
Department of Health Care Finance

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Table HT0-1

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	% Change from FY 2022
OPERATING BUDGET	\$3,441,330,043	\$3,754,311,588	\$3,657,030,545	\$3,709,230,390	1.4
FTEs	263.0	285.8	351.0	372.2	6.0
CAPITAL BUDGET	\$64,795,777	\$82,654,247	\$125,221,539	\$127,675,000	2.0
FTEs	0.0	0.0	0.0	0.0	N/A

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 2023 proposed budget is presented in the following tables:

FY 2023 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table HT0-2 contains the proposed FY 2023 budget by revenue type compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 actual data.

Table HT0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2020	Actual FY 2021	Approved FY 2022	Proposed FY 2023	Change from FY 2022	% Change*	Actual FY 2020	Actual FY 2021	Approved FY 2022	Proposed FY 2023	Change from FY 2022	% Change
GENERAL FUND												
Local Funds	716,796	745,831	847,229	927,659	80,430	9.5	107.1	117.2	142.9	168.2	25.3	17.7
Dedicated Taxes	78,423	97,152	103,219	105,105	1,886	1.8	4.4	4.7	6.0	6.6	0.6	9.1
Special Purpose Revenue Funds	1,395	1,971	6,434	5,644	-791	-12.3	11.5	13.0	16.4	16.2	-0.3	-1.8
TOTAL FOR GENERAL FUND	796,614	844,954	956,883	1,038,407	81,525	8.5	123.0	134.8	165.4	191.0	25.6	15.5
FEDERAL RESOURCES												
Federal Payments	0	0	2,000	2,000	0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
Federal Grant Funds	1,214	2,250	3,207	5,174	1,967	61.3	1.0	0.0	0.0	2.0	2.0	N/A
Federal Medicaid Payments	2,545,302	2,827,516	2,553,572	2,663,283	109,711	4.3	136.7	149.8	182.0	179.2	-2.8	-1.5
TOTAL FOR FEDERAL RESOURCES	2,546,516	2,829,767	2,558,779	2,670,457	111,678	4.4	137.7	149.8	182.0	181.2	-0.8	-0.4
PRIVATE FUNDS												
Private Grant Funds	0	0	0	366	366	N/A	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR PRIVATE FUNDS	0	0	0	366	366	N/A	0.0	0.0	0.0	0.0	0.0	N/A
INTRA-DISTRICT FUNDS												
Intra-District Funds	98,200	79,591	141,369	0	-141,369	-100.0	2.2	1.2	3.7	0.0	-3.7	-100.0
TOTAL FOR INTRA-DISTRICT FUNDS	98,200	79,591	141,369	0	-141,369	-100.0	2.2	1.2	3.7	0.0	-3.7	-100.0
GROSS FUNDS	3,441,330	3,754,312	3,657,031	3,709,230	52,200	1.4	263.0	285.8	351.0	372.2	21.2	6.0

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private) and Special Purpose Revenue type, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2023 Operating Appendices** located on the Office of the Chief Financial Officer's website.

In FY 2023, the Intra-District process will be eliminated, and the duplicated budget in the agencies providing services (seller agencies), known as Intra-District budget, will no longer be required. This process will be replaced by a new interagency process, which will enable seller agencies to directly charge interagency projects funded by the agencies receiving the services (buyer agencies). For more detailed information regarding the proposed funding for interagency projects funded within this agency, please see Appendix J, FY 2023 Interagency Budgets, in the Executive Summary budget volume.

FY 2023 Proposed Operating Budget, by Comptroller Source Group

Table HT0-3 contains the proposed FY 2023 budget at the Comptroller Source Group (object class) level compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 actual expenditures.

Table HT0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2020	Actual FY 2021	Approved FY 2022	Proposed FY 2023	Change from FY 2022	Percentage Change*
11 - Regular Pay - Continuing Full Time	28,139	28,639	34,263	39,286	5,022	14.7
12 - Regular Pay - Other	1,390	1,376	1,549	1,417	-133	-8.6
13 - Additional Gross Pay	170	288	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	6,406	6,233	7,910	8,857	947	12.0
15 - Overtime Pay	13	17	0	0	0	N/A
SUBTOTAL PERSONAL SERVICES (PS)	36,119	36,552	43,723	49,559	5,837	13.3
20 - Supplies and Materials	94	51	201	427	226	112.5
30 - Energy, Communication and Building Rentals	263	359	409	487	78	19.2
31 - Telecommunications	331	346	389	339	-50	-13.0
32 - Rentals - Land and Structures	1,341	1,365	1,453	1,306	-148	-10.1
34 - Security Services	92	128	309	129	-180	-58.2
35 - Occupancy Fixed Costs	441	422	435	431	-4	-1.0
40 - Other Services and Charges	5,525	801	2,179	2,276	96	4.4
41 - Contractual Services - Other	113,069	128,147	183,630	180,346	-3,284	-1.8
50 - Subsidies and Transfers	3,283,211	3,570,850	3,411,181	3,461,461	50,279	1.5
70 - Equipment and Equipment Rental	843	15,292	13,121	12,470	-651	-5.0
SUBTOTAL NONPERSONAL SERVICES (NPS)	3,405,211	3,717,759	3,613,308	3,659,671	46,363	1.3
GROSS FUNDS	3,441,330	3,754,312	3,657,031	3,709,230	52,200	1.4

*Percent change is based on whole dollars.

FY 2023 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table HT0-4 contains the proposed FY 2023 budget by division/program and activity compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 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 2020	Actual FY 2021	Approved FY 2022	Proposed FY 2023	Change from FY 2022	Actual FY 2020	Actual FY 2021	Approved FY 2022	Proposed FY 2023	Change from FY 2022
(1000) AGENCY MANAGEMENT										
(1010) Personnel	1,134	1,251	2,437	2,245	-192	10.4	11.6	12.0	12.0	0.0
(1015) Training and Development	12	0	24	24	0	0.0	0.0	0.0	0.0	0.0
(1020) Contracting and Procurement	1,566	1,960	2,486	2,202	-284	2.2	2.5	3.0	8.0	5.0
(1030) Property Management	2,792	2,650	3,445	4,303	859	3.0	3.3	4.0	6.0	2.0
(1040) Information Technology	7,374	7,600	12,688	16,362	3,674	13.4	14.9	13.0	16.0	3.0
(1060) Legal	887	1,061	1,447	1,591	144	6.0	6.6	9.0	10.4	1.4
(1080) Communications	295	303	1,387	1,445	57	1.5	1.6	5.0	5.0	0.0

Table HT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2020	Actual FY 2021	Approved FY 2022	Proposed FY 2023	Change from FY 2022	Actual FY 2020	Actual FY 2021	Approved FY 2022	Proposed FY 2023	Change from FY 2022
(1085) Customer Service	2,391	3,034	4,732	4,818	87	20.5	21.0	25.0	26.0	1.0
(1087) Language Access	0	0	10	10	0	0.0	0.0	0.0	0.0	0.0
(1090) Performance Management	7,793	13,294	10,053	14,708	4,655	37.3	41.6	54.0	69.0	15.0
SUBTOTAL (1000) AGENCY MANAGEMENT	24,245	31,154	38,708	47,708	9,000	94.4	103.0	125.0	152.4	27.4
(100F) AGENCY FINANCIAL OPERATIONS										
(110F) Budgeting Operations	711	715	737	779	42	4.5	5.0	6.0	6.0	0.0
(120F) Accounting Operations	2,853	4,133	5,714	5,011	-703	6.7	7.4	9.0	9.0	0.0
(140F) Agency Fiscal Officer	328	327	335	346	11	1.5	1.6	2.0	2.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	3,892	5,176	6,786	6,137	-649	12.7	14.0	17.0	17.0	0.0
(2000) HEALTHCARE DELIVERY MANAGEMENT										
(2002) Managed Care Management	8,239	8,002	12,984	11,932	-1,052	6.0	6.6	8.0	7.0	-1.0
(2003) Preventive And Acute Care	966	900	1,275	1,241	-34	3.4	3.7	4.5	7.0	2.5
(2004) Div Of Quality And Health Outcomes	3,483	3,271	3,753	3,277	-476	3.7	4.1	5.0	5.0	0.0
(2007) Clinicians, Rx And Acute Provider Services	7,883	7,548	9,855	9,838	-17	5.6	6.1	7.5	8.0	0.5
(2010) Health Care Delivery Management Support Services	1,071	3,059	1,166	1,387	220	6.7	7.4	9.0	10.0	1.0
SUBTOTAL (2000) HEALTHCARE DELIVERY MANAGEMENT	21,642	22,781	29,033	27,674	-1,359	25.4	28.0	34.0	37.0	3.0
(200L) LONG TERM CARE PROGRAM										
(201L) Long-Term Care Support Services	11,613	15,728	19,038	23,028	3,990	3.0	2.5	3.0	5.0	2.0
(210L) Oversight	1,615	1,642	1,709	1,742	33	9.7	10.7	13.0	13.0	0.0
(220L) Operations	1,541	1,741	1,634	1,900	267	10.4	12.4	14.0	14.0	0.0
(230L) Intake and Assessment	978	899	1,064	1,121	57	5.2	5.7	8.0	8.0	0.0
SUBTOTAL (200L) LONG TERM CARE PROGRAM	15,748	20,010	23,445	27,791	4,347	28.3	31.3	38.0	40.0	2.0
(3000) HEALTHCARE POLICY AND PLANNING										
(3001) Policy Unit Management	499	591	760	825	65	4.5	5.0	6.0	6.0	0.0
(3003) Data Analysis	775	702	1,102	150	-952	5.2	5.8	7.0	0.0	-7.0
(3004) Member Management	1,138	1,165	1,543	1,712	169	10.4	11.4	16.0	17.0	1.0
(3010) Health Care Policy and Planning Support	1,092	2,328	2,792	2,512	-280	3.7	4.1	3.0	3.0	0.0
SUBTOTAL (3000) HEALTHCARE POLICY AND PLANNING	3,504	4,786	6,196	5,199	-998	23.8	26.3	32.0	26.0	-6.0
(300A) DCAS PROGRAM MANAGEMENT ADMINISTRATION										
(310A) Program Management	1,182	970	2,574	2,516	-58	6.5	9.3	10.2	8.7	-1.6
(320A) Project Management	9,144	17,012	9,111	10,502	1,392	26.6	26.2	34.0	30.3	-3.7
(330A) Organizational Change	5,282	8,786	14,069	9,282	-4,787	9.4	9.2	13.0	11.3	-1.7
(340A) Information Technology Management	28,121	45,636	57,172	50,834	-6,338	7.9	9.2	10.8	8.7	-2.1
SUBTOTAL (300A) DCAS PROGRAM MANAGEMENT ADMINISTRATION	43,729	72,404	82,926	73,134	-9,792	50.5	53.9	68.0	58.9	-9.2

Table HT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalent				
	Actual FY 2020	Actual FY 2021	Approved FY 2022	Proposed FY 2023	Change from FY 2022	Actual FY 2020	Actual FY 2021	Approved FY 2022	Proposed FY 2023	Change from FY 2022
(5000) HEALTH CARE FINANCE										
(5001) Medicaid Provider Payment	3,132,904	3,370,291	3,220,644	3,252,807	32,163	0.0	0.0	0.0	2.0	2.0
(5002) Medicaid Public Provider Payments	54,674	58,998	73,329	73,359	30	0.0	0.0	0.0	0.0	0.0
(5003) Alliance Provider Payments	90,274	111,851	113,972	123,539	9,567	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (5000) HEALTH CARE FINANCE	3,277,852	3,541,140	3,407,945	3,449,705	41,760	0.0	0.0	0.0	2.0	2.0
(6000) HEALTH CARE OPERATIONS										
(6001) Medicaid Information Systems	36,677	37,068	50,657	52,179	1,522	10.4	11.2	14.0	14.0	0.0
(6006) Div of Public and Private Provider Services	2,443	2,838	3,123	3,272	149	7.4	8.2	10.0	10.0	0.0
(6010) Health Care Operations Support	416	1,693	469	488	19	2.2	2.5	3.0	3.0	0.0
SUBTOTAL (6000) HEALTH CARE OPERATIONS	39,537	41,599	54,249	55,939	1,690	20.0	21.9	27.0	27.0	0.0
(8000) HEALTH CARE REFORM AND INNOVATION										
(8002) Affordable Care Reform and Grants Development	9,625	13,949	5,124	4,331	-793	6.3	5.7	8.0	10.0	2.0
(8010) HC Reform and Innovative Support Services	1,557	1,314	2,620	9,133	6,513	1.5	1.6	2.0	2.0	0.0
SUBTOTAL (8000) HEALTH CARE REFORM AND INNOVATION	11,182	15,263	7,743	13,464	5,720	7.8	7.4	10.0	12.0	2.0
(DCRP) DISTRICT RECOVERY PLAN										
(DRPF) District Recovery Plan	0	0	0	2,480	2,480	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (DCRP) DISTRICT RECOVERY PLAN	0	0	0	2,480	2,480	0.0	0.0	0.0	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	3,441,330	3,754,312	3,657,031	3,709,230	52,200	263.0	285.8	351.0	372.2	21.2

(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 2023 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 10 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.

District Recovery Plan - District Recovery Plan initiatives, which include COVID-19 Public Health Emergency Direct Response Costs; Economic Recovery for Residents and Businesses; Build and Preserve Affordable Housing; Learning Acceleration; Reduction of Healthcare Disparities; Gun Violence Prevention; Youth Safety; and Alternative 911 Response. These initiatives are funded by District Recovery Plan Funds, which include the following sources: the American Rescue Plan Act and the Coronavirus Aid, Relief, and Economic Security Act.

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 2023 proposed budget.

FY 2022 Approved Budget to FY 2023 Proposed Budget, by Revenue Type

Table HT0-5 itemizes the changes by revenue type between the FY 2022 approved budget and the FY 2023 proposed budget. For a more comprehensive explanation of changes, please see the FY 2023 Proposed Budget Changes section, which follows the table.

Table HT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2022 Approved Budget and FTE		847,229	142.9
Removal of One-Time Costs	Multiple Programs	-32,027	0.0
Removal of Non-Recurring ARPA Funding	Multiple Programs	-555	0.0
LOCAL FUNDS: FY 2023 Recurring Budget		814,647	142.9
Increase: To align resources with operational spending goals	Multiple Programs	35,063	0.0
Increase: To support operational requirements	Health Care Finance	21,258	0.0
Increase: To support cost of DCAS Operations and Maintenance and cost of MMIS system contract	Multiple Programs	11,269	0.0
Increase: To support additional FTE(s)	Multiple Programs	5,718	25.3
Increase: To align Fixed Costs with proposed estimates	Multiple Programs	440	0.0
Increase: To support IT hardware and software cost	Multiple Programs	371	0.0
Enhance: To support to adjusted utilization projections and the DSH payment grant (one-time)	Health Care Finance	34,677	0.0
Enhance: To align resources with operational spending goals	Health Care Finance	4,176	0.0
Enhance: To support Operating Impact of Capital for St. Elizabeth's Medical Center Planning project (one-time)	Agency Management	490	0.0
Enhance: ARPA – Federal Funds for Local Revenue Replacement to support District Recovery Plan initiatives	Multiple Programs	480	0.0
Reduce: To recognize savings in personal services	Multiple Programs	-931	0.0
LOCAL FUNDS: FY 2023 Mayor's Proposed Budget		927,659	168.2
DEDICATED TAXES: FY 2022 Approved Budget and FTE		103,219	6.0
Increase: To align resources with operational spending goals	Multiple Programs	1,823	0.0
Increase: To support additional FTE(s)	Multiple Programs	51	0.6
Decrease: To adjust the Contractual Services budget	Multiple Programs	-830	0.0
Enhance: To support to adjusted utilization projections	Health Care Finance	842	0.0
DEDICATED TAXES: FY 2023 Mayor's Proposed Budget		105,105	6.6
FEDERAL PAYMENTS: FY 2022 Approved Budget and FTE		2,000	0.0
Enhance: ARPA – Federal Municipal funding to support District Recovery Plan initiatives	District Recovery Plan	2,000	0.0
Removal of Non-Recurring ARPA Funding	Health Care Reform And Innovation	-2,000	0.0
FEDERAL PAYMENTS: FY 2023 Mayor's Proposed Budget		2,000	0.0
FEDERAL GRANT FUNDS: FY 2022 Approved Budget and FTE		3,207	0.0
Increase: Primarily to support the Money Follows The Person (MFP) grants	Multiple Programs	1,772	0.0
Increase: To support additional FTE(s)	Multiple Programs	195	2.0
FEDERAL GRANT FUNDS: FY 2023 Mayor's Proposed Budget		5,174	2.0

Table HT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
FEDERAL MEDICAID PAYMENTS: FY 2022 Approved Budget and FTE		2,553,572	182.0
Increase: To align the budget with projected Federal Medicaid reimbursements	Health Care Finance	43,177	0.0
Increase: To support cost of Health Care Operations contracts	Multiple Programs	5,510	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	1,188	-2.8
Increase: To support cost of IT hardware, software and supplies	Multiple Programs	629	0.0
Decrease: To align Fixed Costs with proposed estimates	Multiple Programs	-637	0.0
Decrease: To align budget with projected grant awards	Multiple Programs	-28,924	0.0
Enhance: To align the budget with projected Federal Medicaid reimbursements	Health Care Finance	88,767	0.0
FEDERAL MEDICAID PAYMENTS: FY 2023 Mayor's Proposed Budget		2,663,283	179.2
PRIVATE GRANT FUNDS: FY 2022 Approved Budget and FTE		0	0.0
Increase: To support the Advancing Medicare-Medicaid Integration (AMMI) contract	Long Term Care Program	366	0.0
PRIVATE GRANT FUNDS: FY 2023 Mayor's Proposed Budget		366	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2022 Approved Budget and FTE		6,434	16.4
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	69	-0.3
Decrease: To align budget with projected revenues	Multiple Programs	-859	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2023 Mayor's Proposed Budget		5,644	16.2
INTRA-DISTRICT FUNDS: FY 2022 Approved Budget and FTE		141,369	3.7
Eliminate: To reflect the elimination of Intra-District funds budget and FTEs, as part of Multiple Programs the new interagency process		-141,369	-3.7
INTRA-DISTRICT FUNDS: FY 2023 Mayor's Proposed Budget		0	0.0
GROSS FOR HT0 - DEPARTMENT OF HEALTH CARE FINANCE		3,709,230	372.2

(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 interagency projects funded within this agency, please see Appendix J, FY 2023 Interagency Budgets, in the Executive Summary budget volume.

FY 2023 Proposed Operating Budget Changes

Table HT0-6 contains the proposed FY 2023 budget by fund compared to the FY 2022 approved budget.

Table HT0-6

Appropriated Fund	FY 2022 Approved	FY 2023 Proposed	% Change from FY 2022
Local Funds	\$847,228,959	\$927,658,868	9.5
Dedicated Taxes	\$103,219,385	\$105,105,076	1.8
Federal Payments	\$2,000,000	\$2,000,000	0.0
Federal Grant Funds	\$3,206,819	\$5,174,115	61.3
Federal Medicaid Payments	\$2,553,572,305	\$2,663,283,089	4.3
Private Grant Funds	\$0	\$365,701	N/A
Special Purpose Revenue Funds	\$6,434,237	\$5,643,542	-12.3
Intra-District Funds	\$141,368,840	\$0	-100.0
GROSS FUNDS	\$3,657,030,545	\$3,709,230,391	1.4

Recurring Budget

The FY 2023 Local funds budget for DHCF includes a reduction of \$32,027,253 to account for the removal of one-time funding appropriated in FY 2022. This adjustment is comprised of \$9,594,754 to support DCAS operations and maintenance costs, \$8,000,000 to provide healthcare services for vulnerable residents in the Health Care Finance Program, \$6,010,737 to support COVID Provider Relief, \$3,540,222 to support COVID Provider Relief/Dual Eligible Special Needs Program, \$3,336,725 to support costs associated with training and implementation of the new Medicaid Management Information System (MMIS), \$1,000,000 to support the Alliance enrollment growth, and \$544,815 to support the elimination of face-to-face recertification for Alliance beneficiaries.

Also in Local funds, the FY 2023 budget for DCHF includes a reduction of \$555,000 to account for the removal of ARPA - Federal Funds for Local Revenue Replacement funding appropriated in FY 2022, of which \$480,000 supported the Maternal Health Resources and Access Act of 2021 and \$75,000 was to provide Doula Services to those not eligible for Medicaid.

The FY 2023 budget for DHCF in Federal Payments includes a reduction of \$2,000,000 to account for the removal of ARPA - Municipal funding appropriated in FY 2022, of which \$1,500,000 was to support the DC Practice Transformation Collaborative and \$500,000 was to support Produce Rx

Mayor's Proposed Budget

Increase: The Department of Health Care Finance's (DHCF) proposed Local funds budget includes an increase of \$35,063,110 to support COVID provider and healthcare services for vulnerable residents across multiple divisions. A proposed increase of \$21,258,238 in the Health Care Finance division addresses a shift in eligibility for childless adults in need of alternative health care. An additional increase of \$11,269,380 is proposed to support the cost of the D.C. Access System Administration (DCAS) operations and maintenance as well as the operations of the Medicaid Management Information System (MMIS) system. In personal services, a proposed increase of \$5,718,329 and 25.3 Full-Time Equivalents (FTEs) is proposed, primarily to reflect the budgetary impact of the new interagency process. The proposed budget for Fixed Costs reflects a net increase of \$439,566 across multiple divisions to align the budget with the forecast for Rent. The Local funds budget proposal also includes an increase of \$370,979 across multiple divisions to support the cost of Information Technology (IT) hardware, software, and supplies, primarily for furniture and fixtures for DCAS.

In Dedicated Taxes, a proposed net increase of \$1,822,530 across multiple divisions is primarily driven by growth in the Inpatient and Outpatient Taxes funds and the Healthy DC grant. In personal services, an increase of \$51,268 and 0.6 FTE across multiple divisions is attributed to revised revenue projections across multiple tax accounts.

In Federal Grant funds, the budget proposal includes a net increase of \$1,772,122 primarily supports the Money Follows the Person (MFP) grants. A proposed increase of \$195,174 and 2.0 FTEs supports an interagency agreement between DHCF and the Department of Aging and Community Living.

The proposed budget in Federal Medicaid Payments is increased by \$43,177,174 based on projected Federal Medicaid reimbursements. Additionally, a proposed increase of \$5,510,330 supports contracts primarily in the Health Care Operations division. A proposed increase of \$1,187,973 and a reduction of 2.8 FTEs across multiple divisions is to align the personal services budget with projected costs for salary, step, and Fringe Benefit adjustments. Lastly, a proposed increase of \$629,164 across multiple divisions supports the cost of IT hardware, software, and supplies.

In Private Grant funds, a proposed increase of \$365,701 in the Long-Term Care program division supports the Advancing Medicare-Medicaid Integration (AMMI) contract.

In Special Purpose Revenue funds, a proposed net increase of \$68,729, and a decrease of 0.3 FTE across multiple divisions align personal services with projected costs and supports personal services costs for salary, step, and Fringe Benefit changes.

Decrease: In Dedicated Taxes, a proposed reduction of \$829,815 across multiple divisions aligns the Contractual Services budget for the Nursing Homes Quality of Care Fund and the Stevie Sellows Fund.

In Federal Medicaid Payments, the proposed budget includes a reduction of \$637,162 across multiple divisions to account for Fixed Costs estimates for Rent, Energy, Telecommunications, Occupancy, and Security. Additionally, the proposal includes a reduction of \$28,923,605 in subsidies across multiple divisions to align the budget with projected federal Medicaid revenue.

In Special Purpose Revenue funds, the budget proposes a net decrease of \$859,424 across multiple divisions to align the Medicaid Collection 3rd Party Liability Fund with projected revenues.

In FY 2023, the current Intra-District process, which requires District agencies to account for negotiated service agreements with other District agencies in a buyer agency-seller agency arrangement, will be eliminated. This process required duplicated budget in the seller agencies, known as Intra-District budget, which will no longer be required. This process will be replaced by a new interagency process, which will enable the agencies providing services (seller agencies) to finance the services by directly charging interagency projects funded by the agencies receiving the services (buyer agencies).

Eliminate: The impact of the elimination of the seller agencies’ budgets will be reflected as a reduction of the proposed FY 2023 budget of \$141,368,840 and 3.7 FTEs in the Intra-District budget for DHCF in comparison to FY 2022.

Enhance: In Local funds, DHCF’s proposed budget includes an increase of \$34,677,421 in one-time funding in the Health Care Finance division. This adjustment includes \$26,677,421 to reflect an adjustment in Medicaid Managed Care Organization (MCO) utilization projections and \$8,000,000 to support the Disproportionate Share Hospital (DSH) Payment Grant. The proposed budget includes a recurring enhancement of \$4,175,720 to extend the Alliance enrollment to 12 months and end the 6 month in-person re-certification. Additionally, a one-time increase of \$490,000 in the Agency Management division is proposed to support the planning costs related the St. Elizabeths Medical Center Planning project. This funding will support training initiatives for newly hired staff to ensure that they will provide the highest standard of quality care to the patients.

In Local funds, DHCF’s proposed budget includes an increase of ARPA – Federal Funds for Revenue Replacement funding in the amount of \$480,000 to support the Transportation Services for Moms To Care project. This increase in spending is supported by Coronavirus Relief funds from the American Rescue Plan Act.

In Federal Payments, DHCF’s proposed budget includes an increase of \$2,000,000 in ARPA - Municipal Funding. This adjustment includes \$1,500,000 to support the Practice Transformations project and \$500,000 to support the Produce Rx project. These increases in spending are supported by Coronavirus Relief funds from the American Rescue Plan Act.

In Federal Medicaid Payments, a proposed increase of \$88,766,947 in the Health Care Finance division is to align the budget with projected federal Medicaid reimbursements.

Reduce: DHCF’s Local funds budget includes a reduction of \$930,581 to align personal services with projected costs across multiple divisions.

FY 2023 Proposed Full-Time Equivalent (FTEs)

Table HT0-7 contains the summary of FY 2023 Proposed Budgeted Full-Time Equivalent (FTEs).

Table HT0-7

Total FY 2023 Proposed Budgeted FTEs	372.2
Less: Interagency FTEs budgeted in this agency but employed by other agencies:	
AT0-Office of the Chief Financial Officer	(2.0)
BY0-Department of Aging and Community Living	(2.0)
CB0-Office of the Attorney General for the District of Columbia	(1.4)
HC0-Department of Health	(3.0)
PO0-Office of Contracting and Procurement	(5.0)

Table HT0-7

Total FY 2023 Proposed Budgeted FTEs	372.2
TO0-Office of the Chief Technology Officer	(2.0)
Total Interagency FTEs budgeted in this agency, employed by other agencies	(15.4)
Add: Interagency FTEs budgeted in other agencies but employed by this agency:	
JA0-Department of Human Services	9.5
Total Interagency FTEs budgeted in other agencies, employed by this agency	9.5
Total FTEs employed by this agency	366.4

Note: Table HT0-7 displays the impact of the buyer agencies budgets funding the seller agencies FTEs in the FY 2023 budget, compared to how FTEs were budgeted in FY 2022.

-It starts with the FY 2023 budgeted FTE figure, 372.2 FTEs.

-It subtracts 15.4 FTEs budgeted in HT0 in FY 2023 who are employed by another agency.

-It adds 9.5 FTEs budgeted in other agencies in FY 2023 who are employed by HT0.

-It ends with 366.4 FTEs, the number of FTEs employed by HT0, which is the FTE figure comparable to the FY 2022 budget.