

**Dirigo Health Agency
Board of Trustees
Minutes of Meeting
September 15, 2008**

The Dirigo Health Agency Board of Trustees held a meeting on Monday, September 15, 2008.

Dr. Robert McAfee, Chair, convened the meeting at 1:05 PM in the Dirigo Health Agency Boardroom, located at 211 Water Street in Augusta.

Other Board members in attendance: Jonathan Beal, Mary McAleney, Mary Anne Turowski, Dr. Edward David, Joseph Bruno, Sara Gagne Holmes, Marianne Ringel, Trish Riley, Anne Head, and David Lemoine. Also in attendance: Karynlee Harrington, Executive Director of the Dirigo Health Agency, William Kilbreth, Deputy Director of the Dirigo Health Agency, and Dr. Josh Cutler, Director of the Maine Quality Forum.

Dr. McAfee introduced and welcomed the new Board members: Marianne Ringel, Sara Gagne Holmes, and Joseph Bruno.

Dr. McAfee summarized the content of two recent meetings that were held in the State of Maine; the Maine Medical Associations Annual meeting which focused an entire day on health care quality in the state of Maine and Senator Mitchell's Forum/Hearing where leaders in Maine's health care system testified on cost, quality and access issues and possible solutions.

The Board unanimously approved the minutes from the July 7, 2008 meeting.

Governor's Office of Health Policy and Finance Update-Trish Riley

Trish Riley provided the following comments:

Ms. Riley reported that she also testified at the Forum sponsored by Senator Mitchell. The message sent to Senator Mitchell was that the states cannot do health care reform by themselves and that the support of the Federal Government is critically important.

The Maine Children's Alliance along with Key Bank has launched an initiative to get the 11,000 children who are eligible for Medicaid/MaineCare to get enrolled as part of school based program. Through national literature, it is known, that to get children involved and enrolled in health care you need to get the parents involved/covered.

State of Washington Technology Assessment program. Independent panel that reviews technology. We are learning more about this initiative

The study of emergency department use is continuing. A Maine Health Access Foundation grant was obtained. The claims review has begun. The study will focus on the system causes and why consumers use the emergency room.

Ms. Riley stated that Dirigo celebrates its 5th year anniversary in September and highlighted the successes of the reform initiative. Refer to handout.

Dr. McAfee thanked the members of the Board that participated in the Year 4 Proceeding to determine Aggregate Measurable Cost Savings. The decision from the Superintendent of Insurance by law must be made no later than September 23, 2008.

Maine Quality Forum Update-Dr. Josh Cutler

Dr. Cutler described what unwarranted variation in medical care is and why it is a critical part of the Agency's quality agenda. Refer to handouts.

Ms. Harrington stated that an updated list of Maine Quality Forum Advisory Council members will be sent to Board members and reported that Dr. Robert Keller is the Chair of the MQF-Advisory Council and Rebecca Colwell, RN, Co-Chair, has submitted her resignation do to an increase in her job responsibilities. The Agency welcomes nominations to fill her seat on the Council.

Agency Update-Karynlee Harrington

Ms. Harrington stated that the Agency has been working on revising and improving the Agency's website. The new and improved Website will go live with in the next few weeks.

Mr. Kilbreth presented the monthly numbers to the Board. Refer to Dirigo Health Monthly Numbers, August 2008 and September 2008 handouts.

Ms. Harrington clarified for the new Board members the history and status of the Agency's cash flow challenges and stated that if the People's Veto is successful the cash flow problem will continue. This will leave the Board with the task of making some difficult decisions as the Agency fund needs to balance at the end of the SFY. Ms. Harrington stated that she continues to work closely with the Controller, the Commissioner of the Department of Administrative and Financial Services; and that she has been asked by Appropriations to address this issue in detail with the committee.

Mr. Kilbreth reviewed the Agency's ending SFY08 financial statements (income statement and balance sheet) and described how we account for SOP payments. Please refer to handouts. It was also noted that the financial statements are unaudited and that there are a few key notes on the Balance Sheet.

Harvard Pilgrim Health Care Contract Update-Karynlee Harrington

Ms. Harrington provided background information concerning the contract and current negotiations with Harvard Pilgrim for the new Board members.

Ms. Harrington made a recommendation to the Board for a benefit design change in the coinsurance level from 20% to 30% effective January 1, 2009 upon anniversary date; the member's out-of-pocket liability would not change. This change allows the DirigoChoice program to operate within the Agency existing SOP resources.

Ms. Harrington added that a rate increase for 2009 was filed with the Bureau of Insurance and the increases are 10.79% for individuals and self employed of one and 6% for small groups. These increases incorporate the recommended benefit design change. Although the rate increase is smaller than past years in the individual segment it is still a significant increase and all parties acknowledged concerns with the real possibility of higher rates of disenrollment because of the rate increases especially in light of the worsening economy.

After some discussion and questions the Board unanimously approved the recommendation.

Ms. Harrington stated that HPHC has raised concerns regarding the level of DirigoChoice members that do not pay premium within the grace period, incur claims or not, and then terminate prior to their 12 month end date. Insurance regulation requires the carrier to pay claims incurred during the grace period even if the

member is terminated after the grace period for non-payment. By the end of September HPHC will use collections as a mechanism to try and collect premium that is owed.

Additionally, HPHC is requiring a reduction in the grace period from 30 days to 15 days effective January 1, 2009. Board member asked if this could wait until after the winter season. Board member asked about reinstatement policy. Ms. Harrington described HPHC's current reinstatement policy.

Dr. McAfee acknowledged the concerns from all parties and recommended that staff speak with Harvard Pilgrim Health Care and negotiate a start date of April 1, 2009 vs. January 1, 2009.

Ms. Harrington handed out a letter that was addressed to the Superintendent of Insurance from the Joint Standing Committee on Insurance and Financial Services regarding direct care workers in the state of Maine. Refer to handout.

Ms. Harrington will continue to explore with legal counsel the idea of going to rulemaking on the methodology and measurement of the Savings Offset Payment.

The next meeting will be on Monday, October 20th beginning at 1:00 PM. On next month's agenda meeting times and specific dates will be considered for future meetings.

Public Comments

Gordon Smith from the Maine Medical Association provided some materials for the Board regarding the efforts to retain the tax on beer, wine, and soda. Mr. Smith reported that "Health Coverage for Maine" is a group of people who are working to keep PL 2007, chapter 629 intact.

Board member Ms. Sara Gagne Holmes added that Maine Equal Justice Partners are not part of the PAC but are working on this campaign in support of the beer, wine, and soda tax.

Board member Ms. Mary Anne Turowski added that MSEA has contributed \$10,000.00 to this effort as well as the parent organization SEIU has contributed \$25,000.