
Health Benefit Exchange Authority

www.hbx.dc.gov

Telephone: 202-715-7576

Description	FY 2014 Actual	FY 2015 Approved	FY 2016 Proposed	% Change from FY 2015
Operating Budget	\$33,034,067	\$28,751,244	\$32,513,186	13.1
FTEs	38.2	54.0	73.0	35.2

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 will enable 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 2016 proposed budget is presented in the following tables:

FY 2016 Proposed Gross Funds Operating Budget, by Revenue Type

Table HI0-1 contains the proposed FY 2016 agency budget compared to the FY 2015 approved budget. It also provides FY 2013 and FY 2014 actual expenditures.

Table HI0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
General Fund						
Special Purpose Revenue Funds	10,915	33,034	0	0	0	N/A
Total for General Fund	10,915	33,034	0	0	0	N/A
Enterprise and Other						
Enterprise and Other Funds	0	0	28,751	32,513	3,762	13.1
Total for Enterprise and Other	0	0	28,751	32,513	3,762	13.1
Gross Funds	10,915	33,034	28,751	32,513	3,762	13.1

*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 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Full-Time Equivalents, by Revenue Type

Table HI0-2 contains the proposed FY 2016 FTE level compared to the FY 2015 approved FTE level by revenue type. It also provides FY 2013 and FY 2014 actual data.

Table HI0-2

Appropriated Fund	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change
General Fund						
Special Purpose Revenue Funds	0.0	38.2	0.0	0.0	0.0	N/A
Total for General Fund	0.0	38.2	0.0	0.0	0.0	N/A
Enterprise and Other						
Enterprise and Other Funds	0.0	0.0	54.0	73.0	19.0	35.2
Total for Enterprise and Other	0.0	0.0	54.0	73.0	19.0	35.2
Total Proposed FTEs	0.0	38.2	54.0	73.0	19.0	35.2

FY 2016 Proposed Operating Budget, by Comptroller Source Group

Table HI0-3 contains the proposed FY 2016 budget at the Comptroller Source Group (object class) level compared to the FY 2015 approved budget. It also provides FY 2013 and FY 2014 actual expenditures.

Table HI0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
11 - Regular Pay - Continuing Full Time	1,580	4,052	5,762	6,903	1,140	19.8
12 - Regular Pay - Other	0	25	394	834	440	111.7
13 - Additional Gross Pay	23	111	0	111	111	N/A
14 - Fringe Benefits - Current Personnel	196	635	1,478	1,912	435	29.4
15 - Overtime Pay	2	28	0	0	0	N/A
Subtotal Personal Services (PS)	1,801	4,851	7,634	9,760	2,126	27.8
20 - Supplies and Materials	14	26	20	63	44	224.5
31 - Telephone, Telegraph, Telegram, Etc.	50	97	68	301	233	343.5
32 - Rentals - Land and Structures	0	465	1,588	1,801	213	13.4
40 - Other Services and Charges	51	257	2,357	2,175	-182	-7.7
41 - Contractual Services - Other	8,534	22,736	17,060	18,388	1,328	7.8
50 - Subsidies and Transfers	464	4,520	0	0	0	N/A
70 - Equipment and Equipment Rental	0	81	25	25	0	-1.2
Subtotal Nonpersonal Services (NPS)	9,114	28,183	21,117	22,753	1,636	7.7
Gross Funds	10,915	33,034	28,751	32,513	3,762	13.1

*Percent change is based on whole dollars.

Program Description

The Health Benefit Exchange Authority operates through the following 5 programs:

Consumer Education and Outreach – educates and informs District residents, small business owners, and small business employees about health coverage options available through DC Health Link by organizing special events, participating in sponsored activities, conducting educational seminars, partnering with other District agencies and organizations as well as conducting intensive outreach through all of these methods.

This program contains the following 3 activities:

- **Consumer Education and Outreach Support Services** – educates District residents, small business owners and small business employees about health coverage options available through DC Health Link by organizing special events, participating in outside events, conducting educational seminars, partnering with other District agencies and organizations, and conducting intensive outreach through all of these methods;
- **Marketing and Communication** - provides support and awareness for DC Health Link through development of an earned media plan, printed materials for distribution, paid media campaign that may include outdoor advertising, broadcast, newspapers and other publications, digital, and social media avenues; and
- **Navigators Counselors and In Person Assisters (IPA)** - the Navigator program is required by the Affordable Care Act. Navigators and Certified Application Counselors provide people one-on-one help with enrollment.

Marketplace Innovation Policy and Operations – performs functions required of all state-based marketplaces, including plan management eligibility determinations, and certification of qualified health and dental plans, as well as to ensure the efficient operation of an on-line insurance marketplace where individuals, families, small businesses, and their employees can shop and enroll in health insurance.

This program contains the following 6 activities:

- **Contact Center** – required for state-based marketplaces and is a condition for certification as a state-based marketplace. Contact center takes calls to assist consumers with DC Health Link questions and on-line applications. Processes paper applications and provides information for escalated cases to the HBX and Economic Security Administration (ESA);
- **Plan Management** - required for state-based marketplaces and is a condition for certification as a state-based marketplace. Working in conjunction with local and federal regulatory bodies, establishes and oversees the process to certify, recertify, and decertify Qualified Health Plans and Qualified Dental Plans available through DC Health Link. Also manages enrollment issues between Qualified Health Plan and Qualified Dental Plan carriers including the coordination of all Electronic Data Interchange (EDI)-related transactions to and from DC Health Link;
- **Eligibility and Enrollment** - required for state-based marketplaces and is a condition for certification as a state-based marketplace. With the support of IT, designs and manages the eligibility and enrollment process through a seamless, web-based application to determine individual and family member eligibility for Medicaid and/or advanced premium tax credits and to enable individuals and families to enroll in qualified health plans and qualified dental plans available through DC Health Link, manages and facilitates a legally required consumer appeals process; and, as required by federal law, provides tax reporting information to consumers and the IRS;
- **Member Services** - responsible for core customer service responsibilities essential to successful Exchange operations and evaluated as part of the state-based marketplace certification process. Researches complex customer service problems and works with multiple stakeholders to resolve those issues. Provides assistance to consumers with complex circumstances and to those needing extra help navigating the DC Health Link online marketplace, resolving any technical difficulties a customer may experience,

ensuring that changes to eligibility and enrollment information are quickly updated and processed, enabling consumers to conduct certain services (such as address changes, reporting of life events, or special enrollment period transactions) over the phone, and resolving all escalated cases from the Contact Center and other sources;

- **Data Analytics and Reporting** - responsible for the development and implementation of federally required data reporting requirements and consumer-related surveys. This team manages the end-to-end process of developing functionality for electronic federal data reporting as well as the creation and dissemination of required IRS 1095A forms for tax reporting purposes. Develops consumer-related surveys around enrollment and satisfaction with DC Health Link; and
- **S.H.O.P. Operations** - required for state-based marketplaces and is a condition for certification as a state-based marketplace. Develops, operates and manages DC Health Link's Small Business Health Options Program (SHOP). The SHOP facilitates enrollment into qualified health plans for employees of small businesses that purchase coverage through the DC Health Link. This team manages that process from end-to-end, designs system improvements, and troubleshoots systems issues to ensure effective operation of the SHOP Marketplace. Works with IT on design, manages broker relationships, training, certification, and cases. Conducts outreach and works with the small business community.

IT Related Operations – maintains, improves, and supports the Information Technology (IT) components necessary to operate DC Health Link.

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 proposed program structure changes are provided in the Agency Realignment appendix to the proposed budget, which is located at www.cfo.dc.gov on the Annual Operating Budget and Capital Plan page.

FY 2016 Proposed Operating Budget and FTEs, by Program and Activity

Table HI0-4 contains the proposed FY 2016 budget by program and activity compared to the FY 2015 approved budget. It also provides the FY 2014 actual data.

Table HI0-4

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015
(1000) Agency Management								
(1010) Personnel	46	301	261	-40	1.0	1.0	1.0	0.0
(1015) Training	62	35	15	-20	0.0	0.0	0.0	0.0
(1020) Contracts and Procurement	11,943	1,614	623	-991	2.1	5.0	5.0	0.0
(1030) Property Management	871	1,083	1,467	384	0.0	0.0	0.0	0.0
(1040) Information Technology	10,805	9,107	110	-8,997	2.1	5.0	1.0	-4.0
(1055) Risk Management	300	100	0	-100	0.0	0.0	0.0	0.0
(1060) Legal Services	765	1,025	886	-139	4.1	5.0	3.5	-1.5
(1080) Communications	336	486	0	-486	3.1	3.0	0.0	-3.0
(1085) Customer Service	323	329	0	-329	3.1	4.0	0.0	-4.0
(1090) Performance Management	1,116	2,734	1,242	-1,492	6.2	11.0	5.5	-5.5
Subtotal (1000) Agency Management	26,568	16,815	4,605	-12,210	21.7	34.0	16.0	-18.0
(100F) Agency Financial Operations								
(110F) Budget Operations	112	120	133	12	1.0	1.0	1.0	0.0
(120F) Accounting Operations	132	124	137	13	2.1	1.0	1.0	0.0
(140F) Agency Fiscal Officer	233	422	436	14	3.1	2.0	2.0	0.0
Subtotal (100F) Agency Financial Operations	477	666	706	40	6.2	4.0	4.0	0.0
(2000) Plan Management								
(2010) Plan Management Support Service	440	5,919	0	-5,919	2.1	4.0	0.0	-4.0
Subtotal (2000) Plan Management	440	5,919	0	-5,919	2.1	4.0	0.0	-4.0
(3000) Eligibility and Enrollment								
(3010) Eligibility and Enrollment Support Service	244	2,698	0	-2,698	2.1	2.0	0.0	-2.0
Subtotal (3000) Eligibility and Enrollment	244	2,698	0	-2,698	2.1	2.0	0.0	-2.0
(4000) S.H.O.P. Operations								
(4010) S.H.O.P. Operations Support Service	243	373	0	-373	2.1	3.0	0.0	-3.0
Subtotal (4000) S.H.O.P. Operations	243	373	0	-373	2.1	3.0	0.0	-3.0
(5000) Consumer Education and Outreach								
(5010) Consumer Education and Outreach								
Support Services	4,520	1,479	738	-741	0.0	2.0	3.0	1.0
(5020) Marketing and Communication	0	0	315	315	0.0	0.0	2.0	2.0
(5040) Navigators Counselors and IPA	0	0	244	244	0.0	0.0	0.5	0.5
Subtotal (5000) Consumer Education and Outreach	4,520	1,479	1,297	-182	0.0	2.0	5.5	3.5

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Table HI0-4 (Continued)

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015
(6000) Business Development								
(6010) Business Development Support Services	542	802	0	-802	4.1	5.0	0.0	-5.0
Subtotal (6000) Business Development	542	802	0	-802	4.1	5.0	0.0	-5.0
(7000) Marketplace Innovation Policy and Operations								
(7010) Contact Center	0	0	4,882	4,882	0.0	0.0	1.0	1.0
(7020) Plan Management	0	0	2,150	2,150	0.0	0.0	4.0	4.0
(7030) Eligibility and Enrollment	0	0	3,304	3,304	0.0	0.0	5.5	5.5
(7040) Member Services	0	0	1,357	1,357	0.0	0.0	12.0	12.0
(7050) Data Analytics and Reporting	0	0	389	389	0.0	0.0	3.0	3.0
(7060) S.H.O.P Operations	0	0	2,429	2,429	0.0	0.0	11.0	11.0
Subtotal (7000) Marketplace Innovation Policy and Operations	0	0	14,510	14,510	0.0	0.0	36.5	36.5
(8000) IT Related Operations								
(8010) IT Related Operations	0	0	11,396	11,396	0.0	0.0	11.0	11.0
Subtotal (8000) IT Related Operations	0	0	11,396	11,396	0.0	0.0	11.0	11.0
Total Proposed Operating Budget	33,034	28,751	32,513	3,762	38.2	54.0	73.0	19.0

(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 programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Budget Changes

The Health Benefit Exchange Authority's proposed FY 2016 gross budget is \$32,513,186, which represents a 13.1 percent increase over its FY 2015 approved gross budget of \$28,751,244. The budget is comprised entirely of Enterprise and Other funds.

Agency Budget Submission

One of the primary goals of the Affordable Care Act (ACA) is to reduce the number of uninsured Americans. In the District of Columbia, more than 1,800 new people have signed up for new health insurance plans in 2014 through the health insurance marketplace, and 13,100 existing customers have either renewed their insurance plans or have made changes to existing plans. To more effectively meet the ACA's mission and the growing needs of District residents, the Health Benefit Exchange Authority (The Exchange) will establish two new programs in FY 2016; Marketplace Innovation Policy and Operations, and IT Related Operations.

Increase: A nonpersonal services budget of \$9,777,535 (excluding fixed costs) is proposed for the newly formed Marketplace Innovation Policy and Operations program. Of this amount, \$9,403,939 will be used in Contractual Services for call center operations, eligibility and enrollment services, and premium aggregation services. The remaining \$373,596 will be allocated to fulfill additional ACA requirements such as printed materials and services, record retention services, certification processes and quality rating services.

The IT Related Operations program has a proposed nonpersonal services budget of \$9,466,819. These funds will be used to obtain software licenses and hardware support for ACA requirements and maintenance agreements. IT consultants will also be utilized to improve on ACA system efficiencies and upgrades. Furthermore, an increase of \$1,690,968 is necessary to support projected step increases and 19.0 FTEs across the agency to support program objectives. The fixed costs estimates for Telephone and Rent collectively account for an increase of \$446,665, and Fringe Benefits are projected to increase by \$434,813.

Decrease: A decrease of \$2,092,189 across multiple programs is necessary to align funding with projected expenditures. The Exchange will decrease the budget within the Plan Management, Eligibility and Enrollment, Business Development, and S.H.O.P Operations programs to adequately support the newly formed Marketplace Innovation Policy and Operations, and IT Related Operations programs. These actions will result in a nonpersonal services decrease of \$7,219,612. Lastly, a decrease of \$8,743,056 in Contractual Services – Other is the result of the IT budget being reallocated from the Agency Management program to the IT Related Operations program.

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.

FY 2015 Approved Budget to FY 2016 Proposed Budget, by Revenue Type

Table HI0-5 itemizes the changes by revenue type between the FY 2015 approved budget and the FY 2016 proposed budget.

Table HI0-5
(dollars in thousands)

DESCRIPTION	PROGRAM	BUDGET	FTE
ENTERPRISE AND OTHER FUNDS: FY 2015 Approved Budget and FTE		28,751	54.0
Increase: To support new program initiative(s)	Marketplace Innovation Policy and Operations	9,778	0.0
Increase: To support new program initiative(s)	IT Related Operations	9,467	0.0
Increase: To support additional FTEs	Multiple Programs	1,691	19.0
Increase: To align Fixed Costs with proposed estimates	Multiple Programs	447	0.0
Increase: To align the Fringe Benefits budget with projected costs	Multiple Programs	435	0.0
Decrease: To align funding with nonpersonal services costs	Multiple Programs	-2,092	0.0
Decrease: To align resources with operational goals	Multiple Programs	-7,220	0.0
Decrease: To adjust the Contractual Services budget	Agency Management	-8,743	0.0
ENTERPRISE AND OTHER FUNDS: FY 2016 Agency Budget Submission		32,513	73.0
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2016 Mayor's Proposed Budget		32,513	73.0
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2016 District's Proposed Budget		32,513	73.0
Gross for HI0 - D.C. Health Benefit Exchange Authority		32,513	73.0

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