

Dirigo Health Agency
Board of Directors
Minutes of Meeting - FINAL
September 6, 2005

The Dirigo Health Agency Board of Directors held a meeting on Tuesday, September 6, 2005. Dr. Robert McAfee, Chair, convened the meeting at approximately 1:40 PM in the Dirigo Health Agency Board Room, located at 211 Water Street in Augusta. Other Board members in attendance: Dana Connors, Mary Henderson, Commissioner Christine Bruenn, Commissioner Rebecca Wyke, and Trish Riley. Joining by telephone was Charlene Rydell. Also in attendance: Karynlee Harrington, Executive Director of Dirigo Health Agency and Kirsten Figueroa, Fiscal Operations Director.

Agenda: Meeting is dedicated to the Savings Offset Payment and the work of the SOP workgroup specific to the proposed methodology for calculating aggregate measurable costs savings.

Dr. McAfee opened the meeting by underscoring the importance of the continued discussion and presentation of information from the SOP workgroup. Dr. McAfee again extended an invitation to the public to come forward today and at the next Board meeting to provide any additional information that they felt would assist the Board in their deliberations. Dr. McAfee outlined the order of presentations beginning with Bill Laubenstein and then moving to the experts that have been supporting the SOP workgroup sides.

Mr. Laubenstein made the following points:

- At last week's Board Meeting two presentations were made on methodologies that the board should consider in making their decision on the aggregate measurable savings.
- Today the Board is again meeting to take whatever additional information that anyone would like to present for their consideration.
- Then next week on the 14th the Board will meet again and the primary information they'll be looking for will be numbers.
- The Board's obligation is to present to the Superintendent of Insurance a number on aggregate measurable savings and, to do that, they're going to need both Dirigo and the Payor Group to put some substance to their various methodologies.
- Once they have all the data presented to them next week, they will then end the portion of the meeting for public participation and the Board will begin to deliberate the various proposals in front of them.
- During their deliberative process, the Board can ask anyone, staff from Dirigo or anyone who will or will not be in attendance, for clarification of information.
- At the end of the deliberative session, the Board will make a decision and that will be incorporated in to a transmittal letter to the Superintendent of Insurance. Their recommendation will include all the supporting documentation, so for next week it is important to people who are going to present data for their consideration that the Board also get the supporting documentation.

At this time several Board members expressed their concerns to Mr. Laubenstein specific to the guidance provided from the AG's office relative to the process and guidelines for the Board's communication with members of the SOP workgroup. Mr. Laubenstein shared with the Board that the guidance that has been provided has been provided to protect the integrity of the Board and the process. It is the opinion of the AG's office that all Board members should hear the same information from the same people in the same format in a public meeting.

Dr. McAfee asked Ms. Harrington to introduce those individuals making the technical presentation on behalf of the Dirigo workgroup members. Ms. Harrington introduced Dr. Nancy Kane, DBA, from the Harvard School of Public Health. Dr. Kane has been working on the Consolidated Operating Margins and CMAD initiatives.

Dr. Nancy Kane (participating via conference call) distributed to the Board a presentation titled Methodology for Estimation of Savings Attributable to the Limits on Consolidated Operating Margins and Cost per Case-Mix Adjusted Discharges of Acute Hospitals (refer to attached). Dr. Kane proceeded to review the document with the Board. Board members asked Dr. Kane clarification questions as she reviewed the presentation. Dr. McAfee then opened the meeting to all members of the SOP workgroup and then to the public to ask Dr. Kane questions, to which she responded.

Ms. Harrington then introduced Steve Schramm from Mercer for the second part of the presentation. Mr. Schramm is a worldwide partner with Mercer Government Consulting. Mr. Schramm provided additional clarification around the technical components of our methodology and provided detail around what the Dirigo group is proposing for the underinsured and CON/CIF initiatives.

Mr. Schramm introduced two of his colleagues who participated via conference call. Kevin Russell, who is a Fellow in the Society of Actuaries, who presented at a work group meeting in August as well as Michele Raleigh who is an Associate in the Society of Actuaries. Mr. Schramm distributed to the Board a presentation titled Dirigo Health Savings Offset Methodologies. Mr. Schramm proceeded to review the document with the Board. Board members asked Mr. Schramm clarification questions as he reviewed the presentation. Dr. McAfee then opened the meeting to all members of the SOP workgroup and then to the public to ask Mr. Schramm questions, to which he responded.

Dr. McAfee asked the Payor side of the workgroup if they were going to present additional information to the Board at this time. A representative from the Payor side of the workgroup made the following points: It was not the decision of the workgroup since the actuaries were not hired by the Payor workgroup. Additionally, due to the holiday and the short notice they were not prepared to make a presentation to the Board at this time.

Board Members expressed their strong desire to hear all the information from both sides' experts prior to moving into a deliberative session. As such, after much discussion amongst Board members, it was decided that the Board would meet prior to the 9/14 meeting to allow the Payor side of the workgroup and any one else to present to the Board any additional information and supporting documentation specific to the SOP methodologies.

Dr. McAfee opened the meeting to the public. There were various comments and questions asked. The Board responded.

The next Board Meeting was scheduled for 9/13 at 10:30.

There were no other comments from the public. There were no other matters discussed. Dr. McAfee motioned, the Board seconded, to adjourn at 5:10PM.