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KARYNLEE HARRINGTON
EXECUTIVE DIRECTOR

TO: Joint Committee on Appropriations and Financial Affairs
Joint Committee on Health and Human Services
Joint Committee on Insurance and Financial Services
Eric A. Cioppa, Bureau of Insurance

FROM: Karynlee Harrington, Executive Director, Dirigo Health Agency

CC: Trish Riley, Director of Governor's Office of Health Policy and Finance
Dr. Robert McAfee, Chair of the Dirigo Health Agency Board of Directors

DATE: September 17, 2007

RE: Quarterly report of DirigoChoice activity, per Public Law 2003, chapter 469, section 6913, 8.A.

I am pleased to present this report to the Committees on the status of DirigoChoice as required by Chapter 469 of the Public Laws of 2003, Section 6913, 8, A. The data presented in this report represents the cumulative activity beginning January 2005 through the first quarter of 2007 and represents information provided to and discussed with the Dirigo Health Agency Board of Directors.

(1) The total enrollment in Dirigo Health Insurance, including the number of enrollees previously underinsured or uninsured, the number of enrollees previously insured, the number of individual enrollees, and the number of enrollees enrolled through small employers.

Through March 2007, the total number of participants served by the program was 24,760, of which 5,414 are MaineCare expansion parents. The number of DirigoChoice members enrolled in the plan through March was 13,832. Through March, 2007, 26% of the membership is from small business; 26% sole proprietors and 48% individuals. The number of previously uninsured DirigoChoice members (defined as uninsured at some time in the 12 month period prior to enrolling in DirigoChoice) through March 2007 continues to be approximately 36% of the membership.

(2) The total number of enrollees covered in health plans through large employers and self-insured employers.

Per the Bureau of Insurance, as of December 31, 2005, there were approximately 533,506 enrollees in Maine covered in health plans through large employers and self-insured employers.

(3) The number of employers, both small employers and large employers, who have ceased offering health insurance or contributing to the cost of health insurance for employees or who have begun offering coverage on a self-insured basis.

This data is not currently collected or reported. The Agency will coordinate with the Bureau of Insurance as to the feasibility and best way of collecting this data.



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(4) The number of employers, both small employers and large employers, who have begun to offer health insurance or contribute to the cost of health insurance premiums for their employees.

This data is not currently collected or reported in the aggregate. The Agency will coordinate with the Bureau of Insurance as to the feasibility and best way of collecting this data.

However, the Dirigo Health Agency does track this information for its DirigoChoice small employers (2-50 employees). Consistent with what has been reported historically, approximately 40% of our small employers have begun to offer health insurance.

(5) The number of new participating employers in Dirigo Health Insurance.

The number of new participating employers in Dirigo Health Insurance at the end of the second quarter was 18 employers (2-50 employees).

(6) The number of employers ceasing to offer coverage through Dirigo Health Insurance.

For the quarter ending March 2007, there were 16 employers (2-50) that terminated coverage with DirigoChoice for various reasons including non-payment.

(7) The duration of employers participating in Dirigo Health Insurance.

The Dirigo Health Agency Participation Agreement has a coverage period of one year. The average contract duration for all small groups (2-50 employees) is twenty months.

(8) A comparison of actual enrollees in Dirigo Health Insurance to the projected enrollees.

Through the end of March 2007 enrollment in DirigoChoice was at 96.5% of projections.

Upon your review, please do not hesitate to contact me with questions or comments.