

TESTIMONY OF
KARYNLEE HARRINGTON, EXECUTIVE DIRECTOR
DIRIGO HEALTH AGENCY

Before the Joint Standing Committee on Appropriations and Financial Affairs
And the Joint Standing Committee on Insurance and Financial Services

Hearing Date: March 9, 2007

“An Act To Make Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2008 and June 30, 2009.”

Senators Rotundo and Sullivan, Representatives Fischer and Brautigam, and members of the Joint Standing Committees on Appropriations and Financial Affairs and Insurance and Financial Services. My name is Karynlee Harrington; I am the Executive Director of the Dirigo Health Agency. I am here today to present testimony in support of those items presented in the Biennial Budget Document for the Dirigo Health Agency.

The **Part A** baseline budget request for the Dirigo Health Agency, may be found on **page 6-10** of the **Committee Copy, Page A-195** of the **Budget Document** and on **page 176 line 32 of the LD.**

The Dirigo Health Agency exists to arrange for the provision of comprehensive, affordable health care coverage to eligible small employers, self employed, their employees and dependents, and individuals on a voluntary basis. DirigoChoice has been available since January 2005 for enrollment for small employers, their employees, and the self-employed and since April 2005 for individuals. Since the inception of the program we have served over 23,914 members; 18,625 through DirigoChoice and 5,289 as part of the MaineCare parent expansion. Each month we continue to enroll new members and as of February 1, 2007 the enrollment in the program is as follows:

Segment	Number of Contracts	Number of Members
Small Business (under 50 employees)	730	3505
Self-Employed (of one)	1,968	3639
Individuals	4,422	6335
Total number of members (including covered dependents)	13,478	
MaineCare expansion parents	5,194 (December)	

Additionally, the Agency administers the Maine Quality Forum, which is tasked with monitoring and improving the quality of health care in the State of Maine. The Maine Quality Forum:

- Promotes and supports systems of health care that use best clinical practices.
- Promotes awareness of the need to use health care quality information as part of the decision making process for providers and patients.
- Provides information about health care quality to the people of the State that allows them to make informed decisions about the care they receive.

The **Part A** initiative seeks to continue funding for 2 Public Service Executive II positions, one Public Service Executive III position, one Public Service Manager 1 position, one Planning and Research Associate 1 position, one Accounting Technician position, 2 Dirigo Health/Program Coordinator positions, 2 Systems Analyst positions, one Comprehensive Health Planner II position, one Office Associate II position and one Secretary Associate position within the Dirigo Health Fund. These positions were established in Public Law 2005, chapter 386, Part D and are needed for the ongoing operation of the Dirigo Health Agency; without these positions, administration of the DirigoChoice program and the Maine Quality Forum ends.

The Agency will be submitting a change package which will reflect a reduced All Other allocation within Dirigo Health based on:

- actual expenditures in FY06 and the first half of FY07
- an analysis of projected expenditures in the second half of FY07
- an assumption that the Agency maintain program enrollment at the level reached at the end of FY07 throughout FY08 and FY09

The change package will request a reduced allocation of \$100,147,329 in FY08 and \$111,033,692 in FY09.

This allocation requires the Agency to have revenue of \$56,658,527 in FY08 and of \$62,236,233 in FY09 as I anticipate that Employer and Employee contributions to the Agency in FY08 will be \$43,488,802 and in FY09 will be \$48,707,458.

The Governors Blue Ribbon Commission on Dirigo Health has submitted their report detailing possible funding sources for the Agency as well as recommendations for market reforms and program changes that could allow the program to grow in FY08 and FY09. The Governor is currently considering the Commissions report and will present a proposal to the Legislature.

That concludes my testimony on items for the Dirigo Health Agency. I would be happy to answer any questions you may have at this time.