

**Dirigo Health Agency
Board of Trustees
Minutes of Meeting
January 22, 2008**

The Dirigo Health Agency Board of Trustees held a meeting on Tuesday, January 22, 2008. Dr. Robert McAfee, Chair, convened the meeting at 9:10 AM in the Dirigo Health Agency Boardroom, located at 211 Water Street in Augusta. Other Board members in attendance: Jonathan Beal, Lloyd LaFountain, Mary Anne Turowski, David Lamoine, and Trish Riley. Also in attendance: Karynlee Harrington, Executive Director of the Dirigo Health Agency and William Kilbreth, Deputy Director of the Dirigo Health Agency.

No action was taken on the October minutes since a quorum was not present. Review and approval will be done at the next meeting.

Legislative Update-Trish Riley

Ms. Riley addressed the expansion of the Board. She stated that not all of the appointments have been made yet. The Speaker, Senate Minority Leader, and the House Minority Leader have new criteria they must follow when appointing new members. Ms. Riley expects nominations soon and stated that the Governor is anxious to move the process along.

Ms. Riley stated that the Legislator and key stakeholders have continued where they left off last session specific to individual market reform and funding for Dirigo Health. Senator Sullivan, Representative Brautigam, members of the industry and consumers continue to engage in discussions to try and find a middle ground. Representative Hannah Pingree has a bill in regarding individual market reform and ongoing funding for Dirigo. More detail to follow as the process unfolds.

Ms. Riley handed out to the Board a list of bills that her office is tracking in this Legislative session.

Ms. Riley summarized a report produced by Frank Johnson and presented to the Insurance and Finance Committee regarding the feasibility of enrolling the legislature into DirigoChoice. There are issues about retirees and wrap around services. Mr. Johnson's report stated that there would be potentially modest savings for the state.

The most significant activities for the Governor's Office of Health Policy and Finance is the work that they are doing for the Advisory Council on Health Systems Development on both the cost driver study and the State Health Plan.

Ms. Riley summarized the Commonwealth Fund's study "Bending the Curve" which identifies options of health care savings in the United States. Ms. Riley stated that it sounds Dirigo like and has many of the focuses of the Dirigo Health Reform. Some of the initiatives the study talks about are: (Electronic copy of the Report and Executive Summary will be e-mailed to the Board)

- Producing and using better information
- Promoting health information technology
- Center for medical effectiveness & health care decision making
- Patient shared decision making

- Reduce tobacco use
- Target obesity
- Hospital pay for performance
- Aligning incentives with quality and efficiency

Dr. McAfee reiterated the urgency with replacing the SOP with an alternative sooner rather than later to avoid the expense for all parties associated with the development of the methodology and the hearings. Ms. Riley agreed that there is a shared sense of urgency but that these are challenging times give the state of the budget and revenue shortfalls.

Maine Quality Forum Update-Karynlee Harrington

Ms. Harrington introduced James Leonard the new Program Coordinator for the Quality Forum.

The MQF Advisory Council met January 11, 2008. Jim Harner gave an update on the status of HealthInfoNet. HealthInfoNet started as a result of the work that the Agency did with the feasibility analysis of interconnectivity. Mr. Harner stated that by end of calendar year 08 and early calendar year 09 there will be patient centric clinical information sharing statewide with a significant number of hospitals and providers. There are about 14-15 hospitals and there affiliated physicians that will participate in a demonstration project. This network of hospitals and physicians represent about 750,000 patients statewide. The hospitals associated with this are:

- Franklin Memorial Hospital
- MaineGeneral
- Martin's Point
- Maine CDC
- Eastern Maine Healthcare Systems
- Central Maine Healthcare
- MaineHealth

\$6 million is the projected cost of the demonstration project. To date, \$4 million has been secured. Ms. Riley stated that there is a bill in the Legislature for another \$2 million for this project. Mr. Harner indicated that HealthInfoNet was staffing up for the project and that they are contracting with Orion for the technical support.

The Agency will re look at strategies to support and promote the use of EMR, as EMR is a critical component of interconnectivity.

Dr. McAfee stated that the original Dirigo Law had a clause mandating electronic billing in the Medicaid program. Ms. Riley responded that it mandated electronic billing in all physician's offices. The Bureau of Insurance was responsible for that. There was a provision for exemptions and there were a number that applied for those exemptions.

Gordon Smith of the Maine Medical Association stated that MaineCare cannot electronically process part B cross over claims since January 2005 when the new system was in place.

Ms. Harrington spoke about the *In a Heartbeat* initiative. She stated that February is Heart month and that four Train the Trainer sessions will be held statewide promoting the awareness of heart attack signs and symptoms. These trainings are funded by grant money from the three tertiary hospitals.

The data and metrics group has run into some challenges in terms of collecting data. Some hospitals are concerned regarding HIPPA regulations. The agency's Assistant Attorney General has given some guidance but this conflicts with what the hospitals believe the challenges are. We continue to work on these concerns.

Ms. Harrington spoke about the Advisory Council and the recommendations for the ACHSD committee specific to the State Health Plan. The specific initiatives the AC would like to explore are:

- Advanced Medical Home
- Healthcare Associated Infections
- Variation

Lastly, Ms. Harrington stated that Chip Morrison with the Androscoggin County Chamber of Commerce, a member of the Advisory Council, has resigned and Dr. Robert Keller is the new Chair of the Advisory Council as of January 2008.

Agency Update-Karynlee Harrington

Ms. Harrington told the Board that all 14,000 members have been transitioned over the Harvard Pilgrim Health Care as of January 1, 2008. There have been no systemic issues.

Ms. Harrington referred the Board to the following documents and provided a brief summary on each:

- Memo to the Joint Committee on Insurance and Financial Services regarding concerns from Mr. Bernier.
- Mr. Johnsons report to the Joint Committee on Insurance and Financial Services regarding the Resolve to Explore the Feasibility of Enrolling the Legislature as an employer group in Dirigo Health.
- Final copy of the report to the Joint Committee on Insurance and Financial Services regarding PL. 2003, Chapter 469, section 6971 4.
- SFY08 breakdown of Expense and Revenue Budget and Reforecast

Ms. Harrington stated that the parties have come together and there has been a dismissal with prejudice specific to the lawsuits relating to SOP year 1. She reconfirmed that there have been no appeals regarding Year 3. Year 2 is still in question.

Financials-Will Kilbreth

Mr. Kilbreth explained that the Dirigo website has a temporary site up with the important links that members may need as we remove references to Anthem and replace with HPHC.

Mr. Kilbreth presented a new and improved Enrollment Report for the month of December 2007.

Mr. Kilbreth noted that the correction on the funding bar sheet was in the revenue bar-operating costs should have been labeled cash.

Through December 2007, \$19 million has been spent and we have received \$16.3 in employee enrollee contributions.

Ms. Harrington added that the outlook for the end of SFY08 is to be on budget with the reforecasted expenses/revenue or slightly under.

Ms. Harrington stated that the increase in cost is not just growth in members but the increase in premiums. Individuals are seeing on average a 17% increase with the January 1 renewals. Small groups and sole proprietors are seeing closer to 2% assuming no demographic changes in both scenarios.

Ms. Harrington stated that we are approaching the final payment for SOP year 1 in March of 2008. Anticipate the total amount collected will be about 95% of the total.

Jonathan Beal asked about when SOP year 4 preparation will begin.

Ms. Harrington stated that she has begun this process. She has submitted a contract to Purchases specific to the methodology for SOP year 4.

David Lemoine asked what the obligation of the Board was in terms of fiduciary responsibility.

Dr. McAfee stated that the law gives the Board the authority to arrange for the SOP. He then stated that they were disappointed that none of the funding proposals by the Blue Ribbon Commission were taken into consideration.

Ms. Harrington spoke about the medical care ratio report. Dirigo is talking with Harvard about the timing of the reports. They will provide similar information as in the past.

Public Comments

Katherine Pelletreau of the Maine Association of Health Plans stated that they would like to have open dialog about the methodology for SOP year 4.

Next Meeting

The next meeting is tentatively scheduled for Monday, February 11, 2008 at 1:00 PM.

The meeting was adjourned at 10:51 AM.

