

STATE OF MAINE

DIRIGO HEALTH AGENCY

RE: DETERMINATION OF)
AGGREGATE MEASURABLE COST)
SAVINGS FOR THE FOURTH)
ASSESSMENT YEAR (2009))

FILING COVER SHEET

TO: Board of Directors
DIRIGO HEALTH AGENCY
Attn: Ruth A. Burke
211 Water Street
Augusta, Maine

DATE FILED: May 23, 2008

PARTY: Maine Association of Health Plans

DOCUMENT: Application to Intervene

DOCUMENT TYPE: Application

CONFIDENTIALITY: None



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STATE OF MAINE

DIRIGO HEALTH AGENCY

RE: DETERMINATION OF) APPLICATION TO INTERVENE
AGGREGATE MEASURABLE COST) OF MAINE ASSOCIATION
SAVINGS FOR THE FOURTH) OF HEALTH PLANS
ASSESSMENT YEAR (2009))

Applicant Maine Association of Health Plans (“MEAHP”), on behalf of its member companies, through counsel, pursuant to the Notice of Pending Proceeding and Hearing issued by the Board of Directors of the Dirigo Health Agency (the “Board”) dated March 7, 2008 and 5 M.R.S.A. § 9054(1)-(2), hereby moves that the Board grant MEAHP intervenor status as a full party in this proceeding, pursuant to section 9054(1), or in the alternative, as a full party pursuant to section 9054(2), based upon the following:

1. MEAHP members will be substantially and directly affected by this proceeding; and
2. MEAHP members have a significant interest in this proceeding.

STATEMENT OF FACTS

1. Maine Association of Health Plans is an incorporated association of health plans with a principal place of business located in Cumberland, Maine.
2. MEAHP was founded in 1997 to advocate for its member health plans before the Maine Legislature and regulatory agencies.

3. MEAHP's members are entities licensed by the Maine Bureau of Insurance and include health insurers, health maintenance organizations, and third-party administrators, including Aetna, Inc., Anthem Health Plans of Maine, Inc., d/b/a Anthem Blue Cross and Blue Shield, CIGNA HealthCare of Maine, Inc., and Harvard Pilgrim Health Care, Inc. and its affiliates Health Plans, Inc. and HPHC Insurance Company, Inc.

4. Each MEAHP member will be substantially and directly affected by the outcome of this proceeding and each has an interest in this proceeding for the following reasons:

- A. The Board is required by 24-A M.R.S.A. § 6913(1)(A) to hold an adjudicatory hearing to determine, for the fourth assessment year, "aggregate measurable cost savings ["AMCS"], including any reduction or avoidance of bad debt and charity care costs to health care providers in this State as a result of the operation of Dirigo Health and any increased MaineCare enrollment due to an expansion in MaineCare eligibility occurring after June 30, 2004."
- B. Determination by the Dirigo Health Board of AMCS and approval of that determination by the Superintendent are prerequisites for establishing one cap on the amount of the savings offset payment ("SOP").
- C. The SOP must be paid in the first instance by, among others, each MEAHP member company. Under Maine law, these companies may, in turn, include the amount of the SOP in the calculation of the rates they charge to their customers. *See, e.g., 24-A M.R.S.A. § 2736-C.*

- D. In addition to the substantial and direct effect of having to pay the SOP, premium rates of customers of MEAHP member companies may be impacted by the amount of the SOP, as the SOP is used in calculating those rates. Imposition of the assessment of the SOP may necessitate an increase in prices charged by the members of MEAHP to their customers and potential customers, and may result in loss of business due to such an increase.
- E. MEAHP and its member companies have a substantial interest in ensuring that the methodology used to calculate the AMCS includes only those savings that fall within the parameters of the Dirigo Health Act, and that all supporting assumptions and related calculations of savings are reasonable.
- F. MEAHP and its member companies also have a substantial interest in ensuring that the SOP does not exceed the actual savings that have flowed from providers, to MEAHP's member companies, and ultimately to their customers in the form of lower premium rates.
- G. For all of the reasons outlined above, MEAHP has been granted intervenor status as of right in every prior AMCS proceeding before the Board and the Bureau of Insurance.

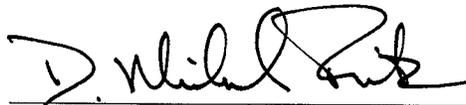
WHEREFORE, pursuant to 5 M.R.S.A. § 9054(1)-(2), MEAHP requests intervenor status as of right as a full party in the above-captioned proceeding and seeks

without limitation the following specific rights provided to other parties to this proceeding:

1. To be represented by counsel;
2. To participate in pre-hearing conferences;
3. To issue and receive information (discovery) requests and copies of filings and notices;
4. To stipulate facts;
5. To present evidence and oral and written arguments on legal and factual issues;
6. To pre-file testimony and exhibits;
7. To cross examine witnesses;
8. To file motions, briefs, and other pleadings; and
9. To participate in settlement negotiations.

Dated at Portland, Maine this 23rd day of May, 2008.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on May 23, 2008 by 3:00 p.m. I caused to be served via hand delivery two copies of the foregoing document upon:

Board of Directors
DIRIGO HEALTH AGENCY
Attn: Ruth A. Burke
Dirigo Health Agency
211 Water Street
Augusta, Maine

I further certify that on May 23, 2008 by 3:00 p.m., I caused to be served electronically a copy of the foregoing document upon the following:

Board of Directors, Dirigo Health Agency at Ruth.A.Burke@maine.gov
William Laubenstein, III – Hearing Officer at bill.laubenstein@maine.gov.



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