

Department of Health Care Finance

www.dhcf.dc.gov

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Table HT0-1

Description	FY 2017	FY 2018	FY 2019	FY 2020	% Change
	Actual	Actual	Approved	Approved	from FY 2019
OPERATING BUDGET	\$3,057,635,527	\$3,062,328,112	\$3,345,427,768	\$3,232,350,185	-3.4
FTEs	228.5	334.0	351.0	354.0	0.9

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 280,000 District of Columbia residents (approximately 40 percent 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 2020 approved budget is presented in the following tables:

FY 2020 Approved Gross Funds Operating Budget and FTEs, by Revenue Type

Table HT0-2 contains the approved FY 2020 budget by revenue type compared to the FY 2019 approved budget. It also provides FY 2017 and FY 2018 actual data.

Table HT0-2

(dollars in thousands)

	Dollars in Thousands							Full-Time Equivalents					
	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	% Change*	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	% Change	
Appropriated Fund													
GENERAL FUND													
Local Funds	708,248	708,165	784,277	830,016	45,739	5.8	88.9	116.4	158.2	139.9	-18.3	-11.5	
Dedicated Taxes	79,241	82,435	83,687	81,532	-2,155	-2.6	4.9	6.0	5.5	5.5	0.0	0.0	
Special Purpose													
Revenue Funds	1,546	2,630	2,956	4,028	1,072	36.3	10.9	13.1	17.8	15.6	-2.2	-12.4	
TOTAL FOR													
GENERAL FUND	789,035	793,230	870,919	915,575	44,656	5.1	104.7	135.6	181.5	161.0	-20.5	-11.3	

Table HT0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands							Full-Time Equivalents					
	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	% Change*		Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	% Change
FEDERAL RESOURCES													
Federal Grant Funds	3,695	2,522	2,322	77	-2,245	-96.7		0.0	0.0	0.0	0.0	0.0	N/A
Federal Medicaid Payments	2,166,231	2,159,437	2,367,409	2,209,118	-158,291	-6.7		123.8	197.0	164.4	188.8	24.4	14.8
TOTAL FOR FEDERAL RESOURCES	2,169,926	2,161,958	2,369,731	2,209,195	-160,537	-6.8		123.8	197.0	164.4	188.8	24.4	14.8
INTRA-DISTRICT FUNDS													
Intra-District Funds	98,675	107,140	104,777	107,580	2,803	2.7		0.0	1.4	5.2	4.3	-0.9	-17.8
TOTAL FOR INTRA-DISTRICT FUNDS	98,675	107,140	104,777	107,580	2,803	2.7		0.0	1.4	5.2	4.3	-0.9	-17.8
GROSS FUNDS	3,057,636	3,062,328	3,345,428	3,232,350	-113,078	-3.4		228.5	334.0	351.0	354.0	3.0	0.9

*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 2020 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2020 Approved Operating Budget, by Comptroller Source Group

Table HT0-3 contains the approved FY 2020 budget at the Comptroller Source Group (object class) level compared to the FY 2019 approved budget. It also provides FY 2017 and FY 2018 actual expenditures.

Table HT0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	Percentage Change*
11 - Regular Pay - Continuing Full Time	20,092	23,270	34,691	33,189	-1,502	-4.3
12 - Regular Pay - Other	1,218	1,476	1,290	2,601	1,311	101.6
13 - Additional Gross Pay	48	206	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	4,217	5,062	7,678	7,631	-47	-0.6
15 - Overtime Pay	21	47	0	0	0	N/A
SUBTOTAL PERSONAL SERVICES (PS)	25,596	30,061	43,659	43,422	-237	-0.5
20 - Supplies and Materials	100	99	217	243	26	12.1
30 - Energy, Communication and Building Rentals	261	173	254	254	0	0.0
31 - Telecommunications	213	328	213	317	104	49.0
32 - Rentals - Land and Structures	0	0	1,305	1,305	0	0.0
34 - Security Services	179	155	128	128	0	0.0
35 - Occupancy Fixed Costs	340	141	510	510	0	0.0
40 - Other Services and Charges	1,556	1,248	2,369	8,824	6,456	272.5
41 - Contractual Services - Other	89,567	89,409	141,855	153,307	11,452	8.1
50 - Subsidies and Transfers	2,939,202	2,936,699	3,153,732	3,021,984	-131,748	-4.2
70 - Equipment and Equipment Rental	621	4,015	1,187	2,057	870	73.3
SUBTOTAL NONPERSONAL SERVICES (NPS)	3,032,040	3,032,267	3,301,768	3,188,928	-112,840	-3.4
GROSS FUNDS	3,057,636	3,062,328	3,345,428	3,232,350	-113,078	-3.4

*Percent change is based on whole dollars.

FY 2020 Approved Operating Budget and FTEs, by Division/Program and Activity

Table HT0-4 contains the approved FY 2020 budget by division/program and activity compared to the FY 2019 approved budget. It also provides FY 2017 and FY 2018 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 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019
(1000) AGENCY MANAGEMENT										
(1010) Personnel	734	910	1,281	1,382	101	12.6	17.4	10.0	14.0	4.0
(1015) Training and Development	6	3	30	30	0	0.0	0.0	0.0	0.0	0.0
(1020) Contracting and Procurement	1,656	1,559	2,192	2,521	329	2.8	3.9	4.0	3.0	-1.0
(1030) Property Management	2,495	2,533	3,290	3,955	665	4.5	6.2	5.0	4.0	-1.0
(1040) Information Technology	2,572	33,712	7,185	8,867	1,682	7.2	12.8	14.0	18.0	4.0
(1060) Legal	859	899	1,234	1,231	-3	7.2	10.0	9.0	8.0	-1.0
(1070) Fleet Management	0	0	5	5	0	0.0	0.0	0.0	0.0	0.0
(1080) Communications	161	345	708	605	-104	0.9	1.2	2.0	2.0	0.0
(1085) Customer Service	1,581	1,924	4,090	4,216	125	16.6	25.3	28.0	28.0	0.0
(1087) Language Access	0	0	10	10	0	0.0	0.0	0.0	0.0	0.0
(1090) Performance Management	19,752	9,236	8,802	11,001	2,199	40.9	57.0	47.0	50.0	3.0
SUBTOTAL (1000) AGENCY MANAGEMENT	29,816	51,122	28,828	33,823	4,995	92.8	133.9	119.0	127.0	8.0
(100F) AGENCY FINANCIAL OPERATIONS										
(110F) Budgeting Operations	600	627	637	730	93	5.5	6.4	5.0	6.0	1.0
(120F) Accounting Operations	4,776	4,411	5,216	5,701	485	6.6	11.1	9.0	9.0	0.0
(140F) Agency Fiscal Officer	308	315	321	329	9	1.8	2.5	2.0	2.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	5,684	5,353	6,174	6,760	586	13.9	20.0	16.0	17.0	1.0
(2000) HEALTHCARE DELIVERY MANAGEMENT										
(2001) Chronic and Long-Term Care	0	-6,365	0	0	0	0.0	0.0	0.0	0.0	0.0
(2002) Managed Care Mgmt	5,696	6,580	8,622	8,778	155	9.0	11.2	10.0	8.0	-2.0
(2003) Preventive and Acute Care	1,469	1,562	1,362	1,374	12	4.0	5.6	4.5	4.5	0.0
(2004) Div of Quality and Health Outcomes	1,968	2,662	5,940	5,778	-162	4.5	5.0	5.0	5.0	0.0
(2007) Clinicians, Rx & Acute Provider Svs	7,771	5,787	6,058	8,397	2,339	7.8	9.9	7.5	7.5	0.0
(2010) Health Care Delivery Mgmt Support Svcs	1,291	1,048	1,111	1,185	74	2.7	10.0	9.0	9.0	0.0
SUBTOTAL (2000) HEALTHCARE DELIVERY MANAGEMENT	18,196	11,274	23,094	25,513	2,419	28.0	41.6	36.0	34.0	-2.0
(200L) LONG-TERM CARE PROGRAM										
(201L) Long-Term Care Support Services	13,874	13,540	17,739	16,594	-1,145	4.5	3.7	3.0	4.0	1.0
(202L) Elders and Persons w/Physical Disability	1,929	0	0	0	0	21.2	0.0	0.0	0.0	0.0
(203L) Div of Special Needs Population	896	0	0	0	0	7.7	0.0	0.0	0.0	0.0
(210L) Oversight	0	1,431	1,629	1,598	-30	0.0	15.2	14.0	13.0	-1.0
(220L) Operations	0	1,385	1,678	1,494	-184	0.0	16.2	15.0	14.0	-1.0
(230L) Intake and Assessment	0	806	882	897	14	0.0	11.6	7.0	7.0	0.0
SUBTOTAL (200L) LONG-TERM CARE PROGRAM	16,698	17,162	21,928	20,582	-1,345	33.4	46.7	39.0	38.0	-1.0

Table HT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019	Actual FY 2017	Actual FY 2018	Approved FY 2019	Approved FY 2020	Change from FY 2019
(3000) HEALTHCARE POLICY AND PLANNING										
(3001) Policy Unit Management	467	484	1,783	748	-1,035	5.4	7.5	10.0	6.0	-4.0
(3003) Data Analysis	498	682	878	1,055	177	4.5	7.5	6.0	7.0	1.0
(3004) Member Management	1,104	1,245	1,355	1,589	234	10.2	16.8	13.0	14.0	1.0
(3010) Health Care Policy and Planning Support	20,197	2,687	1,596	3,500	1,904	3.6	13.4	6.0	5.0	-1.0
SUBTOTAL (3000) HEALTHCARE POLICY AND PLANNING	22,265	5,098	5,612	6,892	1,280	23.7	45.2	35.0	32.0	-3.0
(300A) DCAS PROGRAM MANAGEMENT ADMINISTRATION										
(310A) Program Management	0	0	3,657	2,205	-1,451	0.0	0.0	10.0	9.0	-1.0
(320A) Project Management	0	0	7,938	13,496	5,558	0.0	0.0	37.0	37.0	0.0
(330A) Organizational Change	0	0	2,292	6,946	4,654	0.0	0.0	11.0	13.0	2.0
(340A) IT Mgmt	0	0	48,246	42,420	-5,826	0.0	0.0	11.0	11.0	0.0
SUBTOTAL (300A) DCAS PROGRAM MANAGEMENT ADMINISTRATION	0	0	62,132	65,067	2,935	0.0	0.0	69.0	70.0	1.0
(5000) HEALTH CARE FINANCE										
(5001) Medicaid Provider Payment	2,780,288	2,816,994	3,027,608	2,898,810	-128,798	0.0	0.0	0.0	0.0	0.0
(5002) Medicaid Public Provider Payments	83,893	43,615	37,619	26,256	-11,363	0.0	0.0	0.0	0.0	0.0
(5003) Alliance Provider Payments	56,071	68,549	77,032	89,825	12,793	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (5000) HEALTH CARE FINANCE	2,920,253	2,929,159	3,142,259	3,014,891	-127,368	0.0	0.0	0.0	0.0	0.0
(6000) HEALTH CARE OPERATIONS										
(6001) Medicaid Information Systems	28,864	29,807	38,225	42,024	3,799	15.8	18.4	15.0	14.0	-1.0
(6006) Div of Public and Private Provider Svs	2,133	2,529	2,762	3,126	364	9.9	13.5	10.0	10.0	0.0
(6010) Health Care Operations Support	838	1,831	504	522	18	2.7	3.7	3.0	3.0	0.0
SUBTOTAL (6000) HEALTH CARE OPERATIONS	31,835	34,167	41,491	45,672	4,181	28.4	35.7	28.0	27.0	-1.0
(8000) HEALTH CARE REFORM AND INNOVATION										
(8002) Affordable Care Reform and Grants Dev.	12,617	8,527	13,661	12,010	-1,650	7.4	8.6	8.0	7.0	-1.0
(8010) HC Reform and Innovative Support Svs	271	466	250	1,140	890	0.9	2.4	1.0	2.0	1.0
SUBTOTAL (8000) HEALTH CARE REFORM AND INNOVATION	12,888	8,993	13,911	13,151	-760	8.3	11.0	9.0	9.0	0.0
TOTAL APPROVED OPERATING BUDGET	3,057,636	3,062,328	3,345,428	3,232,350	-113,078	228.5	334.1	351.0	354.0	3.0

(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 2020 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 Long Term Care Services and Support Assessments (LTCSS) including Delmarva assessments, Qualis Health Level of Care reviews, coordination with Aging and Disability Resource Center (ADRC), and Intellectual or Developmental Disabilities (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 (DCAS), 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 by District health care providers. The program aligns with CMS’s Meaningful Use 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 Department of Health Care Finance has no division structure changes in the FY 2020 approved budget.

FY 2019 Approved Budget to FY 2020 Approved Budget, by Revenue Type

Table HT0-5 itemizes the changes by revenue type between the FY 2019 approved budget and the FY 2020 approved budget. For a more comprehensive explanation of changes, please see the FY 2020 Approved Budget Changes section, which follows the table.

Table HT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2019 Approved Budget and FTE		784,277	158.2
Removal of One-Time Costs	Multiple Programs	-3,295	-6.6
LOCAL FUNDS: FY 2020 Recurring Budget		780,982	151.6
Increase: To support the costs of pre-existing programmatic initiatives	Health Care Finance	9,028	0.0
Increase: To support nonpersonal service costs	Multiple Programs	3,931	0.0
Increase: To support Indirect Cost Recovery expenditures (one-time increase)	Multiple Programs	840	6.0
Increase: To align Fixed Costs with proposed estimates	Multiple Programs	58	0.0
Decrease: To align resources with operational spending goals	DCAS Program Management Administration	-1,087	0.0
Decrease: To align personal services and Fringe Benefits with projected costs	Multiple Programs	-1,963	-12.8
Enhance: To support increase costs	Health Care Finance	34,000	0.0
Enhance: To support DCAS contract	DCAS Program Management Administration	3,781	0.0
Enhance: To support physician supplemental payments	Health Care Finance	1,350	0.0
Enhance: To support opioid overdose treatment and prevention	Healthcare Policy and Planning	82	0.0
LOCAL FUNDS: FY 2020 Mayor's Proposed Budget		831,002	144.9
Enhance: \$150,000 to support the Medical Respite Care for the Homeless Establishment Act (one-time), and \$100,000 to support the Community-Based Social Determinants of Health Initiatives Act (one-time)	Health Care Reform and Innovation	250	0.0
Reduce: To reflect nonpersonal cost savings	Multiple Programs	-124	0.0
Reduce: To recognize savings from a reduction in FTE(s)	Multiple Programs	-453	-5.0
Reduce: To reflect the revised provider's forecast	Health Care Finance	-660	0.0
LOCAL FUNDS: FY 2020 District's Approved Budget		830,016	139.9
DEDICATED TAXES: FY 2019 Approved Budget and FTE		83,687	5.5
Decrease: To align budget with projected revenues	Multiple Programs	-15,580	0.0
DEDICATED TAXES: FY 2020 Mayor's Proposed Budget		68,106	5.5
Enhance: To reflect revenue from the Medicaid Hospital Supplemental Payment Amendment Act of 2019's hospital inpatient fee	Health Care Finance	7,989	0.0
Enhance: To reflect revenue from the Medicaid Hospital Supplemental Payment Amendment Act of 2019's hospital outpatient fee	Health Care Finance	5,437	0.0
DEDICATED TAXES: FY 2020 District's Approved Budget		81,532	5.5
FEDERAL GRANT FUNDS: FY 2019 Approved Budget and FTE		2,322	0.0
Decrease: To align budget with projected grant awards	Long Term Care Program	-2,245	0.0
FEDERAL GRANT FUNDS: FY 2020 Mayor's Proposed Budget		77	0.0

Table HT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2020 District's Approved Budget		77	0.0
FEDERAL MEDICAID PAYMENTS: FY 2019 Approved Budget and FTE		2,367,409	164.4
Increase: To support additional FTEs	Multiple Programs	2,989	28.4
Decrease: To align budget with projected federal Medicaid reimbursements	Multiple Programs	-120,475	0.0
Enhance: To align budget with projected federal Medicaid reimbursements	Multiple Programs	81,612	0.0
FEDERAL MEDICAID PAYMENTS: FY 2020 Mayor's Proposed Budget		2,331,535	192.8
Reduce: To recognize savings from a reduction in FTE(s)	Multiple Programs	-482	-4.0
Reduce: To reflect revised provider's forecast	Health Care Finance	-121,936	0.0
FEDERAL MEDICAID PAYMENTS: FY 2020 District's Approved Budget		2,209,118	188.8
SPECIAL PURPOSE REVENUE FUNDS: FY 2019 Approved Budget and FTE		2,956	17.8
Increase: To align budget with projected revenues	Multiple Programs	1,258	0.0
Decrease: To recognize savings from a reduction in FTEs	Multiple Programs	-162	-2.2
SPECIAL PURPOSE REVENUE FUNDS: FY 2020 Mayor's Proposed Budget		4,051	15.6
Reduce: To recognize savings in personal services	Agency Management	-23	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2020 District's Approved Budget		4,028	15.6
INTRA-DISTRICT FUNDS: FY 2019 Approved Budget and FTE		104,777	5.2
Increase: To align budget with projected revenues	Health Care Finance	2,899	0.0
Decrease: To align budget with projected revenues	DCAS Program Management Administration	-96	-0.9
INTRA-DISTRICT FUNDS: FY 2020 Mayor's Proposed Budget		107,580	4.3
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2020 District's Approved Budget		107,580	4.3
GROSS FOR HT0 - DEPARTMENT OF HEALTH CARE FINANCE		3,232,350	354.0

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

FY 2020 Approved Budget Changes

The Department of Health Care Finance's (DHCF) approved FY 2020 gross budget is \$3,232,350,185, which represents a 3.4 percent decrease from its FY 2019 approved gross budget of \$3,345,427,768. The budget is comprised of \$830,015,717 in Local funds, \$81,531,663 in Dedicated Taxes, \$76,807 in Federal Grant funds, \$2,209,118,082 in Federal Medicaid Payments, \$4,027,884 in Special Purpose Revenue funds, and \$107,580,031 in Intra-District funds.

Recurring Budget

The FY 2020 budget for DHCF includes a reduction of \$3,295,002 to account for the removal of one-time funding appropriated in FY 2019. This amount includes \$1,350,000 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; \$840,000 and 6.6 Full-Time Equivalents to support audits, and administration costs associated with a reduced cost allocation plan; \$500,000 to support a grant to design and develop the Community Innovation division; \$200,002 to support a substance abuse Medicaid waiver and rate analysis for the Department of Behavioral Health; \$200,000 to support patient-centered care for Medicaid-eligible pregnant women; \$100,000 to support grants for oncology services in Wards 7 and 8; \$75,000 to support a pilot program for faith-based organizations; and \$30,000 to support a grant for medical services to teen parents through a high school program in Wards 7 and 8.

Mayor's Proposed Budget

Increase: DHCF's proposed Local funds budget includes an increase in the amount of \$9,028,134 in the Health Care Finance division to support provider payments to Medicaid, Health Care Alliance, and public providers. An additional increase of \$3,931,031 will be used across multiple divisions for nonpersonal service expenditures. The agency will realize a one-time Local funds increase of \$840,000 and 6.0 Full-Time Equivalents (FTEs) to support administrative costs incurred as the result of reduced federal revenue due to cost allocation plan changes, and a Local funds increase of \$57,536 will align the fixed costs budget with estimates for Telecommunications and Energy.

In the budget submission for Federal Medicaid Payments, additional resources allocated multiple divisions will account for an increase of \$2,989,116 and 28.4 FTEs. A proposed increase of \$1,257,595 in the budget submission for Special Purpose Revenue (SPR) funds is attributed to a projected increase in the Medicaid Collections Third Party Liability fund.

The proposed budget submission for Intra-District funds includes an increase of \$2,898,913 in the Health Care Finance division. DHCF has signed Memoranda of Understanding (MOUs) with District agencies to provide a variety of services, including services to Medicaid-eligible consumers, and support for beneficiaries with severe mental illnesses. DHCF also provides support to the Adolescent Substance Abuse Treatment Expansion Project program, and the Adult Substance Abuse Rehabilitative Services program within the Department of Behavioral Health.

Decrease: DHCF has identified a Local funds savings of \$1,086,564 in the DCAS division across nonpersonal services, and a Local funds savings of \$1,962,660 across multiple divisions has been identified across personal services as it aligns projected expenses for salary and Fringe Benefits, along with the reduction of 12.8 FTEs.

Revenues derived from Dedicated Taxes are projected to decrease by \$15,580,309 across multiple divisions due to the expiration date of September 30, 2019 for Inpatient and Outpatient Hospital Provider taxes. The proposed budget for Federal Medicaid Payments is projected to decrease by \$120,475,016 across multiple divisions in nonpersonal services. This action is in response to the anticipated federal match for the District's expenditures of local resources on Medicaid-eligible health care services.

There is a projected decrease of \$2,245,162 in Federal Grant funds in the Long Term Care Program division. This is in response to available funding from Money Follows the Person grant issued by the Department of Health and Human Services. The agency will eliminate 2.2 SPR-funded FTEs resulting in a savings of \$162,330 across multiple divisions, and the DCAS division will align its division with available resources in Intra-District funds, resulting in a savings of \$96,228 and 0.9 FTEs.

Enhance: DHCF will receive four Local fund enhancements in FY 2020. The Health Care Finance division will receive \$34,000,000 to support a projected increase in Medicaid enrollment and to ensure Managed Care Organization (MCO) rates are actuarially sound; the DCAS division will receive \$3,780,802 to support contractual obligations; the Health Care Finance division will use \$1,350,000 to support physician supplemental payments; and the Healthcare Policy and Planning division will receive \$82,500 to support opioid overdose treatment and prevention.

An increase in projected federal reimbursement for Federal Medicaid Payments of \$81,611,634 consists of \$78,394,134 for Medicaid enrollment and MCO rates, \$3,150,000 for physician supplemental payments, and \$67,500 for opioid overdose treatment and prevention.

District's Approved Budget

The Federal Medicaid Payments are reduced by \$121,935,530, of which approximately \$44 million is due to updated provider payment forecasts. The remainder of the reduction is due to unaccounted Medicaid revenues. In addition, the Federal Medicaid Provider Payment budget does not reflect anticipated revenue from the Medicaid Hospital Supplemental Payment Amendment Act of 2019, which is estimated to total \$31.1 million in fiscal year 2020 and includes \$18.64 million from hospital inpatient fees and \$12.46 million from hospital outpatient fees. The District expects that these unaccounted Medicaid revenues will be included in the budget as a budget modification in FY 2020.

Enhance: The approved Local funds budget in the Health Care Reform and Innovation division will increase by \$250,00 in one-time enhancements. Of this amount, \$150,000 will be used to support the Medical Respite Care for the Homeless Establishment Act and \$100,000 will support the Community-Based Social Determinants of Health Initiatives Act.

In Dedicated Tax funds, the Health Care Finance division will increase due to the Medicaid Hospital Supplemental Payment Amendment Act of 2019 by \$7,988,595 from the hospital inpatient fee, and \$5,436,602 from the hospital outpatient fee.

Reduce: DHCF will save \$123,547 in Local funds in nonpersonal services across multiple divisions. The agency will also reduce 5.0 vacant positions across multiple divisions that will save an additional \$452,643 in Local funds. A final Local funds savings of \$660,471 in the Health Care Finance division is the result of the revised forecast for provider care payments. The corresponding adjustments to Federal Medicaid Payments are reflected as a reduction of \$481,589 and 4.0 FTEs in salary and Fringe Benefit costs and \$121,935,530 in subsidies.

In Special Purpose Revenue funds, a reduction of \$22,991 will be made to the Agency Management division to align the personal services budget.

Agency Performance Plan*

The Department of Health Care Finance (DHCF) has the following strategic objectives for FY 2020:

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
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
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

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	Daily Service

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

Activity Title	Activity Description	Type of Activity
	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.	
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 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2020 Target
Participation rate among Medicaid and CHIP eligible children ages 0 through 18 in the District of Columbia	No	Data Forthcoming	95%	Data Forthcoming	95%	95%
Percent of District residents covered by Medicaid	No	35.5%	35%	37.2%	35%	35%
Percent of Medicaid renewals as a result of the passive renewal process	No	89.1%	80%	72.2%	70%	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	56%	60%	Data Forthcoming	62%	62%
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 a routine well-child examination during the fiscal year	No	66%	70%	Data Forthcoming	72%	72%

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

Measure	New Measure/ Benchmark Year	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2020 Target
Reduce hospital admissions of Medicaid Managed Care enrollees due to health conditions that may have been prevented through appropriate outpatient care	No	Data Forthcoming	10%	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	Data Forthcoming	10%	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	Data Forthcoming	10%	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 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2020 Target
Number of referrals to the Medicaid Fraud Control Unit or other agencies for criminal or civil resolution	No	14	14	18	14	14

4. Create and maintain a highly efficient, transparent, and responsive District government. (10 Measures)

Measure	New Measure/ Benchmark Year	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2020 Target
Contracts and Procurement - Average number of calendar days between requisition and purchase orders issued	No	12.9	Not Available	Data Forthcoming	Not Available	Not Available
Contracts and Procurement - Percent of Small Business Enterprise (SBE) annual goal spent	No	131.1%	Not Available	Data Forthcoming	Not Available	Not Available
Financial Management - Percent of local budget de-obligated to the general fund at the end of year	No	0.8%	Not Available	Data Forthcoming	Not Available	Not Available
Financial Management - Quick Payment Act (QPA) Compliance - Percent of QPA eligible invoices paid within 30 days	No	Not Available	Not Available	Data Forthcoming	Not Available	Not Available
Human Resource Management - Average number of days to fill vacancy from post to offer acceptance	No	Not Available	New in 2019	New in 2019	New in 2019	Not Available
Human Resource Management - Percent of eligible employee performance evaluations completed and finalized in PeopleSoft	No	92.9%	Not Available	Data Forthcoming	Not Available	Not Available
Human Resource Management - Percent of eligible employees completing and finalizing a performance plan in PeopleSoft	No	Not Available	Not Available	94.7%	Not Available	Not Available

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

Measure	New Measure/ Benchmark Year	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2020 Target
IT Policy and Freedom of Information Act (FOIA) Compliance - Percent of open data sets identified by the annual Enterprise Dataset Inventory published on the Open Data Portal	No	Not Available	Not Available	0%	Not Available	Not Available
IT Policy and Freedom of Information Act (FOIA) Compliance - Percent of FOIA Requests Processed in more than 25 business days - statute requirements allow 15 business days and a 10 day extension	No	23.8%	Not Available	Data Forthcoming	Not Available	Not Available
Percent of invoices processed accurately and in compliance with the Prompt Payment Act	No	99.1%	98%	98.4%	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 2016 Actual	FY 2017 Actual	FY 2018 Actual
Percent of procurement process completed for the acquisition of a new Medicaid Management Information System (MMIS) that will be a multi-payor claims adjudication system for Medicaid and other DC Government programs that process medical claims	No	Not Available	Not Available	-70%

2. Provider Enrollment and Screening

Measure	New Measure/ Benchmark Year	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual
Number of newly enrolled providers	No	0	2347	10,034
Number of re-enrolled providers	No	0	1081	811

3. Eligibility

Measure	New Measure/ Benchmark Year	FY 2016 Actual	FY 2017 Actual	FY 2018 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	23

4. Program Integrity

Measure	New Measure/ Benchmark Year	FY 2016 Actual	FY 2017 Actual	FY 2018 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	188
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	189
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	233
Number of adjusted/overturned/upheld/partial payment/resolved/reversed/written-off cases among commercial consumers served by the Ombudsman (appeals and grievances)	No	88	Not Available	126
Number of non-commercial consumers served by Ombudsman (to include Medicare, Medicaid, Alliance, and DC Health Link)	No	8164	9010	11,004

5. Benefits

Measure	New Measure/ Benchmark Year	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual
Number of beneficiaries receiving a conflict free assessment for long-term care services and supports	No	6469	Not Available	7026
Number of District residents covered by Alliance (Year End)	No	15,318	16,240	Data Forthcoming
Number of District residents covered by Medicaid (Year End)	No	241,871	258,482	Data Forthcoming
Number of Elderly and Persons with Disabilities Waiver (EPDW) beneficiaries enrolled in services My Way	No	131	Not Available	1410
Percent of District residents insured	No	96.1%	96.2%	Data Forthcoming
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	2

Performance Plan End Notes:

*For more information about the structure and components of FY 2020 draft performance plans, please see the FY 2020 Proposed Budget and Financial Plan, Volume 1, Appendix E.

**Key Performance Indicators that are new may not have historical data and may only have FY 2020 targets.

*** District wide measures for the objective "Create and maintain a highly efficient, transparent and responsive District government" have been introduced as part of FY 2019 and FY 2020 Performance Plans and will be reported by the Office of the City Administrator (OCA). FY 2019 and FY 2020 are pilot years for this initiative, therefore not all data are available.