
Department of Health Care Finance

<http://dhcf.dc.gov>

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Description	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change from FY 2012
Operating Budget	\$2,230,489,008	\$2,207,645,006	\$2,488,995,840	12.7
FTEs	154.9	173.0	181.0	4.6

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, an agency that was established in FY 2009, provides health care services to low-income children, adults, elderly, and persons with disabilities. Over 200,000 District of Columbia residents (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 2013 proposed budget is presented in the following tables:

FY 2013 Proposed Gross Funds Operating Budget, by Revenue Type

Table HT0-1 contains the proposed FY 2013 agency budget compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table HT0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
General Fund						
Local Funds	486,326	557,237	647,209	689,034	41,824	6.5
Dedicated Taxes	41,552	50,579	57,427	62,940	5,513	9.6
Special Purpose Revenue Funds	2,247	1,060	2,024	4,441	2,417	119.4
Total for General Fund	530,124	608,876	706,660	756,415	49,755	7.0
Federal Resources						
Federal Grant Funds	15,662	4,800	15,399	65,547	50,148	325.7
Federal Medicaid Payments	1,441,961	1,602,113	1,475,186	1,648,342	173,156	11.7
Total for Federal Resources	1,457,622	1,606,913	1,490,585	1,713,889	223,305	15.0
Intra-District Funds						
Intra-District Funds	11,335	14,700	10,400	18,691	8,291	79.7
Total for Intra-District Funds	11,335	14,700	10,400	18,691	8,291	79.7
Gross Funds	1,999,082	2,230,489	2,207,645	2,488,996	281,351	12.7

*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 2013 Operating Appendices** located on the Office of the Chief Financial Officer's website

FY 2013 Proposed Full-Time Equivalents, by Revenue Type

Table HT0-2 contains the proposed FY 2013 FTE level compared to the FY 2012 approved FTE level by revenue type. It also provides FY 2010 and FY 2011 actual data.

Table HT0-2

Appropriated Fund	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change
General Fund						
Local Funds	52.3	59.5	78.8	74.1	-4.8	-6.0
Dedicated Taxes	5.0	0.0	3.4	2.8	-0.6	-17.9
Special Purpose Revenue Funds	4.0	2.3	3.2	7.8	4.6	140.3
Total for General Fund	61.3	61.8	85.4	84.6	-0.8	-0.9
Federal Resources						
Federal Grant Funds	9.5	23.9	8.9	10.4	1.5	16.9
Federal Medicaid Payments	49.9	69.3	78.6	86.0	7.3	9.3
Total for Federal Resources	59.4	93.2	87.5	96.4	8.8	10.1
Total Proposed FTEs	120.7	154.9	173.0	181.0	8.0	4.6

FY 2013 Proposed Operating Budget, by Comptroller Source Group

Table HT0-3 contains the proposed FY 2013 budget at the Comptroller Source Group (object class) level compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table HT0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
11 - Regular Pay - Continuing Full Time	9,835	9,290	13,098	13,991	892	6.8
12 - Regular Pay - Other	219	448	685	751	66	9.6
13 - Additional Gross Pay	449	231	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	1,805	1,790	2,836	3,273	437	15.4
15 - Overtime Pay	19	7	0	0	0	N/A
Subtotal Personal Services (PS)	12,327	11,766	16,619	18,014	1,395	8.4
20 - Supplies and Materials	76	67	176	1,042	866	491.8
30 - Energy, Comm. and Building Rentals	227	0	0	167	167	75,466.8
31 - Telephone, Telegraph, Telegram, Etc.	82	89	81	121	40	49.5
32 - Rentals - Land and Structures	1,062	1,321	1,734	728	-1,006	-58.0
34 - Security Services	22	521	1	83	82	8,037.1
35 - Occupancy Fixed Costs	200	0	0	182	182	N/A
40 - Other Services and Charges	1,005	290	1,244	3,268	2,024	162.6
41 - Contractual Services - Other	44,452	40,003	49,618	78,694	29,076	58.6
50 - Subsidies and Transfers	1,939,566	2,174,659	2,138,061	2,355,850	217,789	10.2
70 - Equipment and Equipment Rental	63	57	110	30,847	30,737	27,830.2
91 - Expense Not Budgeted Others	0	1,715	0	0	0	N/A
Subtotal Nonpersonal Services (NPS)	1,986,754	2,218,723	2,191,026	2,470,982	279,956	12.8
Gross Funds	1,999,082	2,230,489	2,207,645	2,488,996	281,351	12.7

*Percent change is based on whole dollars.

Division Description

The Department of Health Care Finance operates through the following 7 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 6 activities:

- **Chronic and Long Term Care** – develops, implements and oversees the programming for elders and for persons with physical and developmental disabilities, and handles other special projects aimed at improving service delivery for vulnerable populations;
- **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/EPSTD, 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 the 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 Clinician, 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.

Healthcare 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 program 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 - (Rate Setting and Data Analysis)** – 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; responsible for setting rates and developing payment methodologies for various provider types; 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 ESA compliance 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 DC 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.

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; 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 MMIS Fiscal Intermediary contract as well as additional administrative contracts.

This division contains the following 4 activities:

- **Medicaid Information System (Claims Management)** – oversees the Medicaid Management Information System operations; systems requests; member services, including member out-of-pocket reimbursements; COBRA payments; third-party liability processing; and processing 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 Program Integrity (PI/UM/FRAUD)** – prevents, detects and eliminates fraud, abuse and waste by persons who provide and receive DHCF services; identifies and applies any third party resources available for the cost of health care provided to beneficiaries; monitors utilization, including appropriateness of health care services, to ensure that appropriate care is provided to publicly funded enrollees; identifies and investigates suspected abuse by both enrollees and providers in the publicly funded programs; and ensures that DHCF funds are appropriately utilized;

- **Division of Public and Private Provider Services** – manages the Administrative Services Organization contract, provider enrollment and recruitment, and internal and external provider services and inquires. 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 Innovation and Reform – identifies, validates, and disseminates information about new health care models and payment approaches to serve Medicaid beneficiaries seeking to enhance the quality of health and health care and reduce cost through improvement. The division creates and tests new models in clinical care, integrated care and community health, and creates and tests innovative payment and service delivery models, building collaborative learning networks to facilitate the collection and analysis of innovation, as well as the implementation of effective practices, and developing necessary technology to support this activity.

This division contains the following 2 activities:

- **Affordable Care Reform and Grants Development** – develops, implements, and monitors the provisions of the Affordable Care Act and is responsible for the development of demonstration projects and submission of grant proposals for various reform-related activities; and
- **Health Care Reform and Innovative Support Services** – is responsible for the creation of a health insurance exchange, which is a new entity intended to create a more organized and competitive market for health insurance by offering a choice of plans, establishing common rules regarding the offering and pricing of insurance, and providing information to help consumers better understand the options available to them. An exchange is part of the plan aiming for universal coverage.

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. The Office of Health Care Bill of Rights - Ombudsman was realigned to the Customer Service Activity from the Health Care Delivery Management Division.

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

DHCF completed an agency realignment in FY 2012 that combined quality care functions with health care delivery services. Although functions were moved throughout the agency by way of division changes, no agency functions were eliminated through the realignment. 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 2013 Proposed Operating Budget and FTEs, by Division and Activity

Table HT0-4 contains the proposed FY 2013 budget by division and activity compared to the FY 2012 approved budget. It also provides the FY 2011 actual data.

Table HT0-4

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
(1000) Agency Management Program								
(1010) Personnel	339	374	449	75	2.8	5.0	5.3	0.3
(1015) Training and Development	0	29	0	-29	0.0	0.0	0.0	0.0
(1020) Contracting and Procurement	273	381	309	-72	2.8	3.0	3.0	0.0
(1030) Property Management	2,153	2,138	1,747	-391	2.8	3.0	4.0	1.0
(1040) Information Technology	1,143	6,938	6,580	-358	11.9	10.0	9.0	-1.0
(1060) Legal	404	529	547	19	0.0	0.0	0.0	0.0
(1070) Fleet Management	68	64	67	3	0.9	1.0	1.0	0.0
(1080) Communications	89	116	335	219	0.9	1.0	2.0	1.0
(1085) Customer Service	0	161	1,015	854	0.0	2.0	6.8	4.8
(1087) Language Access	54	85	90	5	0.0	0.0	0.0	0.0
(1090) Performance Management	3,857	2,895	2,321	-575	7.4	7.0	17.0	10.0
Subtotal (1000) Agency Management Program	8,379	13,710	13,459	-251	29.5	32.0	48.0	16.0
(100F) Agency Financial Operations								
(110F) Budgeting Operations	310	312	410	98	2.8	3.0	4.0	1.0
(120F) Accounting Operations	854	1,931	3,870	1,939	8.3	9.5	9.0	-0.5
(140F) Agency Fiscal Officer	259	216	250	33	1.8	1.4	2.0	0.6
Subtotal (100F) Agency Financial Operations	1,424	2,459	4,530	2,071	12.9	14.0	15.0	1.0
(2000) Healthcare Delivery Management								
(2001) Chronic and Long Term Care	5,525	12,648	17,737	5,088	22.3	24.5	28.0	3.5
(2002) Managed Care Management	5,213	5,385	5,113	-272	8.2	9.0	7.0	-2.0
(2003) Preventive and Acute Care	455	1,448	1,680	231	5.6	5.0	4.0	-1.0
(2004) Division of Quality and Health Outcomes	0	0	4,894	4,894	0.0	0.0	4.0	4.0
(2005) Health Care Bill of Rights Ombudsman	844	1,121	0	-1,121	3.2	7.5	0.0	-7.5
(2007) Division of Clinicians, Rx and Acute Provider Services	120	0	865	865	0.0	0.0	6.0	6.0
(2010) Health Care Delivery Management Support Services	1,751	1,250	293	-957	0.9	1.0	2.0	1.0
Subtotal (2000) Healthcare Delivery Management	13,908	21,853	30,582	8,729	40.2	47.0	51.0	4.0

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Table HT0-4 (Continued)

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
(3000) Healthcare Policy and Planning								
(3001) Policy Unit Management	196	259	417	158	3.6	4.0	4.0	0.0
(3002) Public Provider Liaison Management	299	535	0	-535	5.6	6.0	0.0	-6.0
(3003) Data Analysis	232	450	588	137	5.6	5.0	6.0	1.0
(3004) Member Management	231	373	387	14	3.6	4.0	4.0	0.0
(3010) Health Care Policy and Planning Support	641	845	713	-132	3.7	4.0	3.0	-1.0
Subtotal (3000) Healthcare Policy And Planning	1,599	2,463	2,105	-358	22.0	23.0	17.0	-6.0
(4000) Healthcare Accountability								
(4002) Quality Management	5,120	5,478	0	-5,478	5.6	5.0	0.0	-5.0
(4003) Utilization Management	502	876	0	-876	10.3	9.0	0.0	-9.0
(4004) Program Integrity	599	1,043	0	-1,043	12.0	13.0	0.0	-13.0
(4006) Pharmacy Management	182	1,705	0	-1,705	1.9	2.0	0.0	-2.0
(4010) Health Care Accountability Support Services	623	900	0	-900	2.8	3.0	0.0	-3.0
Subtotal (4000) Healthcare Accountability	7,026	10,003	0	-10,003	32.6	32.0	0.0	-32.0
(5000) Health Care Finance								
(5001) Medicaid Provider Payment	2,108,680	2,065,149	2,281,915	216,766	0.0	0.0	0.0	0.0
(5002) Medicaid Public Provider Payments	19,450	23,190	26,335	3,145	0.0	0.0	0.0	0.0
(5003) Alliance Provider Payments	43,016	40,737	41,431	695	0.0	0.0	0.0	0.0
(5004) Healthy DC Provider Payments	1,900	0	0	0	0.0	0.0	0.0	0.0
Subtotal (5000) Health Care Finance	2,173,046	2,129,076	2,349,681	220,605	0.0	0.0	0.0	0.0
(6000) Health Care Operations								
(6001) Medicaid Information Systems	14,586	14,495	25,327	10,832	0.0	0.0	17.0	17.0
(6003) Systems Operations	936	990	0	-990	7.6	7.0	0.0	-7.0
(6004) Administrative Contract Management	229	1,989	0	-1,989	0.9	2.0	0.0	-2.0
(6005) Division of Prgm Integrity (PI/UM/Fraud)	0	0	2,705	2,705	0.0	0.0	16.0	16.0
(6006) Division of Public and Private Provider Services	0	0	917	917	0.0	0.0	9.0	9.0
(6010) Health Care Operations Support	8,701	8,577	5,563	-3,014	9.3	11.0	3.0	-8.0
Subtotal (6000) Health Care Operations	24,451	26,052	34,513	8,461	17.8	20.0	45.0	25.0
(7000) Employer and Private Market Initiatives								
(7001) Healthy DC Management	657	2,029	0	-2,029	0.0	5.0	0.0	-5.0
Subtotal (7000) Employer and Private Market Initiatives	657	2,029	0	-2,029	0.0	5.0	0.0	-5.0
(8000) Health Care Reform and Innovation								
(8002) Affordable Care Reform and Grants Development	0	0	53,427	53,427	0.0	0.0	0.0	0.0
(8010) HC Reform and Innovative Support Services	0	0	699	699	0.0	0.0	5.0	5.0
Subtotal (8000) Health Care Reform and Innovation	0	0	54,126	54,126	0.0	0.0	5.0	5.0
Total Proposed Operating Budget	2,230,489	2,207,645	2,488,996	281,351	154.9	173.0	181.0	8.0

(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 divisions, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2013 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Budget Changes

The Department of Health Care Finance's (DHCF) proposed FY 2013 gross budget is \$2,488,995,840, which represents an 12.7 percent increase over its FY 2012 approved gross budget of \$2,207,645,006. The budget is comprised of \$689,033,542 in Local funds, \$62,940,435 in Dedicated Taxes, \$65,547,480 in Federal Grants funds, \$1,648,341,680 in Federal Medicaid Payments, \$4,441,494 in Special Purpose Revenue funds, and \$18,691,209 in Intra-District funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2012 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The initial adjustments in the budget proposal represent changes that should be compared to the FY 2013 CSFL budget and not necessarily changes made to the FY 2012 Local funds budget. The FY 2013 CSFL adjustments to the FY 2012 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

DHCF's FY 2013 CSFL budget is \$698,153,870, which represents a \$50,944,433, or 7.9 percent, increase over the FY 2012 Approved Local funds budget of \$647,209,437.

Major CSFL Cost Drivers

DHCF's CSFL funding for Medicaid Growth Factor, which is listed on table 5, reflects an adjustment for an increase of \$50,524,958 to account for the District's FY 2013 projected Medicaid growth over FY 2012. An aggregate growth rate of 8.1 percent was used for this adjustment in the CSFL development. DHCF's Medicaid growth rate was primarily driven by enrollment forecasts for Medicaid Managed Care and Fee-for-Service. Managed Care coverage includes Childless Adults with incomes 133% - 200% of Federal Poverty Level (FPL), the Children's Health Insurance Program (CHIP), Health Services for Children with Special Needs (HSCSN), and residual Managed Care Organizations (MCOs) – Chartered and United.

Other variables impacting the Medicaid Growth Factor include enrollment forecasts for Medicaid Waivers, which include the Developmental Disabilities (DD) and the Elderly and Physically Disabled (EPD) waivers. These adjustments also include locally funded programs, such as the Immigrant Children and the D.C. Healthcare Alliance.

Initial Adjusted Budget

The District's healthcare budget in the last two to three years has been greatly impacted by what has been described as the worst economic downturn since the Great Depression. In FY 2010 and FY 2011, increased demand for Medicaid-supported healthcare services has been primarily driven by high unemployment rates. Federal fiscal relief from the American Recovery and Reinvestment Act of 2009 (ARRA) provided a temporary increase in the Federal Medical Assistance Percentage (FMAP) from October 2008 through December 2010. Legislation enacted in August 2010 provided the District (and other states) with a scaled-back extension of this fiscal relief through June 2011. The local baseline Medicaid budget had to be adjusted by an increase of \$80.3 million in FY 2012 to compensate for the loss of additional federal Medicaid reimbursement from July 2011, when the District reverted to its operational FMAP prior to the enactment of ARRA.

Even as DHCF continues to grapple with the ongoing difficult budget conditions, it must guide the District through the implementation of the Patient Protection and Affordable Care Act of 2010 (ACA), the major healthcare reform legislation that envisions an expanded role for Medicaid and the states. The FY 2013 budget proposal aims to ensure continuous access to healthcare services for District residents, as well as meet challenges associated with the implementation of healthcare reform. This approach keeps the District in a good position to benefit from a dramatic reduction in the number of uninsured and access to new federal funding associated with expanded Medicaid coverage as well as new funding for demonstrations to improve Medicaid delivery systems.

Create: DHCF's budget proposal reflects the implementation of a program realignment that aims to provide an optimal platform for service delivery and also exploit the benefits that accrue from the broad goals of healthcare reform. Successful implementation of the healthcare reform enables the District to provide increased access to Medicaid through program expansion, promote the quality of healthcare products through service delivery reform, and provide efficiently managed increased coverage for the uninsured through the Health Insurance Exchange. In view of the need for the District to strategically support all efforts towards successful implementation of healthcare reform, DHCF's program realignment has resulted in the creation of a number of new programs.

In order to establish the requisite funding for these new programs, DHCF proposes an increase of \$319,730 and 2.8 FTEs in Dedicated Taxes to support the newly created Division of Health Care Reform and Innovation (HCRI). The use of Dedicated Taxes to fund Medicaid-eligible services leverages federal Medicaid reimbursement in a manner similar to the use of Local funds. In the budget proposal for Federal Grant funds, DHCF strategically exploits various federal grant opportunities available to states to facilitate the implementation of ACA-related healthcare reform projects. In anticipation of a new grant award for the proposed state-operated Health Insurance Exchange System (DC Health Insurance Exchange Grant), DHCF proposes an increase of \$46,892,969 in Federal Grant funds for HCRI. Furthermore, an increase of \$5,000,000 proposed in Federal Grant funds for this program is also based on DHCF's anticipation of a new grant award in FY 2013 from the Foster Children Demonstration Grant. Another increase of \$1,650,000 proposed for HCRI is derived from realigned funding that is made available from elimination of the Division of Employer and Private Market Initiatives (EPMI).

One requirement of federal health care reform is that each Medicaid program contract with a Recovery Audit Contractor (RAC). These are independent auditors who audit Medicaid providers' accounts looking for overpayments, which may be due to fraud or just honest errors in the billing or payment process. When the RAC identifies overpayments, the provider is required to refund the overpayment to the Medicaid program. Healthcare reform requires that Medicaid pay RACs a percentage of the amount they recover. In order to set up this contingency contract, DHCF's FY 2013 budget proposal for Special Purpose Revenue funds include an increase of \$1,333,333 and 4.4 FTEs to establish budget authority for a newly created Medicaid Recovery Audit Contractor revenue account. Provider recoveries will be deposited into this account, and DHCF will use the established budget authority to pay the RAC vendor for their work.

Eliminate: DHCF's program realignment eliminates a number of programs, and reallocates those resources within the agency to align the budget with service delivery and strategic plan. Therefore, the Local budget proposal includes a reduction of \$3,896,020 and 15.8 FTEs due to the complete elimination of the Division of Health Care Accountability (HCA) in FY 2013. The elimination of EPMI and the reallocation of the resources to the newly created HCRI accounts for reductions of \$245,084 and 3.4 FTEs in Dedicated Taxes, \$1,650,000 in Federal Grant funds, and \$133,000 and 1.7 FTEs in Federal Medicaid Payments. The projected impact of the elimination of HCA on Federal Medicaid Payments is a reduction of \$6,178,000 and 16.2 FTEs.

Reduce: The FY 2013 budget proposal reflect reductions of funding that aligns the budget with revenue projections. DHCF proposes a reduction of \$189,400 in Dedicated Taxes to align the budget for Medicaid Provider Payments with projected revenue for the Hospital Assessment Tax. DHCF also proposes another adjustment in Dedicated Taxes for a reduction of \$742,225 to align the budget for Medicaid Provider Payments with revenue projections for the Healthy D.C. Fund.

Optimize: DHCF will optimize the utilization of District resources in FY 2013 by its plan to utilize increased revenue projections from Dedicated Taxes in the implementation of the strategic goals of the proposed budget. The budget proposal includes an increase of \$2,224,411 to support Medicaid Provider Payments based on increased revenue projections for the Nursing Home Quality of Care Fund. The budget for Dedicated Taxes is also proposed for an increase of \$1,255,525 to support Medicaid Provider Payments based on increased revenue projections for the Stevie Sellows Fund. In Special Purpose Revenue funds, a proposal to increase the budget by \$1,081,984 and 0.2 FTE in support of the Health Operations is based on increased revenue projections for the Medicaid Collections - Third Party Liability Fund.

In FY 2013 DHCF plans to execute Memorandum of Understanding (MOU) agreements with two District agencies. An increase of \$6,550,000 in the budget proposal for Intra-District funds is based on an MOU with the Department of Mental Health for services provided in support of the Mental Health Rehab Option. The other MOU with the Department of Health is the basis of an increase of \$1,741,209 in Intra-District funds to support Addiction Prevention and Recovery Administration.

Cost Increase: In FY 2013 DHCF projects the need for additional funding to execute contracts across multiple programs. Therefore, the budget proposal for contractual services in Local funds has been adjusted for a net increase of \$2,767,800. A number of adjustments in Local funds reflect realignment of staff based on the reduction or elimination of certain programs. Therefore, an increase of \$731,000 and 8.5 FTEs in the Local budget proposal for the Health Care Operations (HCO) program reflects reallocation of realigned staff from the Health Care Accountability (HCA) and the Health Care Policy and Planning (HCPP) programs. Similarly, realignment of staff due to the elimination of HCA accounts for DHCF's proposal to adjust the Local funds budget for increases of \$368,700 and 3.5 FTEs in the Health Care Delivery Management (HCDM), and \$237,600 and 3.1 FTEs in the Agency Management Program (AMP).

Various adjustments in the Local budget proposal provide additional funding to maintain current services level in a number of programs. These adjustments include an increase of \$363,000 for Subsidies in the Health Care Finance (HCF) program, and a net increase of \$2,120 for Supplies, other Services and Charges, and Equipment across multiple programs. An increase of \$10,000 and 0.2 FTE in the Local budget proposal for the Agency Financial Operations (AFO) program provides additional funding to support budget staff.

Adjustments in the budget proposal for Federal Medicaid payments continue to reflect DHCF's projections of federal Medicaid reimbursement matched to utilization of Local funds for eligible services. Projected federal match for contract execution reflects an increase of \$6,260,000 across multiple programs, and an increase of \$1,751,000 in AMP to account for additional funding needed to cover contracts for the Health Information Technology Grants. The adjustments in Federal Medicaid Payments for realignment of staff include increases of \$993,000 and 12.2 FTEs in HCO for staff from the HCA and HCPP; \$417,579 and 1.8 FTEs in HCDM for staff from the HCA, and \$1,142,000 and 9.5 FTEs in AMP for staff from HCA.

DHCF also proposes adjustments in Federal Medicaid Payments to ensure adequate funding for maintenance of current services level in a number of programs. These adjustments include an increase of \$172,087,000 for Medicaid provider payments in HCF including Medicaid Fee-for-Service and Medicaid Managed Care services covering childless adults with incomes 133% - 200% of FPL, HSCSN, and Medicaid DD and EPD Waivers. A projected increase of \$2,516,000 reflects additional funding needed for CHIP.

Other adjustments in Federal Medicaid Payments includes increases of \$16,000 for Supplies, Other Services and Charges, and equipment across multiple programs, \$128,000 and 1.3 FTEs in AFO to provide additional funding to support budget staff and other filled positions, and \$251,000 and 2.3 FTEs in HCRI to reflect merging of functions residing in EPMI in the prior year into HCRI in FY 2013.

Cost Decrease: Provisional FY 2013 Fixed Costs estimates from the Department of General Services (DGS) and the Office of the Chief Technology Officer (OCTO) account for a decrease of \$294,300 in the budget proposal for Local funds. The reduction in Fixed Costs is due to savings associated with DHCF's move to 441 4th Street NW. DHCF's proposal to decrease the budget in Local funds by \$289,900 and 4.2 FTEs is due to realignment of staff from HCPP to HCO.

DHCF proposes reductions in Federal Grant funds based on the expiration and reduction of various grant awards. The expiration of the Indirect Cost Recovery Grant accounts for a decrease of \$34,396. Likewise, a decrease of \$168,380 is due to the expiration of the Affordable Care Act Consumer Assistance Grant. The funding for the grant award from DC Health Information Exchange Grant will be decreased by \$264,705 in FY 2013. Similarly, a reduction of \$954,533 is based on the projected grant award from the Money Follows the Person Grant. DHCF's anticipation of a decrease in FY 2013 grant award from the Health Home Planning Grant accounts for a reduction of \$325,487 in the proposed budget for Federal Grant funds.

In Federal Medicaid Payments, DHCF proposes a reduction of \$241,000 to align the budget with Fixed Costs estimates from DGS and OCTO. The proposal for reduction of contractual services accounts for a decrease of \$903,000 in multiple programs. In order to account for realignment of staff from HCCP to HCO, DHCF proposes a reduction of \$102,000 and 1.8 FTEs. DHCF budget proposal for Federal Medicaid Payments reflect adjustments pertaining to funding for medical vendor services that are located in the wrong programs. These adjustments include reductions of \$548,000 in HCDM and \$1,948,000 in AMP.

Additionally Adjusted Budget

Technical Adjustment: Adjustments of Fringe Benefits to restore the District Government contribution for employee health insurance from 72 percent, implemented in the FY 2011 budget, to 75 percent in FY 2013, resulting in increases of \$28,758 in Local funds, \$1,266 in Dedicated Taxes, \$2,960 in Federal Grants funds, \$26,805 in Federal Medicaid Payments, and \$2,177 in Special Purpose Revenue funds.

Policy Initiatives

Technical Adjustments: DHCF previously used Disproportionate Share Hospital (DSH) funds to support the Alliance program. In FY 2013 the agency will not leverage DSH funds for the Alliance program based on CMS guidelines. Therefore, an increase of \$5,636,571 in the Local budget proposal provides funding to ensure that the program is not jeopardized by loss of DSH funds.

DCHF rebased the methodology used to pay for most inpatient hospital care called Diagnosis Related Group (DRG). This exercise updated the DRG grouper the agency uses to pay hospitals for inpatient care and other characteristics of the reimbursement system, such as base rates, DRG weights, outlier thresholds and transfer policy. Since the outcome of the rebasing exercise was not budget neutral as originally planned, a proposal for an increase of \$6,900,000 in the Local budget covers the projected costs of the new DRG rates in FY 2013. The corresponding change in Federal Medicaid Payments is an increase of \$16,100,000.

Healthcare providers in the District and many other jurisdictions rely on the International Classification of Disease (ICD-9) codes to file claims for reimbursements for their services. Additional costs have been projected for DHCF to implement a transition from the current ICD-9 to ICD-10. In order to ensure adequate funding for this transition, the Local budget proposal includes an increase of \$500,000. The corresponding change in Federal Medicaid Payments is an increase of \$4,500,000.

Additional funding has been included in the Local budget proposal to support the Long Term Care Support Services contract. This adjustment provides an increase of \$883,781 for the LTC contract. The corresponding change in Federal Medicaid Payments is an increase of \$2,062,155.

Enhance: DHCF will cover Early Intervention for children enrolled in fee-for-service Medicaid. This service, designed for developmentally delayed children from birth to age 3, is currently available as a benefit through the Managed Care Organizations (MCOs). DHCF's Local budget has been adjusted for an increase of \$315,000 to accommodate costs related to Early Intervention. The corresponding change in Federal Medicaid Payments is an increase of \$735,000.

Optimize: In FY 2013, DHCF will consolidate purchases of antiretroviral medications for the Medicaid program into a more properly aligned budgeting system for collaboration with the Department of Health pharmacy warehouse. Since this adjustment results in net savings for the District, DHCF's Local budget is therefore being reduced by \$622,064. The corresponding change in Federal Medicaid Payments is a decrease of \$1,328,101.

DHCF plans to continue implementation of the Stevie Sellows ICF/MR provider tax assessments in FY 2013. In the budget proposal for Dedicated Taxes, an increase of \$2,858,399 is projected based on revised revenue estimates for the Stevie Sellows fund. The budget in Dedicated Taxes is also increased by \$30,872 to align the budget with revised revenue estimates for the Nursing Homes Quality of Care Fund.

Cost Increase: The Affordable Care Act requires all Medicaid programs to increase physician rates for primary care to 100 percent of the Medicare rate effective January 1, 2013. A \$2,500,000 increase to the Local funds budget, and a corresponding \$5,833,333 increase to Federal Medicaid Payments, will fund this required increase. The budget for Federal Medicaid Payments is also increased by \$5,950,000 to correspond with the increased Local budget for emergency services.

Cost Decrease: DHCF plans to submit a State Plan Amendment (SPA) for DRG rebasing that will adjust the average payment-to-cost ratio from 114 percent to 98 percent. The approval and implementation of the SPA will reduce the Local budget by \$8,040,000. The projected corresponding change in Federal Medicaid Payments is a decrease of \$18,760,000 for cost savings associated with the SPA for DRG rebasing.

In addition, DHCF's budget proposal includes a number of adjustments for the Alliance program that reduced the Local budget. A decrease of \$2,500,000 is due to cost savings associated with less-than-projected provider rate increases for the program. Furthermore, the agency also leveraged cost savings from shift of emergency hospital services costs away from the Alliance program, thereby reducing the budget by \$7,573,374. Other adjustments in the budget proposal for Local funds, amount to a decrease of \$6,252,000 for reductions in cost settlement, pharmacy, and inpatient services. The projected corresponding change in Federal Medicaid Payments is a decrease of \$17,471,667.

Transfer In: The Local funds budget is increased by \$103,000 to account for a transfer of funds from the Office of the Deputy Mayor for Health and Human Services to support the Alliance program.

Transfer Out: An adjustment to decrease the budget in Local funds by \$1,000,000 is due a transfer of funds to the Department of Mental Health to support implementation of the South Capitol Street Memorial Act of 2012.

FY 2012 Approved Budget to FY 2013 Proposed Budget, by Revenue Type

Table HT0-5 itemizes the changes by revenue type between the FY 2012 approved budget and the FY 2013 proposed budget.

Table HT0-5
(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2012 Approved Budget and FTE		647,209	78.8
Fringe Benefit Rate Adjustment	Multiple Programs	91	0.0
Consumer Price Index	Multiple Programs	297	0.0
Personal Services Growth Factor	Multiple Programs	32	0.0
Medicaid Growth Factor	Multiple Programs	50,525	0.0
FY 2013 Current Services Funding Level Budget (CSFL):		698,154	78.8
Eliminate: Health Care Accountability program has been eliminated with responsibilities shifted throughout agency	Healthcare Accountability	-3,896	-15.8
Cost Increase: Additional funds needed to execute required contracts	Multiple Programs	2,768	0.0
Cost Increase: Realigned staff from Health Care Accountability and Health Care Policy and Planning	Health Care Operations	731	8.5
Cost Increase: Reallocate staff realigned from Health Care Accountability	Healthcare Delivery Management	369	3.5
Cost increase: Realigned staff from Health Care Accountability	Agency Management Program	238	3.1
Cost Increase: Additional funding required to maintain service at current levels	Health Care Finance	363	0.0
Cost Increase: Additional funds needed to maintain current levels of supplies, other services, and equipment	Multiple Programs	2	0.0
Cost Increase: Additional funds required to fund budget staff	Agency Financial Operations	10	0.2
Cost Decrease: Reduced fixed costs due to savings associated with move to 441 4th Street	Agency Management Program	-294	0.0
Cost Decrease: A portion of the staff realigned to Health Care Operations	Healthcare Policy and Planning	-290	-4.2
FY 2013 Initial Adjusted Budget		698,154	74.1
Technical Adjustment: Health insurance contribution	Multiple Programs	29	0.0
FY 2013 Additionally Adjusted Budget		698,183	74.1
FY 2013 Policy Initiatives			
Technical Adjustments: Increase to replace DSH funding	Health Care Finance	5,637	0.0
Technical Adjustments: Increase to fund the DRG Rebasing	Health Care Finance	6,900	0.0
Technical Adjustments: Increase to support the transition to ICD-10 Technical Adjustment	Health Care Finance	500	0.0
Technical Adjustments: Increase funding to support Long Term Care Support Services Contract	Health Care Finance	884	0.0

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Table HT0-5 (Continued)
(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS (Cont.)			
FY 2013 Policy Initiatives			
Enhance: Funding for a fee-for-service Early Intervention program	Health Care Finance	315	0.0
Optimize: Net reduction in the Costs of Antiretroviral Medications for the Medicaid Program by consolidation of pharmaceutical purchases	Health Care Finance	-622	0.0
Cost Increase: Adjust the budget to support Physician Rate Increase to 100 percent of the Medicare rate	Health Care Finance	2,500	0.0
Cost Decrease: Adjust DRG rates from an average payment-to-cost ratio of 114 percent to 98 percent	Health Care Finance	-8,040	0.0
Cost Decrease: Reduction in the budget from cost savings associated with less than projected provider rate increase for the Alliance program	Health Care Finance	-2,500	0.0
Cost Decrease: Leverage cost savings from shift of the burden of emergency hospital services costs for the Alliance away from the program	Health Care Finance	-7,573	0.0
Cost Decrease: Adjust the budget from reductions in cost settlement, pharmacy, and inpatient services	Multiple Programs	-6,252	0.0
Transfer In: From the Office of the Deputy Mayor for Health and Human Services to support the Alliance program	Health Care Finance	103	0.0
Transfer Out: To the Department of Mental Health to support implementation of the South Capitol Street Memorial Act of 2012	Health Care Finance	-1,000	0.0
LOCAL FUNDS: FY 2013 Proposed Budget and FTE		689,034	74.1
DEDICATED TAXES: FY 2012 Approved Budget and FTE		57,427	3.4
Create: Funds from Healthy DC have been realigned into this program from the former Employer and Private market initiative program	Health Care Reform and Innovation	320	2.8
Eliminate: Program has been eliminated and Healthy DC funds realigned to Health Care Reform and Innovation	Employer and Private Market Initiatives	-245	-3.4
Reduce: Align the Medicaid Provider Payments budget with projected revenue reductions for the Hospital Assessment Tax	Health Care Finance	-189	0.0
Reduce: Align the Medicaid Provider Payments budget with projected revenue reductions for the Healthy DC Fund	Health Care Finance	-742	0.0
Optimize: Align budget with projected revenue increase for the Nursing Homes Quality of Care Fund to support the Medicaid Provider Payments	Health Care Finance	2,224	0.0
Optimize: Align budget with projected revenue increase for the Stevie Sellows fund to support Medicaid Provider Payments	Health Care Finance	1,256	0.0
FY 2013 Initial Adjusted Budget		60,050	2.8
Technical Adjustment: Health insurance contribution	Multiple Programs	1	0.0
FY 2013 Additionally Adjusted Budget		60,051	2.8

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Table HT0-5 (Continued)

(dollars in thousands)

	PROGRAM	BUDGET	FTE
FY 2013 Policy Initiatives			
Optimize: Adjust the budget for the Stevie Sellows Fund based on revised revenue estimates	Health Care Finance	2,858	0.0
Optimize: Align the budget with revised revenue estimates for the Nursing Homes Quality of Care Fund	Health Care Finance	31	0.0
DEDICATED TAXES: FY 2013 Proposed Budget and FTE		62,940	2.8
FEDERAL GRANT FUNDS: FY 2012 Approved Budget and FTE		15,399	8.9
Create: DHCF anticipates new grant award for the proposed state-operated Health Insurance Exchange System - DC Health Exchange Grant	Health Care Reform and Innovation	46,893	0.0
Create: DHCF anticipates new grant award for FY 2013 from the Foster Children Demonstration Grant	Health Care Reform and Innovation	5,000	0.0
Create: Realigned budget with Health Care Reform and Innovation - Program 8000 -- DC Health Insurance Exchange Grant	Health Care Reform and Innovation	1,650	1.4
Eliminate: Eliminated the Employer and Private Market Initiatives (DC Health Insurance Exchange Grant), Market Initiatives and realigned with Health Care Reform and Innovation program	Employer and Private	-1,650	0.0
Cost Decrease: Reduction is due to the expiration of the Indirect Cost Recovery Grant	Agency Management Program	-34	0.0
Cost Decrease: Grant expires in FY 2012 - Affordable Care Act Consumer Assistance Grant Management	Healthcare Delivery	-168	0.0
Cost Decrease: DHCF anticipates a decrease in FY 2013 grant award - DC Health Information Exchange Grant	Agency Management Program	-265	0.0
Cost Decrease: DHCF anticipates a decrease in FY 2013 grant award - Money Follows the Person Grant	Healthcare Delivery Management	-955	0.0
Cost Decrease: DHCF anticipates a decrease in FY 2013 grant award - Home Health Planning Grant	Agency Management Program	-325	0.0
FY 2013 Initial Adjusted Budget		65,545	10.4
Technical Adjustment: Health insurance contribution	Multiple Programs	3	0.0
FY 2013 Additionally Adjusted Budget		65,547	10.4
FEDERAL GRANT FUNDS: FY 2013 Proposed Budget and FTE		65,547	10.4
FEDERAL MEDICAID PAYMENTS: FY 2012 Approved Budget and FTE		1,475,186	78.6
Eliminate: Employer and Private Market Initiatives program has been eliminated and functions redistributed to the Health Care Reform and Innovation program	Employer and Private Market Initiatives	-133	-1.7
Eliminate: Health Care Accountability Program has been eliminated with responsibilities shifted throughout agency	Healthcare Accountability	-6,178	-16.2
Cost Increase: Additional funds needed to execute required contracts	Multiple Programs	6,260	0.0
Cost Increase: Additional funding in contracts for the Health Information Technology grant	Agency Management	1,751	0.0
Cost Increase: Realigned staff from Health Care Accountability and Health Care Policy and Planning	Health Care Operations	993	12.2
Cost Increase: Realigned staff from Health Care Accountability	Healthcare Delivery Management	418	1.8
Cost Increase: Realigned Ombudsman staff from Health Care Delivery Management Program and shift in Medicaid Admin FTE funding	Agency Management Program	1,142	9.5

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Table HT0-5 (Continued)
(dollars in thousands)

	PROGRAM	BUDGET	FTE
Cost Increase: Additional funding required to maintain service at current levels	Health Care Finance	172,087	0.0
Cost Increase: Additional CHIP funds necessary to continue Medicaid service at current levels	Health Care Finance	2,516	0.0
Cost Increase: Additional funds needed to maintain current levels of supplies and other services for Information Technology and other items	Multiple Programs	16	0.0
Cost Increase: Additional funding required to fund filled positions	Agency Financial Operations	128	1.3
Cost Increase: Employer and Private Market Initiatives program functions have been added into this program	Health Care Reform and Innovation	251	2.3
Cost Decrease: Reduced fixed costs due to savings associated with move to 441 4th Street	Agency Management Program	-241	0.0
Cost Decrease: Reduction in contracts within program	Multiple Programs	-903	0.0
Cost Decrease: A portion of the staff realigned to Health Care Operations	Healthcare Policy and Planning	-102	-1.8
Cost Decrease: Reallocate funds budgeted for medical vendor services in this program	Healthcare Delivery Management	-548	0.0
Cost Decrease: Reallocate funds budgeted for medical vendor services in this program under the Health Information Technology grant	Agency Management Program	-1,948	0.0
FY 2013 Initial Adjusted Budget		1,650,694	86.0
Technical Adjustment: Health insurance contribution	Multiple Programs	27	0.0
FY 2013 Additionally Adjusted Budget		1,650,721	86.0
FY 2013 Policy Initiatives			
Technical Adjustments: Increase to fund the DRG Rebasing	Health Care Finance	16,100	0.0
Technical Adjustments: Increase to support the transition to ICD-10	Health Care Finance	4,500	0.0
Technical Adjustments: Increase funding to support Long Term Care Support Services Contract	Health Care Finance	2,062	0.0
Enhance: Funding for a fee-for-service Early Intervention	Health Care Finance	735	0.0
Optimize: Net reduction in the Costs of Antiretroviral Medications for the Medicaid Program by consolidation of pharmaceutical purchases	Health Care Finance	-1,328	0.0
Cost Increase: Adjust the budget to support Physician Rate Increase to 100 percent of the Medicare rate	Health Care Finance	5,833	0.0
Cost Increase: Additional federal Medicaid revenue related to emergency services carve-out	Health Care Finance	5,950	0.0
Cost Decrease: Adjust DRG rates from an average payment-to-cost ratio of 114 percent to 98 percent	Health Care Finance	-18,760	0.0
Cost Decrease: Adjust the Medicaid budget based on the Local match from reductions in cost settlement, pharmacy, and inpatient services	Health Care Finance	-17,472	0.0
FEDERAL MEDICAID PAYMENTS: FY 2013 Proposed Budget and FTE		1,648,342	86.0

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Table HT0-5 (Continued)
(dollars in thousands)

	PROGRAM	BUDGET	FTE
SPECIAL PURPOSE REVENUE FUNDS: FY 2012 Approved Budget and FTE		2,024	3.2
Create: Establish budget authority for the newly created Medicaid Recovery Audit Contractor revenue account	Multiple Programs	1,333	4.4
Optimize: Align budget with projected revenue increase from 3rd Party Liability Fund to support healthcare operations	Health Care Operations	1,082	0.2
FY 2013 Initial Adjusted Budget		4,439	7.8
Technical Adjustment: Health insurance contribution	Multiple Programs	2	0.0
FY 2013 Additionally Adjusted Budget		4,441	7.8
SPECIAL PURPOSE REVENUE FUNDS: FY 2013 Proposed Budget and FTE		4,441	7.8
INTRA-DISTRICT FUNDS: FY 2012 Approved Budget and FTE		10,400	0.0
Optimize: Increase budget authority based on MOU with the Department of Mental Health to support the Mental Health Rehab Option program	Health Care Finance	6,550	0.0
Optimize: Increase budget authority based on MOU with the Department of Health to support APRA ASTEP	Health Care Finance	1,741	0.0
FY 2013 Initial Adjusted Budget		18,691	0.0
INTRA-DISTRICT FUNDS: FY 2013 Proposed Budget and FTE		18,691	0.0
Gross for HT0 - Department of Health Care Finance		2,488,996	181.0

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

Agency Performance Plan

The agency's performance plan has the following objectives for FY 2013:

Office of the Director

Objective 1: Increase access to care for District residents.

Objective 2: Develop and implement a comprehensive health information technology (HIT) plan.

Office of the Director

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of District residents uninsured	6.2%	6.2%	6.2%	6%	6% ¹	Not Available
Number of consumers served by Ombudsman	3,742	4,400	3,313	3,500	3,600	Not Available
Percentage of closed/ resolved cases among OHCORR consumers	Not Available	Not Available	98%	92%	94%	Not Available

Health Care Policy and Research Administration

Objective 1: Develop policies, plans and data to enable effective program administration and utilization of resources.

Health Care Policy and Research Administration

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Number of adults in 1115 childless adults waiver	Not Available	3,000	3,102*	3,698	4,245	Not Available

*As of August 2011

4. Health Care Delivery Management Administration

Objective 1: Improve access to high quality services and improve resource management.

Objective 2: Improve health outcomes for District residents.

Health Care Delivery Management Administration

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of Medicaid beneficiaries in nursing facilities residing in out-of-state nursing facilities	190	165	11.1% ²	9%	8%	TBD
Number of beneficiaries in ICF/MRs	402	350	370	340	330	TBD
Percentage Medicaid beneficiaries satisfied with their health plan ³	67%	77%	TBD ⁴	79%	80%	TBD
Percentage of eligible children receiving any preventive dental services	47%	42%	TBD	50%	55%	TBD
Reported complaints (including missed/late trips) on transportation broker services, per 1,000 trips	1.57 per 1,000 trips	2.5 per 1,000 trips	1.9 per 1,000 trips	2 per 1,000 trips	2 per 1,000 trips	TBD

Health Care Delivery Management Administration

(Cont.)

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Number of individuals moved from institutions to the community through Money Follows the Person program	60	100	24	60	60	TBD
Quality Improvement Initiative 1: Adverse Perinatal Outcomes per 1,000 pregnancies and infants ⁵	231	>220	TBD	less than 210	less than 200	TBD
Quality Improvement Initiative 2: Adverse Chronic Disease Outcomes per 1,000 people with asthma, diabetes, hypertension and congestive heart failure ⁶	490	>475	TBD	less than 342	less than 342	TBD
HEDIS measure for childhood immunization ⁷	85%	85%	TBD	87%	87%	TBD
HEDIS measure for timeliness of prenatal care ⁸	Not Available	75%	TBD	80%	82%	TBD
Adults' access to preventive/ambulatory care services (adults aged 20-44, enrolled in health plans) ⁹	Not Available	85%	TBD	85%	88 %	TBD

5. Health Care Operations Administration

Objective 1: Improve the efficiency of program operations.

Objective 2: Strengthen program integrity.

Health Care Operations Administration

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of providers paid electronically	31%	75%	34%	45%	45%	Not Available
Average time to process Medicaid provider application	22	45	35 days	35 days	35 days	Not Available
Number of referrals to the Medicaid Fraud Control Unit (MFCU)	25	25	22	25	25	Not Available
Total recovered from provider audits (Local and Federal Funds)	\$5.6 Million	\$6.5 Million	TBD ¹⁰	\$6.5 Million	\$6.5 Million	Not Available
Total recovered from Third Party Liability (TPL)	\$5.8 Million	\$7 Million	\$7.1 Million	\$6 Million	\$6 Million	Not Available

Performance Plan Endnotes:

1. Please note that the same percent uninsured is used for FY 2011 actual to prior years. The 6.2 percent is from the DC Health Insurance Survey. A more recent survey has not been completed.
2. These data are forthcoming.
3. Data from the Consumer Assessment of Healthcare Providers and Systems (CAHPS) Health Plan Survey.
4. FY 2011 Actual data is not available until Fall 2012 because data is based on HEDIS measures. The Quality Improvement initiatives are calculated on the same reporting cycle as HEDIS and are generally available 9 months after the CY.
5. This measure aggregates the following metrics: newborns with birth weight less than 2,500 grams; newborns of 32 weeks or less gestational age; pregnant women NOT tested for HIV prior to giving birth; and pregnancies ending in miscarriage or fetal loss (early or late); and deaths of infants in the first year of life.
6. This measure aggregates emergency room visits and hospital admissions by individuals diagnosed with asthma, diabetes, high blood pressure, and congestive heart failure.
7. HEDIS (Healthcare Effectiveness Data and Information Set) measure on the percent of children enrolled in managed care who received age-appropriate immunizations by their second birthday.
8. HEDIS measure on the percent of deliveries to women enrolled in Medicaid managed care for which the woman received a prenatal care visit in either their first trimester or within 42 days of enrolling in the managed care organization.
9. The percent of Medicaid managed care enrollees aged 20-44 who had an ambulatory care or preventive care visit (as opposed to an emergency or hospital visit) during the year.
10. FY 2011 Actual data for "total recovered from audits" is TBD because cases are still in the administrative appeal process.

