

STATE OF MAINE
DIRIGO HEALTH AGENCY
53 STATE HOUSE STATION AUGUSTA, MAINE 04333-0053

PAUL R. LEPAGE
GOVERNOR



KARYNLEE HARRINGTON
EXECUTIVE DIRECTOR

DATE: January 30, 2013

TO: Senator Gratwick, Representative Treat and members of the Joint Standing Committee on Insurance and Financial Services

FROM: Karynlee Harrington, Executive Director, Dirigo Health Agency

CC: Colleen McCarthyReid, Legislative Analyst
Joe Bruno, Chair Dirigo Health Agency Board of Trustees
William Kilbreth, Deputy Director, Dirigo Health Agency

RE: Committee Questions specific to provision in proposed Supplemental Budget that affects DHA

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1. Why is the original amount of the transfer from last year's budget bill being increased? Is it related to an increase in projected enrollment?

The Agency is not aware of the reasons for the transfer. Chris Nolan from the Office of Fiscal and Program Review may be able to provide this information.

2. More information about the past transfers made by Dirigo for the Medicaid match and the number of individuals enrolled in Medicaid as part of the expansion. What is the breakdown of those enrolled between 150% and 200% and the funding required to the population between 133% and 150%? What was the reason for requiring the Agency to take responsibility for the state matching costs of the population between 133% and 150%?

The legislation that created Dirigo in 2003 also established the eligibility category for parents with incomes between 151% and 200% of FPL and established that DHA would be responsible for the State share for this population.

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The additional categories of Medicaid eligibility that DHA supports were established in the 2012 – 2013 biennial budget.

Medicaid Category	DHA Transfer Amount-FY12	Enrollment as of June 30, 2012
101-150% FPL	1,155,211	21,020
151-200% FPL	4,700,000	6,827
Other	10,472,800	NA

Medicaid Category	DHA Transfer Amount-FY13	Enrollment as of December 30, 2012
101-150% FPL	1,229,390	21,149
151-200% FPL	1,175,000	6,752
Other	4,954,820	NA

Enrollment figures provided in the table above are from the MaineCare Caseload, Count of Members, SFY 2013 & PRIOR SFY Report. The report does not break out the parents in 101% - 150% category into separate categories (101% - 132% and 133% - 150%) so we have included the entire population. More detailed reporting may be available from DHHS.

- Who is the population affected by the transfer in LR 1045? Are there individuals enrolled in Dirigo that may lose coverage at an earlier date or have the amount of their subsidy reduced as a result? How many potential enrollees in Dirigo if the funding remained with the agency? Will more individuals be enrolled through Medicaid if the additional funding is provided?

No Dirigo enrollees will lose coverage as a result of this transfer. If the funding remained with the Agency we estimate that we would be able to provide coverage for approximately 600 additional members. DHHS may be able to address the question of additional enrollees in Medicaid.

- What steps will the agency take in response to the reduction in funding? Will subsidy amounts be lowered? In what way and on what timetable? How does the transfer affect planning for the termination of DirigoChoice and other coverage plans?

The Agency does not anticipate a need to lower subsidy levels in response to the reduction in funding. The proposed transfer does not affect the planning that the Agency has done for the termination of DirigoChoice and the other coverage programs as of December 31, 2013. However, the proposed transfer does impact future planning for the ongoing work of the Maine Quality Forum. Please see response below:

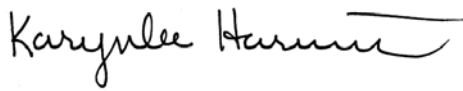
- Describe further the effect on the continuation of the Maine Quality Forum and proposed funding for MQF in the biennial budget. Will current MQF projects be affected?

The Agency has submitted a budget that continues the Maine Quality Forum through the end of SFY 2015 (June 30, 2015). The continuation of the Forum is contingent upon the Agency having a cash surplus at the end of 2013. This proposed transfer will affect the Agency's projected cash surplus and the Agency may have to revise its projected budget accordingly. At this time the Agency projects that even with the transfer we will have a sufficient surplus to operate the Maine Quality Forum through the end of SFY 2015. This projection may change based on the experience of the Dirigo coverage programs through the remainder of 2013. The funds proposed for this transfer would have potentially allowed the Forum to continue for an additional 3 years.

6. Revenue and projected revenue from the health access payment at 1.64% through June 30, 2013 and at 1.14% from July 1 to December 31; the amount and overall percentage of the health access payment that is being transferred from supporting subsidies to providing the State match for Medicaid.

Period	% basis	access payment	Transfer to MaineCare (current)	Transfer to MaineCare (proposed)
SFY 2013 (July 2012 – June 2013)	1.64%	\$34,051,625.00	\$7,359,210 (22%)	\$12,171,271 (36%)
SFY 2014 (July 2013 – December 2013)	1.14%	\$11,835,016.01	No required transfer	No required transfer

Please do not hesitate to contact me with any further questions.



Karynlee Harrington