

Department of Health Care Finance

www.dhcf.dc.gov
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Table HT0-1

Description	FY 2016	FY 2017	FY 2018	FY 2019	% Change
	Actual	Actual	Approved	Proposed	from FY 2018
OPERATING BUDGET	\$2,922,802,608	\$3,057,635,527	\$3,192,314,370	\$3,345,427,768	4.8
FTEs	212.8	228.5	264.0	351.0	33.0

The mission of the Department of Health Care Finance (DHCF) is to improve health outcomes by providing access to comprehensive, cost-effective, and quality health care services for residents of the District of Columbia.

Summary of Services

The Department of Health Care Finance provides health care services to low-income children, adults, the elderly, and persons with disabilities. More than 250,000 District of Columbia residents (more than one-third of all residents) receive health care services through DHCF's Medicaid and Alliance programs. DHCF strives to provide these services in the most appropriate and cost-effective settings possible.

The agency's FY 2019 proposed budget is presented in the following tables:

FY 2019 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table HT0-2 contains the proposed FY 2019 budget by revenue type compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 actual data.

Table HT0-2

(dollars in thousands)

	Dollars in Thousands							Full-Time Equivalents					
	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	% Change*	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	% Change	
Appropriated Fund													
GENERAL FUND													
Local Funds	685,919	708,248	713,078	784,277	71,199	10.0	80.3	88.9	106.8	158.2	51.4	48.1	
Dedicated Taxes	73,248	79,241	86,907	83,687	-3,220	-3.7	3.6	4.9	6.0	5.5	-0.6	-9.1	
Special Purpose Revenue Funds	2,107	1,546	3,668	2,956	-712	-19.4	8.7	10.9	13.9	17.8	3.9	28.1	
TOTAL FOR GENERAL FUND	761,273	789,035	803,653	870,919	67,266	8.4	92.6	104.7	126.8	181.5	54.7	43.2	

Table HT0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	% Change*	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	% Change
FEDERAL RESOURCES												
Federal Grant Funds	1,876	3,695	2,803	2,322	-481	-17.1	0.6	0.0	0.0	0.0	0.0	N/A
Federal Medicaid Payments	2,071,628	2,166,231	2,297,222	2,367,409	70,188	3.1	119.6	123.8	137.3	164.4	27.1	19.8
TOTAL FOR FEDERAL RESOURCES	2,073,502	2,169,926	2,300,024	2,369,731	69,707	3.0	120.2	123.8	137.3	164.4	27.1	19.8
INTRA-DISTRICT FUNDS												
Intra-District Funds	88,025	98,675	88,637	104,777	16,140	18.2	0.0	0.0	0.0	5.2	5.2	N/A
TOTAL FOR INTRA-DISTRICT FUNDS	88,025	98,675	88,637	104,777	16,140	18.2	0.0	0.0	0.0	5.2	5.2	N/A
GROSS FUNDS	2,922,803	3,057,636	3,192,314	3,345,428	153,113	4.8	212.8	228.5	264.0	351.0	87.0	33.0

*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 2019 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2019 Proposed Operating Budget, by Comptroller Source Group

Table HT0-3 contains the proposed FY 2019 budget at the Comptroller Source Group (object class) level compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 actual expenditures.

Table HT0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Percentage Change*
11 - Regular Pay - Continuing Full Time	17,735	20,092	22,615	34,691	12,076	53.4
12 - Regular Pay - Other	1,302	1,218	1,679	1,290	-389	-23.2
13 - Additional Gross Pay	79	48	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	3,737	4,217	5,077	7,678	2,601	51.2
15 - Overtime Pay	24	21	0	0	0	N/A
SUBTOTAL PERSONAL SERVICES (PS)	22,877	25,596	29,371	43,659	14,288	48.6
20 - Supplies and Materials	101	100	163	217	54	33.1
30 - Energy, Communication and Building Rentals	198	261	214	254	39	18.3
31 - Telephone, Telegraph, Telegram, Etc.	191	213	192	213	20	10.4
32 - Rentals - Land and Structures	0	0	0	1,305	1,305	N/A
34 - Security Services	98	179	155	128	-28	-17.9
35 - Occupancy Fixed Costs	258	340	141	510	370	262.9
40 - Other Services and Charges	1,154	1,556	2,248	2,369	120	5.4
41 - Contractual Services - Other	97,738	89,567	89,235	141,855	52,621	59.0
50 - Subsidies and Transfers	2,799,830	2,939,202	3,069,715	3,153,732	84,017	2.7
70 - Equipment and Equipment Rental	358	621	879	1,187	308	35.0
SUBTOTAL NONPERSONAL SERVICES (NPS)	2,899,926	3,032,040	3,162,943	3,301,768	138,825	4.4
GROSS FUNDS	2,922,803	3,057,636	3,192,314	3,345,428	153,113	4.8

*Percent change is based on whole dollars.

FY 2019 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table HT0-4 contains the proposed FY 2019 budget by division/program and activity compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table HT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018
(0900) UMC OPERATING SUPPORT										
(0910) UMC Operating Support	2,500	0	0	0	0	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (0900) UMC OPERATING SUPPORT	2,500	0	0	0	0	0.0	0.0	0.0	0.0	0.0
(1000) AGENCY MANAGEMENT										
(1010) Personnel	614	734	981	1,281	300	9.3	12.6	14.0	10.0	-4.0
(1015) Training and Dev	91	6	70	30	-40	0.0	0.0	0.0	0.0	0.0
(1020) Contracting and Procurement	1,131	1,656	2,001	2,192	191	2.6	2.8	3.0	4.0	1.0
(1030) Property Management	1,706	2,495	2,687	3,290	602	5.9	4.5	5.0	5.0	0.0
(1040) Information Technology	2,827	2,572	13,455	7,185	-6,270	6.0	7.2	9.0	14.0	5.0
(1060) Legal	889	859	1,117	1,234	117	6.7	7.2	8.0	9.0	1.0
(1070) Fleet Management	26	0	5	5	0	0.0	0.0	0.0	0.0	0.0
(1080) Communications	327	161	327	708	381	1.7	0.9	1.0	2.0	1.0
(1085) Customer Service	1,707	1,581	3,140	4,090	950	15.0	16.6	21.0	28.0	7.0
(1087) Language Access	0	0	10	10	0	0.0	0.0	0.0	0.0	0.0
(1090) Performance Management	22,980	19,752	7,901	8,802	901	38.1	40.9	45.0	47.0	2.0
SUBTOTAL (1000) AGENCY MANAGEMENT	32,298	29,816	31,695	28,828	-2,867	85.4	92.8	106.0	119.0	13.0
(100F) AGENCY FINANCIAL OPERATIONS										
(110F) Budgeting Operations	611	600	620	637	17	5.2	5.5	5.0	5.0	0.0
(120F) Accounting Operations	3,490	4,776	5,093	5,216	123	6.3	6.6	8.0	9.0	1.0
(140F) Agency Fiscal Officer	294	308	311	321	10	1.7	1.8	2.0	2.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	4,395	5,684	6,024	6,174	150	13.2	13.9	15.0	16.0	1.0
(2000) HEALTHCARE DELIVERY MANAGEMENT										
(2002) Managed Care Mgmt	3,421	5,696	6,726	8,622	1,897	8.4	9.0	9.0	10.0	1.0
(2003) Preventive and Acute Care	1,391	1,469	1,590	1,362	-228	3.8	4.0	4.5	4.5	0.0
(2004) Div of Quality and Health Outcomes	1,086	1,968	6,905	5,940	-964	6.8	4.5	4.0	5.0	1.0
(2007) Clinicians, Rx and Acute Provider Services	6,757	7,771	5,886	6,058	172	5.7	7.8	7.5	7.5	0.0
(2010) Health Care Delivery Mgmt Support Services	785	1,291	927	1,111	185	1.7	2.7	8.0	9.0	1.0
SUBTOTAL (2000) HEALTHCARE DELIVERY MANAGEMENT	13,439	18,196	22,033	23,094	1,061	26.3	28.0	33.0	36.0	3.0
(200L) LONG TERM CARE PROGRAM										
(201L) Long Term Care Support Services	8,305	13,874	13,402	17,739	4,337	4.2	4.5	3.0	3.0	0.0
(202L) Elders and Persons w/Physical Disability	1,514	1,929	0	0	0	20.1	21.2	0.0	0.0	0.0

Table HT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018
(203L) Div of Special Needs Population	672	896	0	0	0	7.2	7.7	0.0	0.0	0.0
(210L) Oversight	0	0	1,184	1,629	445	0.0	0.0	12.0	14.0	2.0
(220L) Operations	0	0	1,263	1,678	415	0.0	0.0	13.0	15.0	2.0
(230L) In-take and Assessment	0	0	975	882	-92	0.0	0.0	9.0	7.0	-2.0
SUBTOTAL (200L) LONG TERM CARE PROGRAM	10,491	16,698	16,823	21,928	5,104	31.5	33.4	37.0	39.0	2.0
(3000) HEALTHCARE POLICY AND PLANNING										
(3001) Policy Unit Management	604	467	563	1,783	1,220	5.1	5.4	6.0	10.0	4.0
(3003) Data Analysis	421	498	815	878	63	4.2	4.5	6.0	6.0	0.0
(3004) Member Management	1,018	1,104	1,149	1,355	206	9.7	10.2	13.0	13.0	0.0
(3010) Health Care Policy and Planning Support	7,666	20,197	2,224	1,596	-628	3.4	3.6	10.0	6.0	-4.0
SUBTOTAL (3000) HEALTHCARE POLICY AND PLANNING	9,709	22,265	4,750	5,612	862	22.4	23.7	35.0	35.0	0.0
(300A) DCAS PROGRAM MANAGEMENT ADMINISTRATION										
(310A) Program Management	0	0	0	3,657	3,657	0.0	0.0	0.0	10.0	10.0
(320A) Project Management	0	0	0	7,938	7,938	0.0	0.0	0.0	37.0	37.0
(330A) Organizational Change	0	0	0	2,292	2,292	0.0	0.0	0.0	11.0	11.0
(340A) Information Technology Mgmt	0	0	0	48,246	48,246	0.0	0.0	0.0	11.0	11.0
SUBTOTAL (300A) DCAS PROGRAM MANAGEMENT ADMINISTRATION	0	0	0	62,132	62,132	0.0	0.0	0.0	69.0	69.0
(5000) HEALTH CARE FINANCE										
(5001) Medicaid Provider Payment	2,706,885	2,780,288	2,980,968	3,027,608	46,641	0.0	0.0	0.0	0.0	0.0
(5002) Medicaid Public Provider Payments	64,203	83,893	18,595	37,619	19,024	0.0	0.0	0.0	0.0	0.0
(5003) Alliance Provider Payments	51,150	56,071	64,487	77,032	12,545	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (5000) HEALTH CARE FINANCE	2,822,238	2,920,253	3,064,050	3,142,259	78,209	0.0	0.0	0.0	0.0	0.0
(6000) HEALTH CARE OPERATIONS										
(6001) Medicaid Information Systems	22,880	28,864	34,391	38,225	3,834	14.7	15.8	15.0	15.0	0.0
(6006) Div of Public and Private Provider Services	1,873	2,133	2,687	2,762	75	9.3	9.9	11.0	10.0	-1.0
(6010) Health Care Operations Support	363	838	447	504	57	2.5	2.7	3.0	3.0	0.0
SUBTOTAL (6000) HEALTH CARE OPERATIONS	25,117	31,835	37,525	41,491	3,965	26.5	28.4	29.0	28.0	-1.0
(8000) HEALTH CARE REFORM AND INNOVATION										
(8001) Health Insurance Exchange	-308	0	0	0	0	0.0	0.0	0.0	0.0	0.0
(8002) Affordable Care Reform and Grants Dev	1,963	12,617	9,097	13,661	4,563	6.7	7.4	7.0	8.0	1.0
(8010) HC Reform and Innovative Support Services	961	271	317	250	-66	0.7	0.9	2.0	1.0	-1.0
SUBTOTAL (8000) HEALTH CARE REFORM AND INNOVATION	2,615	12,888	9,414	13,911	4,497	7.4	8.3	9.0	9.0	0.0
TOTAL PROPOSED OPERATING BUDGET	2,922,802	3,057,636	3,192,314	3,345,428	153,113	212.8	228.5	264.0	351.0	87.0

(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 2019 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.

Division Description

The Department of Health Care Finance operates through the following 9 divisions:

Health Care Delivery Management (HCDM) – ensures that quality services and practices pervade all activities that affect the delivery of health care to beneficiaries served by the District’s Medicaid, Children’s Health Insurance Program (CHIP), and Alliance programs. HCDM accomplishes this through informed benefit design; use of prospective, concurrent and retrospective utilization management; ongoing program evaluation; and the application of continuous quality measurement and improvement practices in furnishing preventive, acute, and chronic/long-term care services to children and adults through DHCF’s managed care contractors and institutional and ambulatory fee-for-service providers.

This division contains the following 5 activities:

- **Managed Care Management** – provides oversight, evaluation, and enforcement of contracts with organizations managing the care and service delivery of Medicaid and Alliance beneficiaries, along with providing oversight and enrollment of eligible beneficiaries;
- **Preventive and Acute Care (Children’s Health Services)** – develops, implements, and monitors policies, benefits and practices for children’s health care services, including HealthCheck/EPSDT, CHIP, and the Immigrant Children’s Program;
- **Division of Quality and Health Outcomes** – continuously improves the quality (safe, effective, patient-centered, timely, efficient, and equitable services) of health care delivered by programs administered by DHCF; and ensures that quality and performance improvement principles and practices pervade all the components and activities that impact the delivery and outcomes of health care services to patients served by the District’s Medicaid, CHIP, and Alliance programs;
- **Division of Clinicians, Pharmacy and Acute Provider Services** – develops, implements, and oversees the programming for primary and specialty providers, hospitals, and other acute and preventive care services; and manages the non-emergency transportation contract; and
- **Health Care Delivery Management Support Services** – provides administrative support functions to the Health Care Delivery Management division.

Long-Term Care Administration (LTCA) – provides oversight and monitoring of programs targeted to the elderly, persons with physical disabilities, and persons with intellectual and developmental disabilities. Through program development and day-to-day operations, the LTCA also ensures access to needed cost-effective, high-quality extended and long-term care services for Medicaid beneficiaries residing in home and community-based or institutional settings. The office also provides contract management of the long-term care supports and services contract.

This division contains the following 4 activities:

- **Long-Term Care Support Services** – provides administrative support functions to the Long-Term Care division;
- **Oversight** – provides quality assurance (including compliance with six Centers for Medicare and Medicaid Services (CMS) assurances) and outcomes, oversight and audits/site visits, and corrective action plans;
- **Operations** – provides day-to-day operations to ensure service delivery for both providers and beneficiaries; issue resolutions, ensuring timeliness of prior authorizations; training and technical assistance to providers; provider readiness; and compliant triage and resolution; and
- **Intake and Assessment** – oversees nurse unit responsible for access to LTCSS including Delmarva assessments, Qualis/LOC reviews, coordination with ADRC, and IDD acuity level reviews/approvals.

Health Care Policy and Planning – maintains the Medicaid and CHIP state plans that govern eligibility, scope of benefits, and reimbursement policies for the District’s Medicaid and CHIP programs; develops policy for the Health Care Alliance program and other publicly funded health care programs that are administered or

monitored by DHCF based on sound analysis of local and national health care and reimbursement policies and strategies; and ensures coordination and consistency among health care and reimbursement policies developed by the various divisions within DHCF. The division also designs and conducts research and evaluations of health care programs.

This division contains the following 4 activities:

- **Policy Unit Management (Regulation and Policy Management)** – maintains the Medicaid State Plan, which governs the eligibility, scope of benefits, and reimbursement policies of the Medicaid and CHIP programs; creates State Plan Amendments, waivers, and regulations that form the foundation of Medicaid policy and programs administered or monitored by DHCF; and ensures the coordination and consistency of health care and reimbursement policies developed by various divisions within DHCF;
- **Data Analysis (Division of Analytics and Policy Research)** – gathers information, analyzes data, and evaluates all activities related to multiple District-wide components of Medicaid, CHIP, the Alliance, and future healthcare delivery systems, including data collection systems; and designs and conducts research and evaluation of health care programs, studying their impacts on beneficiaries, providers, plans, and other partners and customers, designing and assessing potential improvements, and developing new measurement tools;
- **Member Management (Eligibility Policy)** – serves as liaison to District and federal agencies regarding eligibility-related matters; ensures collaboration and coordination between the agencies and facilitates compliance by the Department of Human Services' Economic Security Administration with DHCF eligibility policy; interprets federal and state eligibility rules and regulation; establishes eligibility policies and criteria for the Medicaid and CHIP programs, as well as the Health Care Alliance and the Immigrant Children's Program; interprets and helps draft legislative changes, rules and regulations for the District regarding eligibility requirements; and manages the Optional State Supplement Payment Program for eligible District of Columbia residents residing in an adult foster care home; and
- **Health Care Policy and Planning Support (Health Care Policy and Research Support)** – provides administrative support functions to the Health Care Policy and Planning Administration.

DCAS Project Management Administration – has responsibility to design, develop, implement and manage the DC Access System which is an integrated eligibility system for all health and human services for the District. In addition, this administration is responsible for supporting the functionality and funding for all components of DCAS and their seamless interface with the Health Benefits Exchange and Department of Human Services program components.

This division contains the following 4 activities:

- **Program Management** – manages all operational and functional activities related to the DCAS project;
- **Project Management** – manages all project management and functional activities related to the DCAS Project;
- **Organizational Change** – manages all historical, current, and forecasted project initiatives associated with Organization Change Management; and
- **Information Technology** – manages the operational tasks and maintenance for the DCAS Project.

Health Care Finance – provides provider payments for the following provider types: Medicaid providers, public providers, and Health Care Alliance providers.

This division contains the following 3 activities:

- **Medicaid Provider Payment** – provides payment to Medicaid providers;
- **Medicaid Public Provider Payment** – provides payment to Medicaid public providers; and
- **Alliance Provider Payment** – provides payment to Alliance providers.

Health Care Operations – ensures the division of programs that pertain to the payment of claims and manages the fiscal agent contract, the administrative contracts, systems, and provider enrollment and requirements. The office provides contract management of the Pharmacy Benefits Manager, the Quality Improvement Organization contract, and the Medicaid Management Information System (MMIS) Fiscal Intermediary contract as well as additional administrative contracts.

This division contains the following 3 activities:

- **Medicaid Information Systems (Claims Management)** – oversees MMIS operations; systems requests; member services, including member out-of-pocket reimbursements; Consolidated Omnibus Budget Reconciliation Act (COBRA) payments; third-party liability processing; and processing of financial transactions. The division also manages all internal and external data requests and data involving agency audits (local and federal), as well as MMIS training for all DHCF employees and system security;
- **Division of Public and Private Provider Services** – manages the Administrative Services Organization contract, provider enrollment and recruitment, and internal and external provider services and inquiries. The office also maintains positive ongoing coordination and continuity with all public provider agencies of the District of Columbia government to enhance each agency’s understanding of Medicaid reimbursement policies; is the accountable office within DHCF for implementation of policy that directly impacts other District agencies that serve as Medicaid providers; identifies opportunities to improve the reimbursement procedures of each agency; and works closely with these agencies to review federal policy to ensure that federal reimbursement is being maximized and compliance assured through claims processing and through program development; and
- **Health Care Operations Support (Health Care Operations Support Services)** – provides administrative support functions to the Health Care Operations division.

Health Care Reform and Innovation (HCRIA) – identifies, validates, and disseminates information about new health care models and payment approaches serving Medicaid beneficiaries with the goal of enhancing health care quality, improving care and outcomes, promoting health equity, and enhancing the value and efficiency of DHCF programs. The division creates and tests new delivery system and payment models among providers in the District and builds collaborative learning networks to facilitate innovation, implement effective practices, and facilitate technology improvements to support delivery system re-design and improvement.

This division contains the following 2 activities:

- **Affordable Care Reform and Grants Development** – develops and executes strategies for payment and delivery system reform in the District, including developing, implementing, and monitoring health reform activities as well as developing demonstration projects and grants to support various value-based purchasing and practice transformation strategies; and
- **Health Care Reform and Innovative Support Services** – is responsible for advancing the use of information technology among health care providers in the District. These activities include HCRIA’s responsibility to design, develop, implement, and sustain Health Information Exchange (HIE) activities. HIE’s infrastructure provides the technology, processes, and operations needed to facilitate exchange of health information between health stakeholders. HCRIA’s Health Information Technology (HIT) program offers incentives, outreach, and technical assistance to drive the adoption and use of Certified Electronic Health Records Technology (CEHRT) by District health care providers. The program aligns with CMS’s Meaningful Use (MU) framework.

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

Division Structure Change

The proposed division 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 2018 Approved Budget to FY 2019 Proposed Budget, by Revenue Type

Table HT0-5 itemizes the changes by revenue type between the FY 2018 approved budget and the FY 2019 proposed budget. For a more comprehensive explanation of changes, please see the FY 2019 Proposed Budget Changes section, which follows the table.

Table HT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2018 Approved Budget and FTE		713,078	106.8
Removal of One-Time Costs	Health Care Reform and Innovation	-600	0.0
LOCAL FUNDS: FY 2019 Recurring Budget		712,478	106.8
COLA: FY 2019 COLA Adjustment	Multiple Programs	778	0.0
Agency Request-Increase: To support the costs of pre-existing programmatic initiatives	Health Care Finance	40,795	0.0
Agency Request-Increase: To reallocate resources for agency restructure	DCAS Program Management Administration	25,190	35.2
Agency Request-Increase: To align resources with operational spending goals	Multiple Programs	8,407	0.0
Agency Request-Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	1,709	8.8
Agency Request-Increase: To align Fixed Costs with proposed estimates	Agency Management	289	0.0
Mayor's Policy-Enhance: To mitigate Medicaid losses for group practices in Wards 7 and 8 (one-time)	Health Care Finance	1,350	0.0
Mayor's Policy-Enhance: To absorb costs associated with a reduced cost allocation plan (one-time)	Multiple Programs	840	6.6
Mayor's Policy-Reduce: Revised fixed cost estimates from DGS	Agency Management	-71	0.0
Mayor's Policy-Reduce: Savings from MCO rate changes/Contracts to vendors/DSH reductions/PACE delay	Multiple Programs	-8,500	0.0
LOCAL FUNDS: FY 2019 Mayor's Proposed Budget		783,264	157.4
Enhance: To support one-time enhancements for the Community Resource Inventory Pilot Program (\$500,000), care for Medicaid-eligible pregnant women (\$200,000), oncology grants (\$100,000), faith-based organizations (\$75,000), and teen parents program (\$30,000)	Health Care Reform and Innovation	905	0.0
Enhance: To support additional FTEs and miscellaneous personal services costs	Healthcare Policy and Planning	580	3.0
Enhance: To support the Substance Abuse Medicaid Waiver and Rate Analysis for the Department of Behavioral Health (one-time)	Healthcare Policy and Planning	200	0.0
Reduce: To align Fixed Costs with proposed estimates	Agency Management	-72	0.0
Reduce: Operating impact of Capital	Agency Management	-156	0.0
Reduce: To realize programmatic cost savings in personal services	Multiple Programs	-444	-2.2
LOCAL FUNDS: FY 2019 District's Proposed Budget		784,277	158.2
DEDICATED TAXES: FY 2018 Approved Budget and FTE		86,907	6.0
COLA: FY 2019 COLA Adjustment	Multiple Programs	20	0.0
Agency Request-Decrease: To align personal services and Fringe Benefits with projected costs	Multiple Programs	-120	-0.6

Table HT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
Agency Request-Decrease: To align budget with projected revenues	Multiple Programs	-19,280	0.0
DEDICATED TAXES: FY 2019 Mayor's Proposed Budget		67,527	5.5
Enhance: To support the Medicaid Hospital Inpatient and Outpatient Rate Supplemental Acts of 2018	Health Care Finance	16,159	0.0
DEDICATED TAXES: FY 2019 District's Proposed Budget		83,687	5.5
FEDERAL GRANT FUNDS: FY 2018 Approved Budget and FTE		2,803	0.0
Agency Request-Decrease: To align budget with projected revenues	Long Term Care Program	-481	0.0
FEDERAL GRANT FUNDS: FY 2019 Mayor's Proposed Budget		2,322	0.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2019 District's Proposed Budget		2,322	0.0
FEDERAL MEDICAID PAYMENTS: FY 2018 Approved Budget and FTE		2,297,222	137.3
COLA: FY 2019 COLA Adjustment	Multiple Programs	772	0.0
Agency Request-Increase: To reallocate resources for agency restructure	DCAS Program Management Administration	31,063	28.6
Agency Request-Increase: To align budget with projected federal Medicaid reimbursements	Multiple Programs	10,003	-5.1
Mayor's Policy-Enhance: To absorb costs associated with a reduced cost allocation plan	Multiple Programs	667	5.4
Mayor's Policy-Reduce: Savings from MCO rate changes/Contracts to vendors/DSH reductions/PACE delay	Multiple Programs	-9,930	0.0
FEDERAL MEDICAID PAYMENTS: FY 2019 Mayor's Proposed Budget		2,329,796	166.2
Enhance: To support the Medicaid Hospital Inpatient and Outpatient Rate Supplemental Acts of 2018, and a substance abuse rate analysis	Multiple Programs	37,642	0.0
Reduce: To realize programmatic cost savings in personal services	Agency Management	-29	-1.8
FEDERAL MEDICAID PAYMENTS: FY 2019 District's Proposed Budget		2,367,409	164.4
SPECIAL PURPOSE REVENUE FUNDS: FY 2018 Approved Budget and FTE		3,668	13.9
COLA: FY 2019 COLA Adjustment	Multiple Programs	71	0.0
Agency Request-Increase: To support additional FTEs	Multiple Programs	395	3.9
Agency Request-Decrease: To align budget with projected revenues	Multiple Programs	-1,179	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2019 Mayor's Proposed Budget		2,956	17.8
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2019 District's Proposed Budget		2,956	17.8
INTRA-DISTRICT FUNDS: FY 2018 Approved Budget and FTE		88,637	0.0
COLA: FY 2019 COLA Adjustment	DCAS Program Management Administration	32	0.0
Agency Request-Increase: To align budget with projected revenues	Health Care Finance	10,262	0.0
Agency Request-Increase: To reallocate resources for agency restructure	DCAS Program Management Administration	5,846	5.2
INTRA-DISTRICT FUNDS: FY 2019 Mayor's Proposed Budget		104,777	5.2
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2019 District's Proposed Budget		104,777	5.2
GROSS FOR HT0 - DEPARTMENT OF HEALTH CARE FINANCE		3,345,428	351.0

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

FY 2019 Proposed Budget Changes

The Department of Health Care Finance's (DHCF) proposed FY 2019 gross budget is \$3,345,427,768, which represents a 4.8 percent increase over its FY 2018 approved gross budget of \$3,192,314,370. The budget is comprised of \$784,276,601 in Local funds, \$83,686,775 in Dedicated Taxes, \$2,321,969 in Federal Grant funds, \$2,367,409,467 in Federal Medicaid Payments, \$2,955,610 in Special Purpose Revenue funds, and \$104,777,346 in Intra-District funds.

Recurring Budget

The FY 2019 budget for DHCF includes a reduction of \$600,000 to account for the removal of one-time funding appropriated in FY 2018, which supported the Grant-Making Amendment Act of 2017.

Mayor's Proposed Budget

The Department of Health Care Finance has a structure change to its FY 2019 proposed operating budget submission. DHCF has the responsibility to design, develop, implement, and manage the District of Columbia Access System (DCAS), which is a state-of-the-art eligibility system for all health and human services for the District. When fully implemented, DCAS will serve as the platform to provide the District with a modern integrated eligibility system for Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF) and other programs with new case management capabilities that span programs and agencies. The DCAS division will be comprised of \$62,519,908 and 69.0 Continuing Full-Time Equivalents (FTEs) across Local, Federal Medicaid Payments, and Intra-District funds.

Cost-of-Living Adjustment: DHCF's budget proposal includes cost-of-living adjustments (COLA) of \$777,731 in Local funds, \$20,050 in Dedicated Taxes, \$771,858 in Federal Medicaid Payments, \$71,461 in Special Purpose Revenue funds, and \$32,298 in Intra-District funds.

Agency Request – Increase: The proposed Local funds budget submission includes an increase of \$40,795,179 to the Health Care Finance division for Subsidies and Transfers. This adjustment is because of the projected growth in enrollment and increases in provider payment rates. In particular, DHCF projects enrollment in the Elderly and Persons with Physical Disabilities (EPD) waiver program to grow by over 8 percent, and enrollment of childless adults with incomes below 138 percent of the federal poverty level to grow by over 7 percent. DHCF projects the growth trend in the per person cost of fee-for-service beneficiaries to be over 5 percent, and managed care organization (MCO) rates for the Alliance program are expected to increase by nearly 12 percent. These increases impact this projected increase in funding requirements.

The newly formed DCAS division will be supported by \$25,189,683 and 35.2 Continuing Full-Time FTEs in Local funds. Adjustments to nonpersonal services will result in an increase of \$8,406,573 in Local funds across multiple divisions. This additional funding will primarily be used to support long-term care activities.

A Local funds increase of \$1,709,322 will be used across multiple divisions to support the projected costs of salary steps, Fringe Benefits, and an additional 8.8 Continuing Full-Time FTEs. Local funds contain an additional increase of \$288,560 to the Agency Management division to align the budget with Fixed Costs estimates received from the Department of General Services (DGS) and the Office of the Chief Technology Officer (OCTO) for Energy, Telecommunications, Rent, Security Services, and Occupancy.

The proposed budget submission for Federal Medicaid Payments includes an increase of \$31,062,911 and 28.6 Continuing Full-Time FTEs for the DCAS division. An increase of \$10,002,990 is based on anticipated federal matching to the District's expenditures of local resources spent on Medicaid-eligible health care services. DHCF will also eliminate 3.9 temporary FTEs and 1.2 Continuing Full-Time FTEs previously supported by Federal Medicaid Payments.

In Special Purpose Revenue (SPR) funds, a proposed increase of \$394,650 will be used for personal service costs, primarily to support an additional 3.9 Continuing Full-Time FTEs.

The proposed budget submission for Intra-District funds includes an increase of \$10,261,560 based on signed Memoranda of Understanding (MOUs) with the Department of Behavioral Health and the Department on Disability Services to provide Medicaid services to beneficiaries served by those agencies, including

beneficiaries using Mental Health Rehabilitation Services and those enrolled in the waiver for Individuals with Intellectual and Developmental Disabilities. DHCF has an MOU with the Department of Human Services that will support \$5,846,012 and 5.2 Continuing Full-Time FTEs for the DCAS division.

Agency Request – Decrease: The proposed budget submission for Dedicated Tax funds is reduced by a partial Continuing Full-Time FTE and \$119,517 as a result of projected personal services costs across multiple divisions. Nearly \$13 million of the proposed \$19,280,063 decrease in Dedicated Taxes across multiple divisions is because of the expiration of provider taxes on inpatient and outpatient hospital revenue. The remaining balance is due to decreased spending in the Healthy D.C. fund, which is supported by a tax on health insurance companies that operate in the District. The Healthy D.C. decrease occurs because of reductions in revenue projections and availability of fund balance.

In the budget submission for Federal Grant funds, a proposed decrease of \$480,565 aligns the budget with projected revenues in the Long Term Care division. In SPR funds, a projected decrease of \$1,178,585 is driven by the Health Care Finance division, where spending from the third-party liability fund is projected to decline. This is due, in part, to better coordinated benefits reducing the need to retroactively recover funds from third-party payers.

Mayor’s Policy – Enhance: DHCF will receive a one-time Local funds enhancement in the amount of \$1,350,000 in the Health Care Finance division to implement a Physician Supplemental Payment that mitigates Medicaid losses for group practices that agree to provide inpatient/hospitalists, emergency department and intensive care physician services in Wards 7 and 8. An additional \$840,000 one-time Local funds enhancement will support 6.6 FTEs, audits, and administrative costs as a result of a reduced cost allocation plan.

The agency will reflect an increase of \$667,098 and 5.4 FTEs in its proposed submission for Federal Medicaid Payments as a result of cost allocation plan changes.

Mayor’s Policy – Reduce: The agency is proposing Local funds savings across multiple services and divisions. A savings of \$70,778 reflects revised Fixed Cost estimates from DGS. An aggregate savings of \$8,500,000 will be made through the following actions: A projected savings of \$328,190 in the Program of All-Inclusive Care for the Elderly (PACE) resulting from updated information reflecting enrollments; a savings of \$1,369,335 due to the closure of the OB/GYN department at the United Medical Center, which affects Disproportionate Share Hospital (DSH) payments; a savings of \$2,302,475 in various contracts that have yet to be implemented; and a savings of \$4,500,000 from Medicaid Care Organizations (MCO) as a result of rate changes. The corresponding adjustments to the budget submission for Federal Medicaid Payments is reflected as a reduction of \$9,930,180.

District’s Proposed Budget

Enhance: DHCF will receive \$905,000 in one-time Local fund enhancements in the Health Care Reform and Innovation division. Of this amount, \$500,000 will support a grant to design and develop the Community Resource Inventory Pilot program as specified by Title I, Section 110 of the “Birth-to-Three for All D.C. Act of 2018”; \$200,000 will support patient-centered care for Medicaid-eligible pregnant women; \$100,000 will support grants for oncology services in Wards 7 and 8; \$75,000 will support a pilot program for faith-based organizations; and \$30,000 will support a grant for medical services to teen parents through a high-school program in Wards 7 and 8.

The Healthcare Policy and Planning division will increase its Local funds personal services budget by \$579,893 and 3.0 FTEs. The funds support program analysts that will provide program integrity and auditing services to reduce potential fraud in the D.C. Healthcare Alliance program. This division will also receive a one-time Local funds enhancement in the amount of \$200,002, which will support a substance abuse Medicaid waiver and rate analysis for the Department of Behavioral Health.

In the proposed budget for Dedicated Taxes, an increase of \$16,159,407 will be used in the Health Care Finance division. This is comprised of \$8,501,420 to support the "Medicaid Hospital Inpatient Rate Supplemental Act of 2018" and \$7,657,987 to support the "Medicaid Hospital Outpatient Rate Supplemental Act of 2018."

The projected federal reimbursement for Federal Medicaid Payments of \$37,641,916 across multiple divisions consists of \$19,836,646 for the "Medicaid Hospital Inpatient Rate Supplemental Act of 2018," \$17,641,634 for the "Medicaid Hospital Outpatient Rate Supplemental Act of 2018," and \$163,636 for the corresponding adjustment for the substance abuse Medicaid waiver and rate analysis.

Reduce: In Local funds, a proposed reduction of \$72,043 aligns the budget with the revised Fixed Cost for Occupancy in the Agency Management division. Also in this division, a Local funds reduction of \$156,382 will be made to adjust the Operating Impact of Capital for the Case Management System. The agency will also make adjustments to its Locally funded personal services budget by reducing 2.2 FTEs and aligning the budget with projected expenses, which will save \$443,722 across multiple divisions. The corresponding adjustments to Federal Medicaid Payments reflect a reduction of \$28,923 and 1.8 FTEs.

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Agency Performance Plan*

The Department of Health Care Finance (DHCF) has the following strategic objectives for FY 2019:

Strategic Objectives

Strategic Objectives describe what the agency will do, at a high level, to achieve its mission. These are action-based sentences that define what an agency does for its customers, whether the customers are residents or other District agencies, and how that improves the District.

Objectives

1. Provide access to comprehensive healthcare services for District residents.
2. Ensure the delivery of high quality healthcare services to District residents.
3. Deter fraud, waste, and abuse by promoting integrity throughout the Medicaid program.
4. Create and maintain a highly efficient, transparent and responsive District government.**

ACTIVITIES

Activities include the work that happens on a daily basis to help achieve the Strategic Objectives. Activity names come from the budget line items. This is further divided into “daily services” (ex. sanitation disposal), and long-term “key projects” that are high profile, one-time and span several years, (ex. redevelopment of Walter Reed Army Medical Center). Many agencies will mostly have daily services, whereas some agencies that have more of their budget come from capital funding will have several key projects.

1. Provide access to comprehensive healthcare services for District residents. (4 Activities)

Activity Title	Activity Description	Type of Activity
Eligibility	Based on the Federal guidelines for Medicaid and local laws for the Alliance program, DHCF provides healthcare to District residents according to the criteria of the programs offered. This requires the agency to create State Plans and rules that define the qualifications, along with working with other District agencies to ensure that qualified applicants are granted access to these healthcare programs.	Daily Service
Benefits	DHCF establishes and administers healthcare benefits for DC residents primarily through two delivery systems: managed care and Fee -for-service (FFS). The benefit design is detailed through the Medicaid State Plan, waiver applications, rules, laws and transmittals.	Daily Service
Eligibility and Enrollment System	DHCF is charged with implementing and overseeing a single, streamlined, no-wrong door eligibility and enrollment system for all health and human services assistance programs being offered by the District of Columbia.	Daily Service
DC Access System (DCAS)	DHCF is charged with implementing and overseeing a single, streamlined, no-wrong door eligibility and enrollment system for all health and human services assistance programs being offered by the District of Columbia.	Key Project

2. Ensure the delivery of high quality healthcare services to District residents. (2 Activities)

Activity Title	Activity Description	Type of Activity
Claims Processing	As beneficiaries utilize services with physicians, clinics, pharmacies, and hospitals, payments are remitted by those providing the services to DHCF for processing and payment. Federal regulations and local laws require prompt payment of claims submitted, so DHCF must first verify the eligibility of the beneficiary, the Medicaid enrollment of the provider, and the validity of the service being provided.	Daily Service
Provider Enrollment and Screening	In order to receive payments for services provided to Medicaid and Alliance patients, physicians, clinics, pharmacies, hospitals and other providers must first apply to be a qualified provider. DHCF screens providers to minimize future unscrupulous activities. Once enrolled, provider information is retained and utilized to accept and process future claims.	Daily Service

3. Deter fraud, waste, and abuse by promoting integrity throughout the Medicaid program. (1 Activity)

Activity Title	Activity Description	Type of Activity
Program Integrity	The DHCF promotes the integrity of Medicaid through audits, policy review and identification and monitoring of program vulnerabilities. These efforts are conducted on a daily basis by implementing proper policies and procedures as well as the development and implementation of a strategic plan and quality assurance.	Daily Service

KEY PERFORMANCE INDICATORS

Key Performance Indicators measure how well an agency is achieving its Strategic Objectives. They are outcome-oriented and should be used to answer the question, “What does the agency need to measure to determine success?”

1. Provide access to comprehensive healthcare services for District residents. (5 Measures)

Measure	New Measure/ Benchmark Year	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target	FY 2019 Target
Participation rate among Medicaid and CHIP eligible children ages 0 through 18 in the District of Columbia	No	Data Forthcoming	95%	96.9%	95%	95%
Percent of District residents covered by Medicaid	No	Data Forthcoming	35%	35.5%	35%	35%
Percent of Medicaid renewals as a result of the passive renewal process	No	Data Forthcoming	75%	89.1%	80%	70%
Percent of children, ages 1 – 20 years, enrolled in the Medicaid program (Fee-for-Service and Managed Care) with 90 days of continuous enrollment that received preventive dental services during the fiscal year	No	Data Forthcoming	58%	Data Forthcoming	60%	62%
Percent of children, ages 1-20 years, enrolled in the Medicaid program	No	Data Forthcoming	68%	Data Forthcoming	70%	72%

1. Provide access to comprehensive healthcare services for District residents. (5 Measures)

Measure	New Measure/ Benchmark Year	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target	FY 2019 Target
(Fee-for-Service and Managed Care) with 90 days of continuous enrollment that received a routine well-child examination during the fiscal year						

2. Ensure the delivery of high quality healthcare services to District residents. (3 Measures)

Measure	New Measure/ Benchmark Year	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target	FY 2019 Target
Reduce hospital admissions of Medicaid Managed Care enrollees due to health conditions that may have been prevented through appropriate outpatient care	No	Not Available	5%	Data Forthcoming	10%	10%
Reduce hospital discharges of Medicaid Managed Care enrollees that were followed by a readmission for any diagnosis within 30 days	No	Not Available	5%	Data Forthcoming	10%	10%
Reduce potentially preventable Emergency Department visits by Medicaid Managed Care enrollees that may have been avoided or appropriately treated at a lower level of care	No	Not Available	5%	Data Forthcoming	10%	10%

3. Deter fraud, waste, and abuse by promoting integrity throughout the Medicaid program. (1 Measure)

Measure	New Measure/ Benchmark Year	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target	FY 2019 Target
Number of referrals to the Medicaid Fraud Control Unit or other agencies for criminal or civil resolution	No	10	14	14	14	14

4. Create and maintain a highly efficient, transparent and responsive District government. (1 Measure)**

Measure	New Measure/ Benchmark Year	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target	FY 2019 Target
Percent of invoices processed accurately and in compliance with the Prompt Payment Act	No	92.4%	97%	99.1%	98%	98%

WORKLOAD MEASURES

Workload Measures, also called inputs or outputs, quantify an activity, effort or process that is necessary to make progress towards the Strategic Objectives. They help answer the question; “How much are we doing?”

1. Claims Processing

Measure	New Measure/ Benchmark Year	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Percent of procurement process completed for the acquisition of a new Medicaid	No	Not Available	Not Available	20%

1. Claims Processing

Measure	New Measure/ Benchmark Year	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Management Information System (MMIS) that will be a multi-payor claims adjudication system for Medicaid and other DC Government programs that process medical claims				

2. Provider Enrollment and Screening

Measure	New Measure/ Benchmark Year	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Number of newly enrolled providers	No	Not Available	0	2347
Number of re-enrolled providers	No	Not Available	0	1081

3. Eligibility

Measure	New Measure/ Benchmark Year	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
A minimum of three (3) policy training sessions conducted per quarter for DHCF, sister agencies and other external stakeholders on eligibility related policies and procedures to ensure staff and community partners receive the training needed to accurately	No	Not Available	Not Available	25

4. Benefits

Measure	New Measure/ Benchmark Year	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Number of beneficiaries receiving a conflict free assessment for long-term care services and supports	No	5050	6469	4768
Number of District residents covered by Alliance (Year End)	No	15,059	Data Forthcoming	15,318
Number of District residents covered by Medicaid (Year End)	No	248,775	Data Forthcoming	241,871
Number of Elderly and Persons with Disabilities Waiver (EPDW) beneficiaries enrolled in services My Way	No	Not Available	131	258
Percent of District residents insured	No	96.2	Data Forthcoming	96.1%
Produce and disseminate three (3) data snapshots to share utilization and spending patterns with external stakeholders and the general public	No	Not Available	Not Available	3

5. Program Integrity

Measure	New Measure/ Benchmark Year	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Conduct Investigations based on complaints data analysis, input from internal and external partners, and other indications of abnormal or suspect claims	No	Not Available	Not Available	144
Conduct liaison, education, and training with other DHCF divisions, outside agencies, providers, and other groups in support of program integrity mission	No	Not Available	Not Available	89

5. Program Integrity

Measure	New Measure/ Benchmark Year	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Conduct Surveillance and Utilization Review Section (SURS) audits based on data analysis, input from internal and external partners, and other indications of abnormal or suspect claims	No	Not Available	Not Available	386
Number of adjusted/overtaken/upheld/partial payment/resolved/reversed/written-off cases among commercial consumers served by the Ombudsman (appeals and grievances)	No	117	88	241
Number of non-commercial consumers served by Ombudsman (to include Medicare, Medicaid, Alliance, and DC Health Link)	No	8241	8164	9010

Performance Plan Endnotes:

*For more information about the structure and components of FY 2019 draft performance plans, please see the FY 2019 Proposed Budget and Financial Plan, Volume 1, Appendix E.

**We've revisited a project to standardize District wide measures for the Objective "Create and maintain a highly efficient, transparent and responsive District government". New measures will be tracked in FY 2018 and FY 2019 and published starting in the FY 2019 Performance Plan.

***Key Performance Indicators that are new may not have historical data and may only have FY 2019 targets.