080) Communications	215	441	486	45	0.0	3.0	3.0	0.0
(1085) Customer Service	58	174	329	155	0.0	3.0	4.0	1.0
(1090) Performance Management	586	1,129	2,734	1,605	0.0	6.0	11.0	5.0
<b>Subtotal (1000) Agency Management</b>	<b>10,790</b>	<b>48,711</b>	<b>16,815</b>	<b>-31,896</b>	<b>0.0</b>	<b>21.0</b>	<b>34.0</b>	<b>13.0</b>
<b>(100F) Agency Financial Operations</b>								
(110F) Budget Operations	0	101	120	19	0.0	1.0	1.0	0.0
(120F) Accounting Operations	-35	213	124	-89	0.0	2.0	1.0	-1.0
(140F) Agency Fiscal officer	35	642	422	-220	0.0	3.0	2.0	-1.0
<b>Subtotal (100F) Agency Financial Operations</b>	<b>0</b>	<b>956</b>	<b>666</b>	<b>-290</b>	<b>0.0</b>	<b>6.0</b>	<b>4.0</b>	<b>-2.0</b>
<b>(2000) Plan Management</b>								
(2010) Plan Management Support Service	55	243	5,919	5,676	0.0	2.0	4.0	2.0
<b>Subtotal (2000) Plan Management</b>	<b>55</b>	<b>243</b>	<b>5,919</b>	<b>5,676</b>	<b>0.0</b>	<b>2.0</b>	<b>4.0</b>	<b>2.0</b>
<b>(3000) Eligibility and Enrollment</b>								
(3010) Eligibility and Enrollment Support Services	20	243	2,698	2,454	0.0	2.0	2.0	0.0
<b>Subtotal (3000) Eligibility and Enrollment</b>	<b>20</b>	<b>243</b>	<b>2,698</b>	<b>2,454</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>
<b>(4000) S.H.O.P. Operations</b>								
(4010) S.H.O.P. Operations Support Services	20	243	373	130	0.0	2.0	3.0	1.0
<b>Subtotal (4000) S.H.O.P. Operations</b>	<b>20</b>	<b>243</b>	<b>373</b>	<b>130</b>	<b>0.0</b>	<b>2.0</b>	<b>3.0</b>	<b>1.0</b>

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**Table HI0-4 (Continued)**

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014
<b>(5000) Consumer Education and Outreach</b>								
(5010) Consumer Education and Outreach Support Services	0	15,200	1,479	-13,721	0.0	0.0	2.0	2.0
<b>Subtotal (5000) Consumer Education and Outreach</b>	<b>0</b>	<b>15,200</b>	<b>1,479</b>	<b>-13,721</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>
<b>(6000) Business Development</b>								
(6010) Business Development Support Services	30	544	802	258	0.0	4.0	5.0	1.0
<b>Subtotal (6000) Business Development</b>	<b>30</b>	<b>544</b>	<b>802</b>	<b>258</b>	<b>0.0</b>	<b>4.0</b>	<b>5.0</b>	<b>1.0</b>
<b>Total Proposed Operating Budget</b>	<b>10,915</b>	<b>66,140</b>	<b>28,751</b>	<b>-37,389</b>	<b>0.0</b>	<b>37.0</b>	<b>54.0</b>	<b>17.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

**Note:** For more detailed information regarding the proposed funding for the activities within this agency's divisions, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2015 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2015 Proposed Budget Changes

The Health Benefit Exchange Authority's (HBX) proposed FY 2015 gross budget is \$28,751,244, which represents a 56.5 percent decrease from its FY 2014 approved gross budget of \$66,140,499. The budget is comprised entirely of Enterprise and Other funds.

**Note:** For FY 2015, a new appropriated fund, Enterprise and Other Funds, was created to replace the appropriated fund associated with the General Fund. In tables that categorized changes by fund, the budget associated with the original appropriated fund, Special Purpose Revenue, is reflected as a decrease. As the budget shifts from the General Fund to the new Enterprise and Other appropriated fund, the budget is shown as a corresponding increase.

### Agency Budget Submission

**Shift:** In FY 2015, the entire budget for HBX is being reclassified from Special Purpose Revenue funds into the newly created appropriation fund officially titled Enterprise and Other Funds. This reclassification of funds accounts for a budget decrease of \$66,140,499 in Special Purpose Revenue funds. In Enterprise and Other Funds, the budget reflects an increase of \$28,751,244, which represents the total budget proposed for HBX in FY 2015. The gross funds budget for HBX therefore reflects a net decrease of \$37,389,255 from the FY 2014 approved budget. There are several components to this change that highlights the agency funding reallocations.

The agency's proposed budget submission includes an increase of \$2,780,607 in funding for personal services. This amount includes \$1,682,350 to support an additional 17.0 FTEs. These FTEs will be used to inform residents and businesses about the benefits of the Health Benefit Exchange Authority (the Exchange), provide information about the on-line enrollment system, facilitate the purchase of coverage, answer queries regarding the various options available, and provide support to achieve operational and programmatic goals. The remaining \$1,098,257 will be used to cover projected salary step increases, cost-of-living adjustments, and Fringe Benefits costs.

The budget proposal includes an increase of \$1,358,605 for Information Technology assessments from the Office of the Chief Technology Officer. Marketing, advertising, insurance, and server maintenance costs will further increase the proposed budget by \$866,658. These functions are critical to the overall success of the agency's mission and continued success. The Department of General Services has projected the agency's Fixed Costs estimate for rent to increase by \$808,000. This is primarily due to the call center, which is located at 995 L'Enfant Plaza, S.W., and the administration office at 1225 I Street, N.W. To account for the Fixed Costs estimate for Telecommunications, the budget was increased by \$67,903.

A decrease of \$52,000 is included in the budget proposal to facilitate the reduction of operational costs. Additionally, a reduction of \$15,200,000 represents funding that was used to support grant and provider payment services in FY 2014, mainly involving information technology activities. These grants, which are held in the Department of Health Care Finance, will expire in Fiscal Year 2014.

Finally, the proposed budget submission includes a decrease of \$28,019,028 in Contractual Services. This is the result of the elimination of initial start-up costs associated with the establishment of the Exchange.

### Mayor's Proposed Budget

**No Change:** The Health Benefit Exchange Authority's budget proposal reflects no change from the agency budget submission to the Mayor's proposed budget.

### District's Proposed Budget

**No Change:** The Health Benefit Exchange Authority's budget proposal reflects no change from the Mayor's proposed budget to the District's proposed budget.

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## FY 2014 Approved Budget to FY 2015 Proposed Budget, by Revenue Type

Table HI0-5 itemizes the changes by revenue type between the FY 2014 approved budget and the FY 2015 proposed budget.

**Table HI0-5**  
(dollars in thousands)

DESCRIPTION	PROGRAM	BUDGET	FTE
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Approved Budget and FTE</b>		<b>66,140</b>	<b>37.0</b>
Shift: To reallocate funding within agency (across fund types)	Multiple Programs	-66,140	-37.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Agency Budget Submission</b>		<b>0</b>	<b>0.0</b>
<b>ENTERPRISE AND OTHER FUNDS: FY 2014 Approved Budget and FTE</b>		<b>0</b>	<b>0.0</b>
Shift: To reallocate funding within agency (across fund types)	Multiple Programs	28,751	54.0
<b>ENTERPRISE AND OTHER FUNDS: FY 2015 Agency Budget Submission</b>		<b>28,751</b>	<b>54.0</b>
No Change		0	0.0
<b>ENTERPRISE AND OTHER FUNDS: FY 2015 Mayor's Proposed Budget</b>		<b>28,751</b>	<b>54.0</b>
No Change		0	0.0
<b>ENTERPRISE AND OTHER FUNDS: FY 2015 District's Proposed Budget</b>		<b>28,751</b>	<b>54.0</b>
<b>Gross for HI0 - D.C. Health Benefit Exchange Authority</b>		<b>28,751</b>	<b>54.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)