

**Dirigo Health Agency
Board of Directors
Minutes of Meeting - APPROVED
July 11, 2005**

The Dirigo Health Agency Board of Directors held a meeting on Monday, July 11, 2005. Dr. Robert McAfee, Chair convened the meeting at approximately 1:00PM in the Dirigo Health Agency Board Room, located at 211 Water Street in Augusta. Other Board members in attendance: Dana Connors, Carl Leinonen, and Trish Riley. Charlene Rydell, Mary Henderson, and Christine Bruenn joined via teleconference. Also in attendance: Karynlee Harrington, Executive Director of the Dirigo Health Agency and Kirsten Figueroa, Director of Budget and Fiscal Operations of the Dirigo Health Agency.

Dr. McAfee opened the meeting.

Meeting minutes from June 27, 2005 were approved by the Board.

Ms. Harrington clarified to Interested Parties that the agendas, meeting minutes and meeting handouts are located on the Dirigo Health website under the heading "News and Information". This material is no longer posted on the GOHPF website.

Status of 05 Enrollment Cap:

Ms. Harrington provided the Board with a copy of a June 28, 2005 correspondence from Anthem Blue Cross Blue Shield regarding the 2005 Enrollment Cap. Ms. Harrington summarized as follows:

- o Contractually we do not have an enrollment cap in 2006.
- o There are currently over 2,700 members on the individual/self-employed of one waiting list.
- o Staff proposed to Anthem Blue Cross and Blue Shield an enrollment cap in 2006 in order to open enrollment in 2005. The proposal was to double the cap in 2005 to 8,800 and impose a 20,000 individual/self-employed of one cap in 2006. Under this proposal total membership in this segment at the end of 2006 could be as high as 28,800.
- o Anthem Blue Cross and Blue Shield responded with a proposal that would cap membership in this segment at the end of our two year contract to a total of 15,000 members. Additionally, Anthem Blue Cross and Blue Shield proposed increasing the current limit that restricts rates to 20% above the community rate including all factors to increase to 30% for all new and renewing business effective October 1, 2005.

The proposal of an enrollment cap in 2006 was to provide Anthem with some comfort for opening the cap in the last quarter of 2005. Ms. Harrington recommended to the Board that they end 2005 with the existing cap in order to move into 2006 without an enrollment cap imposed by Anthem. Ms. Harrington indicated that staff may make a recommendation in 2006 to cap enrollment but that the Agency should keep that flexibility.

Ms. Riley expressed that it is hard to have people on a waiting list but acknowledged that it may be better to wait, not have a cap for 2006, and keep the people on the waiting list engaged. She also suggested that if they do go with the cap, Anthem needs to come to the next meeting and let us know what they are doing to build the small group market. Several Board members expressed the same concern and desire. Several Board members felt the need to directly talk to Anthem specific to their position regarding the cap. Ms. Harrington will formally follow up with Anthem and request their presence at the 8/1 Board Meeting to review with the Board their position.

Ms Harrington reported that Anthem met with the top 10 producers who are selling DirigoChoice; Anthem is in the process of putting together a report highlighting the feedback.

Ms. Harrington also reported receiving feedback from key producers in Farmington specific to dual offering. An employer can only offer one of the DirigoChoice options on a stand alone basis. When buying other Anthem small group products they indicated that the employer can offer more than one option. From the producers perspective many employers are not buying DirigoChoice because of the higher out-of-pocket expense at the group F level. Staff will follow up with Anthem.

Work Group Update:

The first meeting was held on June 30, 2005. Ann Gosline is the facilitator and John Benoit has been added as a member of the workgroup.

Ms. Harrington stated that the minutes are still a draft and when the group approves she will distribute to the Board. Workgroup sessions will be broadcast over the Internet.

Ms. Harrington reminded the Board that the recommendation from the Board is due to the Superintendent of Insurance by September 17, 2005. The Superintendent will then hold an adjudicatory hearing on October 27, 2005 and a decision will be made by October 29, 2005.

Ms. Harrington suggested that the Board receive the recommendations from the workgroup no later than Monday, August 29, 2005. Members agreed with this date and a tentative board meeting has been scheduled for August 29, 2005.

Ms. Harrington will share the request and timing with the workgroup.

Agency Updates:

43% of DirigoChoice membership is enrolled in Group B and the average community adjustment factor is approximately 10.6%. Given the experience to date, staff is looking at the current discount structure and modeling other potential options for the Board's consideration.

Membership for the month of July is just under 300 members. This is significantly lower than in previous months but does not include sole proprietors and individuals. There are over 2,700 individuals and self employed of one on the waiting list.

Ms. Figueroa stated that Fiscal Year 2005 is closed; however, there may some final adjustments to the year end financials. The Agency's general administrative expenses (including MQF) are 49% of the FY05 budget. Ms. Figueroa also reviewed the funds flow for SFY05 end.

Ms. Harrington stated that the Agency will begin SFY06 with 7,500 members. These members will carry forward each month and be added to with new monthly membership. Re-forecasting the SFY06 budget is underway.

Public Questions and Comments:

A member of the public asked if notices are being sent to interested parties and if those notices are being posted on the website. Ms. Harrington responded affirmatively that notices are being emailed and the information is on the Dirigo Health Agency website.

Dr. McAfee stated that the next meetings for the Board are going to be for August 1, August 29, September 6, and September 26.

Dr. McAfee adjourned the meeting at approximately 2:30.