

**Dirigo Health Agency  
Board of Trustees  
Minutes of Meeting  
Monday, September 14, 2009**

The Dirigo Health Agency Board of Trustees held a meeting Monday, September 14, 2009.

Dr. Robert McAfee convened the meeting at 9:00 AM in the Dirigo Health Agency Boardroom located at 211 Water Street in Augusta.

Other Board members in attendance: Jonathan Beal, Dr. Edward David, Sara Gagne Holmes, Joseph Bruno, Mary Anne Turowski, Marianne Ringel, Mary McAleney, David Lemoine, Anne Head, Ellen Schneider, and Trish Riley. 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.

The Board went into Executive Session pursuant to MRSA Title 1, Section 405, Paragraph 6, Sub-paragraph E to discuss pending litigation with their attorney.

The Board reconvened. The Board took no action from Executive Session.

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

Ms. Riley handed out a report from the Maine Center for Economic Policy that provides a historical review of Dirigo. Please refer to handout.

Ms. Riley reported that The Heritage Policy Center sent out a press release which, Ms. Riley feels, is not factual regarding Dirigo or recent CPS data.

Ms. Riley added that the CPS data is out and they show a slight decrease in the uninsured rate in Maine. Only 2 states have statistically lower rates of uninsured than Maine; Hawaii and Massachusetts. Ms. Riley pointed out that Hawaii has had "pay or play" legislation since 1973 and that Massachusetts has a mandate requiring insurance.

Ms. Riley also handed out a paper on payment reform. Please refer to handout. She notified the Board that on October 8<sup>th</sup> there will be a meeting in Portland regarding payment reform co-sponsored by the Governor's Office of Health Policy and Finance and the Maine Health Management Coalition.

Ms. Riley reported that Maine had won the HRSA grant award it had applied for. The grant will enable the state to cover uninsured part-time, seasonal, and direct care. Maine will receive \$8.5 million per year. Maine must re-apply each year for this grant, and is eligible for funds up to 5 years.

One aspect of the grant is to allow the Agency to experiment with vouchers. The Agency is not sure how many people will select this option. The Agency's goal is to cover 3,500 people.

The grant requires match from the states. Maine's requirement is \$1.7 million. \$1.4 million of the match will come from new funds available to the Agency in July 2010. The remainder is in kind contributions from the GOHPF and Dirigo staff.

The Agency and the Governor's Office are forming a business advisory group of 15 members, representing businesses, consumers, providers, and insurers. Dana Connors of the Maine State Chamber of Commerce, Joe Ditre of Consumers for Affordable Healthcare, and Molly Baldwin of the Homecare Alliance have already agreed to participate.

Ms. Riley added that Maine is getting a lot of national attention because of Senator Snowe's pivotal role in the current health care debates.

Ms. Riley reported that the federal government released a proposal to the states relating to electronic medical records. The proposal required that the states submit a letter of intent by September 11<sup>th</sup> and to develop a statewide plan for health information technology. The proposal also requires a state health information exchange, 2 state coordinators, and makes money available for regional extension centers to provide technical assistance to physician's offices.

Ms. Riley noted the importance of electronic medical records installed throughout the state is that in 2011 Medicare and Medicaid will begin incentive payments to providers who are making meaningful use of these systems. By 2013 Medicare will begin disincentives to providers who are not using them.

A stakeholders group, a steering committee, and the Office of the State Coordinator will provide overall planning. The plan will include specific implementations for Medicaid to ensure MaineCare is up and ready in 2011 and ready to make the incentive payments.

### **Dirigo Health Agency Update-Karynlee Harrington**

Ms. Harrington presented to the Board a discussion document. Please refer to handout.

Ms. Harrington asked the Board members if the Agency should limit DirigoChoice eligibility to the uninsured, reminding the Board that the HRSA grant monies are to be used towards the uninsured only.

Ms. Harrington recited the DHA, CPS, and the Commonwealth Care (MA) definitions of uninsured. Please refer to page 3 of handout.

After a significant amount of discussion among Board members, the Board voted to allow Ms. Harrington to proceed with coverage for both the uninsured and the underinsured. Board members Bruno and David opposed the motion.

Ms. Harrington stated that the Board had adopted a change in their last meeting requiring applicants for the 80% subsidy to provide proof of MaineCare denial. This eligibility change was to be effective July 1, 2010.

Ms. Harrington recommended to the Board members to change the effective date of the change from July 1, 2010 to January 1, 2010.

The Board unanimously approved this recommendation.

Ms. Harrington asked the Board to consider another guiding principle for the DirigoChoice RFP. The new principle would require for the bidders to provide an actuarial value of .65 or greater. This principle would protect the out-of-pocket exposure for lower income people.

Ms. Harrington described the Agency's proposed scoring methodology:

- Cost 40 points
- Administration 15 points
- Value (Actuarial Value & Adherence to Guiding Principles) 15 points
- Network 10 points
- All Others 20 points

The Board unanimously approved the new guiding principle.

Mr. Kilbreth presented the June, July, and August 2009 enrollment reports, income statements, and balance sheets. Please refer to handouts.

Mr. Kilbreth reported that in FY09 the Agency had a \$3.8 million positive operating margin. However, because the Agency had a significant debt to start the year, the Agency's fund position was (\$11.9) million at the end of the year.

Mr. Kilbreth presented "DHA Expenses Forecast vs. Actuals for SFY2009". Please refer to handout.

Ms. Harrington added that the Agency ended FY09 with 10% more membership than anticipated and that higher enrollment will have a fiscal impact as the Agency moves into FY10.

Ms. Harrington noted that in month of August, early indications show that the retention is lower than previous months. This lower retention means that more people have dropped DirigoChoice.

Ms. Harrington stated that there is a significant amount of work to do before the beginning of the year for the grant.

### **Maine Quality Forum Update-Dr. Josh Cutler**

Dr. Cutler updated the Board on current Maine Quality Forum efforts.

- Advancement in promotion of Health Information Technology (HIT)
- Variation Analysis
- Support for the Patient Centered Medical Home
- Support for patient safety regarding Healthcare Associated Infections (HAI)

Dr. Cutler reported that their HAI work focuses on support for the Infectious Disease and Infection Prevention Collaborative that the Maine Hospital Association has put together. All 39 hospitals are participating. Federal CDC has awarded a \$967,000.00 grant to this project.

Dr. Cutler added that in the last session the Legislature tasked the Maine Quality Forum to establish definitions of populations at high risk for MRSA. A workgroup has been convened to help with this task.

Dr. Cutler reported that the Patient Centered Medical Home project was up and running in June with 26 practices enrolled; 22 family practices and 4 pediatric practices.

Dr. Cutler stated that the MQF is collecting variation analyses, in addition to the clinical measures, from the hospitals through the MHDO. The MQF continues to collect claims analyses.

Ms. Harrington added that the Shared Decision Making Workgroup will be meeting in mid October.

### **Public Comments**

There were no public comments.

### **Next Meeting**

The next meeting will be held on Friday, October 16, 2009 beginning at 9:00 AM.

The meeting was adjourned at 12:34 PM.