
Health Benefit Exchange Authority

www.hbx.dc.gov

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Table HI0-1

| Description | FY 2016 | FY 2017 | FY 2018 | % Change |
|------------------|--------------|--------------|--------------|-----------------|
| | Actual | Approved | Proposed | from FY 2017 |
| OPERATING BUDGET | \$48,090,508 | \$34,521,266 | \$28,142,740 | -18.5 |
| FTEs | 60.1 | 92.0 | 92.0 | 0.0 |

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. It enabled implementation of 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 operates DC Health Link, 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 businesses and their employees to find affordable and easier-to-understand health insurance. The District of Columbia Health Benefit Exchange Authority is now in its fourth year of operation and concluded its fourth open enrollment period for people purchasing individual insurance on January 31, 2017.

The agency's FY 2018 proposed budget is presented in the following tables:

FY 2018 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table HI0-2 contains the proposed FY 2018 budget by revenue type compared to the FY 2017 approved budget. It also provides FY 2016 actual data.

Table HI0-2

(dollars in thousands)

| Appropriated Fund | Dollars in Thousands | | | | | Full-Time Equivalents | | | | |
|---------------------------------------|----------------------|------------------|------------------|---------------------|--------------------|-----------------------|------------------|------------------|---------------------|-------------------|
| | Actual FY 2016 | Approved FY 2017 | Proposed FY 2018 | Change from FY 2017 | Percentage Change* | Actual FY 2016 | Approved FY 2017 | Proposed FY 2018 | Change from FY 2017 | Percentage Change |
| ENTERPRISE AND OTHER FUNDS | 48,091 | 34,521 | 28,143 | -6,379 | -18.5 | 60.1 | 92.0 | 92.0 | 0.0 | 0.0 |
| TOTAL FOR ENTERPRISE AND OTHER | 48,091 | 34,521 | 28,143 | -6,379 | -18.5 | 60.1 | 92.0 | 92.0 | 0.0 | 0.0 |
| GROSS FUNDS | 48,091 | 34,521 | 28,143 | -6,379 | -18.5 | 60.1 | 92.0 | 92.0 | 0.0 | 0.0 |

*Percent change is based on whole dollars.

Note: 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 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2018 Proposed Operating Budget, by Comptroller Source Group

Table HI0-3 contains the proposed FY 2018 budget at the Comptroller Source Group (object class) level compared to the FY 2017 approved budget. It also provides FY 2015 and FY 2016 actual expenditures.

Table HI0-3

(dollars in thousands)

| Comptroller Source Group | Actual FY 2015 | Actual FY 2016 | Approved FY 2017 | Proposed FY 2018 | Change from FY 2017 | Percentage Change* |
|--|----------------|----------------|------------------|------------------|---------------------|--------------------|
| 11 - REGULAR PAY - CONTINUING FULL TIME | 4,688 | 5,316 | 8,354 | 8,335 | -19 | -0.2 |
| 12 - REGULAR PAY - OTHER | 992 | 1,420 | 1,540 | 1,579 | 39 | 2.5 |
| 13 - ADDITIONAL GROSS PAY | 212 | 230 | 190 | 152 | -39 | -20.3 |
| 14 - FRINGE BENEFITS - CURRENT PERSONNEL | 973 | 1,232 | 2,444 | 2,315 | -129 | -5.3 |
| 15 - OVERTIME PAY | 111 | 40 | 0 | 45 | 45 | N/A |
| SUBTOTAL PERSONAL SERVICES (PS) | 6,976 | 8,238 | 12,528 | 12,426 | -102 | -0.8 |
| 20 - SUPPLIES AND MATERIALS | 44 | 31 | 112 | 99 | -13 | -11.6 |
| 31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC. | 9 | 238 | 407 | 442 | 35 | 8.5 |
| 32 - RENTALS - LAND AND STRUCTURES | 1,033 | 1,116 | 2,016 | 2,893 | 877 | 43.5 |
| 35 - OCCUPANCY FIXED COSTS | 0 | 0 | 0 | 125 | 125 | N/A |
| 40 - OTHER SERVICES AND CHARGES | 1,923 | 988 | 2,241 | 625 | -1,616 | -72.1 |
| 41 - CONTRACTUAL SERVICES - OTHER | 42,410 | 37,474 | 17,193 | 11,488 | -5,705 | -33.2 |
| 50 - SUBSIDIES AND TRANSFERS | 2,267 | 0 | 0 | 0 | 0 | N/A |
| 70 - EQUIPMENT AND EQUIPMENT RENTAL | 460 | 6 | 23 | 44 | 21 | 93.4 |
| SUBTOTAL NONPERSONAL SERVICES (NPS) | 48,145 | 39,853 | 21,993 | 15,716 | -6,276 | -28.5 |
| GROSS FUNDS | 55,122 | 48,091 | 34,521 | 28,143 | -6,379 | -18.5 |

*Percent change is based on whole dollars.

FY 2018 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table HI0-4 contains the proposed FY 2018 budget by division/program and activity compared to the FY 2017 approved budget. It also provides FY 2016 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table HI0-4

(dollars in thousands)

| Division/Program and Activity | Dollars in Thousands | | | | Full-Time Equivalents | | | |
|--|----------------------|---------------------|---------------------|---------------------------|-----------------------|---------------------|---------------------|---------------------------|
| | Actual FY 2016 | Approved FY 2017 | Proposed FY 2018 | Change from FY 2017 | Actual FY 2016 | Approved FY 2017 | Proposed FY 2018 | Change from FY 2017 |
| (1000) AGENCY MANAGEMENT | | | | | | | | |
| (1010) PERSONNEL | 293 | 314 | 246 | -67 | 0.8 | 1.0 | 1.0 | 0.0 |
| (1015) TRAINING | 0 | 32 | 32 | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1020) CONTRACTS AND PROCUREMENT | 396 | 592 | 714 | 123 | 4.1 | 4.0 | 5.0 | 1.0 |
| (1030) PROPERTY MANAGEMENT | 734 | 1,173 | 1,726 | 553 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1040) INFORMATION TECHNOLOGY | 98 | 123 | 121 | -3 | 0.8 | 1.0 | 1.0 | 0.0 |
| (1060) LEGAL SERVICES | 750 | 833 | 1,181 | 348 | 2.9 | 4.0 | 6.0 | 2.0 |
| (1090) PERFORMANCE MANAGEMENT | 937 | 1,697 | 1,287 | -410 | 4.5 | 8.0 | 5.0 | -3.0 |
| SUBTOTAL (1000) AGENCY MANAGEMENT | 3,208 | 4,764 | 5,308 | 544 | 13.2 | 18.0 | 18.0 | 0.0 |
| (100F) AGENCY FINANCIAL OPERATIONS | | | | | | | | |
| (110F) BUDGET OPERATIONS | 149 | 159 | 164 | 5 | 0.8 | 1.0 | 1.0 | 0.0 |
| (120F) ACCOUNTING OPERATIONS | 148 | 159 | 164 | 5 | 0.8 | 1.0 | 1.0 | 0.0 |
| (140F) AGENCY FISCAL OFFICER | 192 | 389 | 330 | -59 | 1.6 | 1.0 | 1.0 | 0.0 |
| SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS | 489 | 708 | 659 | -49 | 3.3 | 3.0 | 3.0 | 0.0 |
| (5000) CONSUMER EDUCATION AND OUTREACH PROGRAM | | | | | | | | |
| (5010) CONSUMER EDUC. AND OUTREACH SUPPORT SVC | 1,939 | 911 | 1,560 | 649 | 2.5 | 4.0 | 4.0 | 0.0 |
| (5020) MARKETING AND COMMUNICATION | 121 | 411 | 161 | -250 | 1.6 | 1.0 | 1.0 | 0.0 |
| (5040) NAVIGATORS COUNSELORS AND IPA | 1,773 | 655 | 653 | -2 | 0.4 | 0.0 | 0.0 | 0.0 |
| SUBTOTAL (5000) CONSUMER EDUCATION AND OUTREACH PROGRAM | 3,833 | 1,977 | 2,373 | 397 | 4.5 | 5.0 | 5.0 | 0.0 |
| (7000) MARKETPLACE INNOVATION POLICY AND OPS | | | | | | | | |
| (7010) CONTACT CENTER | 2,897 | 3,755 | 1,373 | -2,381 | 0.8 | 1.0 | 0.0 | -1.0 |
| (7020) PLAN MANAGEMENT | 999 | 1,526 | 1,642 | 116 | 3.3 | 3.5 | 3.5 | 0.0 |
| (7030) ELIGIBILITY AND ENROLLMENT | 2,213 | 2,323 | 2,142 | -181 | 4.5 | 6.0 | 13.5 | 7.5 |
| (7040) MEMBER SERVICES | 603 | 1,396 | 885 | -512 | 9.9 | 12.5 | 3.5 | -9.0 |
| (7050) DATA ANALYTICS AND REPORTING | 169 | 296 | 303 | 7 | 2.5 | 2.0 | 2.0 | 0.0 |
| (7060) S.H.O.P OPERATIONS | 2,463 | 2,831 | 2,999 | 168 | 9.0 | 16.0 | 18.5 | 2.5 |
| SUBTOTAL (7000) MARKETPLACE INNOVATION POLICY AND OPS | 9,344 | 12,127 | 9,344 | -2,783 | 30.0 | 41.0 | 41.0 | 0.0 |

Table HI0-4

(dollars in thousands)

| Division/Program and Activity | Dollars in Thousands | | | | Full-Time Equivalents | | | |
|--|----------------------|---------------------|---------------------|---------------------------|-----------------------|---------------------|---------------------|---------------------------|
| | Actual FY 2016 | Approved FY 2017 | Proposed FY 2018 | Change from FY 2017 | Actual FY 2016 | Approved FY 2017 | Proposed FY 2018 | Change from FY 2017 |
| (8000) IT RELATED OPERATIONS | | | | | | | | |
| (8010) IT RELATED OPERATIONS | 31,216 | 14,945 | 10,458 | -4,487 | 9.0 | 25.0 | 25.0 | 0.0 |
| SUBTOTAL (8000) IT RELATED OPERATIONS | 31,216 | 14,945 | 10,458 | -4,487 | 9.0 | 25.0 | 25.0 | 0.0 |
| TOTAL PROPOSED OPERATING BUDGET | 48,091 | 34,521 | 28,143 | -6,379 | 60.1 | 92.0 | 92.0 | 0.0 |

(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 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

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 campaigns that may include outdoor advertising, broadcast, newspapers and other publications, digital, and social media avenues; and
- **Navigators, Counselors, and In-Person Assisters (IPA)** – required for state-based marketplaces and is a condition for certification as a state-based marketplace. Navigators, Certified Application Counselors, and In-Person Assisters 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 online 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 with 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 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 – provides critical development, maintenance and support for DC Health Link. The work includes providing operations and maintenance of both HBX-only systems and shared systems with Medicaid, managing the team of consultants that develop functionality for DC Health Link, and managing the EDI Operations team that oversees information transmitted between carriers and 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 Health Benefit Exchange Authority has no program structure changes in the FY 2018 proposed budget.

FY 2017 Approved Budget to FY 2018 Proposed Budget, by Revenue Type

Table HI0-5 itemizes the changes by revenue type between the FY 2017 approved budget and the FY 2018 proposed budget. For a more comprehensive explanation of changes, please see the FY 2018 Proposed Budget Changes section, which follows the table.

Table HI0-5

(dollars in thousands)

| DESCRIPTION | DIVISION/PROGRAM | BUDGET | FTE |
|---|--|---------------|-------------|
| ENTERPRISE AND OTHER FUNDS: FY 2017 Approved Budget and FTE | | 34,521 | 92.0 |
| Increase: To align Fixed Costs with proposed estimates | Multiple Programs | 1,036 | 0.0 |
| Increase: To align resources with operational spending goals | Multiple Programs | 273 | 0.0 |
| Decrease: To align personal services and Fringe Benefits with projected costs | Multiple Programs | -102 | 0.0 |
| Decrease: To realize programmatic cost savings in nonpersonal services | Marketplace Innovation Policy and Ops | -3,240 | 0.0 |
| Decrease: To realize programmatic cost savings in nonpersonal services | IT Related Operations | -4,346 | 0.0 |
| ENTERPRISE AND OTHER FUNDS: FY 2018 Agency Budget Submission | | 28,143 | 92.0 |
| No Change | | 0 | 0.0 |
| ENTERPRISE AND OTHER FUNDS: FY 2018 Mayor's Proposed Budget | | 28,143 | 92.0 |
| No Change | | 0 | 0.0 |
| ENTERPRISE AND OTHER FUNDS: FY 2018 District's Proposed Budget | | 28,143 | 92.0 |
| GROSS FOR HI0 - D.C. HEALTH BENEFIT EXCHANGE AUTHORITY | | 28,143 | 92.0 |

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

FY 2018 Proposed Budget Changes

The Health Benefit Exchange Authority's proposed FY 2018 gross budget is \$28,142,740, which represents an 18.5 percent decrease from its FY 2017 approved gross budget of \$34,521,266. The budget is comprised entirely of Enterprise and Other funds.

Agency Budget Submission

The Health Benefit Exchange (the Exchange) supports the primary goals of the Affordable Care Act, which was signed into law in March of 2010. DC Health Link opened for business on October 1, 2013. From the opening to March 14, 2017, the Exchange has served 311,623 people: 43,177 District residents have enrolled in private health insurance; 80,552 people (including Congress) have enrolled through the small business marketplace; and 187,894 people have been found eligible for Medicaid. The Exchange has a screening process as undocumented persons are not eligible to purchase health plans through the Exchange. To continue to expand health coverage in the District, the Exchange proposed the following adjustments to the FY 2018 operating budget:

Increase: The Exchange's proposed budget includes a net increase of \$1,036,140 due to Fixed Costs estimates from the Department of General Services. This amount is comprised of increases of \$876,740 in Rent; \$124,622 in Occupancy; and \$34,778 in Telecommunication costs. An additional increase of \$273,081 across multiple programs will primarily be used to support outreach activities.

Decrease: The total personal services costs to maintain the current Full-Time Equivalents (FTEs) are estimated to decrease by \$102,245, and includes the movement of 1.0 FTE from Continuing Full-Time to Temporary Full-Time. A reduction of \$3,239,881 from the Marketplace Innovation Policy and Operations program to right-size Call Center Operations; transitioning some activities to Maximus, which

has the knowledge to match assets with new processes and technology that can improve operations; and streamlining eligibility and appeals services. These reductions will not adversely impact the level of service in the agency, but brings the proposed budget in line with anticipated expenditures. An additional reduction of \$4,345,621 from the IT Related Operations program includes reductions for IT Consultants and software contracts.

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 D.C. Health Benefit Exchange Authority's budget proposal reflects no change from the Mayor's proposed budget to the District's proposed budget.