

**Dirigo Health Agency
Board of Trustees
Minutes of Meeting
Monday, November 16, 2009**

The Dirigo Health Agency Board of Trustees held a meeting Monday, November 16, 2009.

Dr. Robert McAfee convened the meeting at 1:00 PM in the Dirigo Health Agency Boardroom located at 211 Water Street in Augusta.

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

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 came out of Executive Session at 1:45 PM. The Board took no action from Executive Session.

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

Ms. Riley reported that Gayle Sacco is a nominee for the Advisory Council on Health Systems Development. She will go before the HHS Committee on Tuesday, November 17, 2009.

The ACHSD is moving forward on its final set of recommendations on payment reform for the Legislature. The Council should be issuing their report within the next few weeks.

Ms. Riley handed out to the Board a summary of accepted LRs, assigned bills, and other bills of interest to the Governor's Office of Health Policy and Finance from the upcoming Legislative session. Please refer to handout.

Ms. Riley reported she expects the national Senate health care bill any day. Senate leadership is waiting for the Congressional Budget Office review and cost analysis.

Dirigo Health Agency Update-Karynlee Harrington

Ms. Harrington presented the SFY 2010 cash balance to date. Please refer to handout.

Ms. Harrington added that the Agency had only received 21% of total October Access Payments (for September claims) by the due date, October 30th. Approximately \$2.6 million came in after the due date. The law requires access payments 30 days after the end of the month. Ms. Harrington stated that she is troubled that most access payments did not come in on time. The Agency will exercise its right to charge interest on late payments.

Ms. Harrington reminded the Board that the Agency started SFY 2010 with 12% more members than it had anticipated. To date the Agency has experienced about 19% higher member months than projected, which has put pressure on the subsidy spend.

The Agency expects members to terminate because of rate increases effective January 2010. The small group increase is 8.4% and the individual and sole prop increase is 8.1%.

Ms. Harrington presented to the Board the DirigoChoice Care Ratio Report. Please refer to handout.

Mr. Kilbreth discussed the October 2009 enrollment report, income statement, and balance sheet. Please refer to handout.

Mr. Kilbreth explained that the \$5.65 million SOP recognized in October is mostly an accrual for the assessment applied to July and August paid claims. The Agency expects those payments on December 1, 2009.

Dr. McAfee asked for the total number of member months in DirigoChoice since the program began.

Ms. Harrington responded that the total number of member months is 607,028, subsidized and unsubsidized, January 1, 2005 through October 2009. These member months represent 25,000 distinct members covered.

Ms. Harrington stated that the Agency is finalizing the contract amendment with HPHC to extend the current contract for 6 months (through June 20, 2010). RFP responses for DirigoChoice (effective July 1, 2010) are due Monday, November 16, 2009. There are two bids: HPHC and Celtic.

Ms. Harrington reported that the Agency's HRSA Grant activities are continuing. Ms. Harrington and Ms. Riley had spoken with a number of employers in the state to gather further input for the program. The Agency intends to move forward with a voucher program effective January 2010.

Ms. Harrington reported that she, Dr. Cutler, and James Leonard of the Maine Quality Forum have been engaged in strategic and tactical planning for the Forum and the Agency's continuing efforts to promote quality. As this work continues and is brought before the Advisory Council, Ms. Harrington will report back to the Board.

Ms. Harrington added that, in her capacity as Executive Director of the Agency, she is now serving as a member of the Maine Health Data Organization Board. That Board is currently responsible for reviewing rules pertaining to MRSA. The Legislature passed a law in the last session requiring all Maine hospitals to perform targeted surveillance for MRSA in high risk populations as defined by the Maine Quality Forum. Ms. Harrington noted that a challenge to this process is that the Legislature simultaneously passed a resolve requiring the Maine Quality Forum to define high risk populations through the Prevention Collaborative. Dr. Cutler convened this group but it was unable to reach a consensus on a definition. The definition, therefore, will come from the result of a study developed with the CDC to study high risk populations. The MHDO Board will approve their rules on an emergency basis once the definition is established.

Maine Quality Forum Update-Dr. Josh Cutler

Dr. Cutler noted that the Federal CDC had awarded a \$967,000 Recovery Act Grant to Maine. The purpose of the funding is to help Maine hospitals integrate with the National Safety Healthcare Network.

Ms. Harrington stated that the Maine Hospital Association's Board of Directors posted on their website an action plan. Two elements of the plan specifically relate to the activities of the Dirigo Health Agency and the Maine Quality Forum:

- Reduce avoidable hospitalizations for ambulatory sensitive care conditions by 10% within 5 years
- Limit aggregate cost increases to a level of the Medicare market basket increase plus 10% and limit annual consolidated operating margins to 3% consistent with the Dirigo Health law

Public Comments

There were no public comments.

Next Meeting

AMCS Year 4 meeting is scheduled for December 16th and possibly the 17th.

The next meeting is scheduled for Monday, November 23, 2009 beginning at 1:30 PM.