



STATE OF MAINE
DIRIGO HEALTH AGENCY
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PAUL R. LePAGE
GOVERNOR

KARYNLEE HARRINGTON
EXECUTIVE DIRECTOR

TO: Joint Select Committee on Appropriations and Financial Affairs
Joint Select Committee on Insurance and Financial Services

FROM: Karynlee Harrington, Executive Director, DHA

CC: Dirigo Board of Trustees
Katrin Teel, Senior Health Policy Advisor, Governor's Office

DATE: February 16, 2012

RE: 125th Legislature, Public Law Chapter 380, Sec. BBB-3. Planning for Affordable Care Act Health Insurance Exchange Implementation report

125th Legislature, Public Law Chapter 380, section BBB-3 states:

The Board of Trustees of Dirigo Health and the Executive Director of Dirigo Health shall evaluate the impact of the changes in this Part and their implications on planning for the transition to and implementation of a health insurance exchange in this State pursuant to the federal Patient Protection and Affordable Care Act. The Board of Trustees of Dirigo Health shall report its findings and recommendations for implementation of such an exchange in this State to the Joint Standing Committee on Appropriations and Financial Affairs and to the Joint Standing Committee on Insurance and Financial Services no later than March 1, 2012.

In 2011 the Legislature established the Advisory Committee on Maine's Health Insurance Exchange (125th, Resolve, Chapter 105) to develop recommendations, including suggested enabling legislation, to the Governor and the Legislature for a Maine health insurance exchange that addressed the core areas specified by the Federal Government and that considered the views of the health care industry and other stakeholders.

The Governor appointed The Dirigo Board of Trustees Chair, Joseph Bruno, as Chair of the Advisory Committee.

The Dirigo Health Agency staffed the Advisory Committee. The Department of Professional and Financial Regulation, the Bureau of Insurance; the Department of Administrative and Financial Services; the Office of Information Technology; the Department of Health and Human Services; and the State Coordinator for Health Information Technology also provided technical assistance to the Advisory Committee.

The Advisory Committee on Maine's Health Insurance Exchange submitted its report, including recommendations and enabling legislation, on September 20, 2011 to the Governor and Joint Standing Committee on Insurance and Financial Services. A copy of the report can be found at http://www.dirigohealth.maine.gov/Pages/hix_ac.html

In light of the creation and work of the Advisory Committee, the Board chose not to undertake an independent evaluation of the impact of implementing a Maine health insurance exchange. Rather, respecting the time and effort the Advisory Committee put into their work regarding a health insurance exchange for the state of Maine and noting the involvement of the Board's Chair and Agency staff, including regular reports to the Board, the Dirigo Board of Trustees adopts the recommendations provided in the Committee's September 20, 2011 report and submits them as their own.

Given the relevance to the existing infrastructure of the Dirigo Health Agency, the Board would like to specifically note the Advisory Committee's recommendation that the Health Insurance Exchange leverage existing State infrastructure in order to streamline and gain efficiencies. Appendix G from the Advisory Committee Report is attached which provides an overview of the current State infrastructure and how it maps to the required functions of a Health Insurance Exchange.

Appendix G

Current State Infrastructure⁴⁴

Required Functions of an Exchange	Citation	DHA	HHS	BOI	State Employee Plan
Eligibility and Enrollment					
- Determine Medicaid and CHIP	ACA §§ 1311(d)(4)(F), 1413		X		
- Determine subsidies for Private Insurance	ACA §§ 1311(d)(4)(F), 1413	X			
- Determine Affordability Exemption	ACA § 1311(d)(4)(H)				
- Determine Employer Eligibility	Prop. 45 CFR § 155.715.	X			
- Provide for open enrollment periods	ACA § 1311(c)(6)	X			X
Benefit and Plan Interaction					
- Standardize benefit categories by actuarial value	ACA § 1301(d)(1)	X ⁴⁵			
- Certify Qualified Health Plans	ACA §§ 1311(d)(4)(A), 1301, 1301(d)(1)	X		X	
- Reward quality through market based incentives	ACA § 1311(g)	X ⁴⁶			X
- Assign quality rating to plans	ACA § 1311(c)(6)				X
- Post enrollee satisfaction survey results	ACA § 1311(c)(4)	X			
- Conduct risk adjustment (if state does not establish, federal government will)	ACA § 1343, Prop. 45 CFR § 153.310				
Customer Service					
- Operation of a toll-free hotline	ACA § 1311(d)(4)(B)	X	X		
- Enroll individuals	ACA §§ 1311(d)(4)(F), 1413	X	X		X
- Enroll businesses	ACA § 1311(b)(1)(B)	X			
- Maintain website with cost and quality information	ACA § 1311(d)(4)(C)	X		X	X
- Provide cost calculator	ACA § 1311(d)(4)(G)	X			
Premium Payment and Collection					
- Establish and manage navigator program	ACA § 1311(d)(4)(K)				
- Pay premiums to carriers	Prop. 45 CFR §§ 155.240, 155.705(b)(4)	X			X
- Aggregate premium from multiple sources	Prop. 45 CFR §§ 155.240, 155.705(b)(4)	X			

⁴⁴ An earlier version of this chart was prepared for the Advisory Council on Health Systems Development (“ACHSD”) by Dirigo Health Agency in consultation with the Department of Health and Human Services, the Bureau of Insurance, and staff of the state employee plan. The chart was included in the JSC Report and ACHSD report to the Legislature. The chart has been modified primarily to include citations to the relevant provisions of ACA.

⁴⁵ Agency has experience in procurement and plan design based on actuarial value.

⁴⁶ The Maine Quality Forum provides tools to the market to assist them with rewarding quality through market based incentives.