

**Dirigo Health Agency
Board of Trustees
Minutes of Meeting
February 11, 2008**

The Dirigo Health Agency Board of Trustees held a meeting on Monday, February 11, 2008. Dr. Robert McAfee, Chair, convened the meeting at 1:05 PM in the Dirigo Health Agency Board Room, located at 211 Water Street in Augusta. Other Board members in attendance: Jonathan Beal, Mary Anne Turowski, David Lemoine, Lloyd LaFountain, and Trish Riley. Edward David and Mary McAleney joined via telephone. 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.

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

Legislative Update-Trish Riley

Ms. Riley stated that the Insurance and Financial Services Committee will hold a hearing on February 12, 2008 regarding the nomination of Mila Kofman as Superintendent of the Bureau of Insurance. She is currently an Associate Professor at Georgetown University Health Policy Institute in Washington D.C.

The Governors Office of Health Policy and Finance has been working since last year on a bill with Representative Pingree regarding an attempt to meld insurance market reform to permanent funding for Dirigo. There are still some efforts going on to find an external funding source for the Dirigo program. This bill is still not out so the Board will need to continue to work with the Savings Offset Payment. Representative Pingree and Senator Libby have put much effort into working on this.

The State Health Plan will go out in draft to the Advisory Council on February 15, 2007. The public hearing will be within the next month. Ms. Riley stated they are looking to get the final plan out with the cost driver study included.

Ms. Riley discussed an access proposal. Need to continue the leadership role needs to continue to cover the uninsured. The challenges are the budget and the MaineCare program challenges. There will likely be an increase in drop of coverage by employers because of increased cost of co-payments and cost sharing. Ms. Riley suggested two tasks that need to be worked on:

- Ask Dirigo Health Agency Board of Trustees to examine DirigoChoice to identify efficiencies to reduce program costs to cover more program members, including but not limited to, the establishment of an asset test, restructuring the subsidy structure, incentivizing small employers to take up coverage, and targeting more enrollees to cover more mature.
- Talking to the Bureau of Insurance to look at the small group market to come up with any potential strategies to make that more affordable.

Dr. McAfee asked what the differential may be for the asset determination. Ms. Harrington responded that they do not know the differential since the agency does not currently collect asset information as part of the income determination. She then continued that the asset test would not significantly change the income distribution and not enough research has been done, but the preliminary information collected is that the asset test will not significantly change the way the program works.

Ms. Riley added that in Medicaid you either qualify for the program or you do not. In the Dirigo program this could potentially change the subsidy level that someone is receiving.

Dr. David asked if there is a tie with the asset and subsidy restructuring part. Is it a sliding asset scale to a sliding subsidy scale? This was confirmed as yes.

SOP Year 4-William Laubenstein

Mr. Laubenstein, the Agency's Assistant Attorney General, presented the tentative schedule for the Determination of Aggregate Measurable Cost Savings for year 4. The disclosure by DHA of proposed methodology and production of supporting documentation and disclosure of witnesses is due by June 2, 2008. The hearing will be July 22-23, 2008 and the board has to make a decision by August 1, 2008 and present that to the Superintendent of Insurance within 30 days.

Jonathan Beal asked if there would be any utility in the Board providing any advance guidance to the agency as to the criteria that they want to look at and review. In the past the agency has provided the Board the proposals and analysis. Dr. McAfee responded that he is a little sensitive to this issue and is concerned that this may look biased.

Mr. Laubenstein added that since the methodology is presented on June 2, 2008 then there should not be a problem with the Board seeing this information and holding preliminary meetings.

Ms. Riley explained that the staff has the responsibility to work with the consultants on the methodology and the Board then waits for the staff to present the methodology to them and then they will deliberate.

Ms. Harrington added that historically they have used the Superintendent of Insurance's decision as a guide to build the next year's methodologies. Although the base may stay constant there have been changes made by the Agency in the past.

Ms. Harrington clarified that at the March meeting they will talk more about the Board's role in guiding the adjudicatory process.

Ms. Riley suggested that the Board could possibly get their own consultant to help them with their role.

Ms. Harrington then added that this has been brought up before and if they would like to do this to let her know so they may get an RFP out and what the cost will be.

Maine Quality Forum Update-Dr. Josh Cutler

Dr. Josh Cutler stated that the MQF Advisory Council wanted to have some defined input into the State Health Plan. The group centered around the following areas:

- ❖ Advanced medical home-A better way of delivering primary care. MQF along with Quality Counts, the Maine Health Management Coalition, Martins Point Healthcare, and Anthem Blue Cross Blue Shield of Maine have begun preliminary discussions about implementing a medical home pilot project in Maine.
- ❖ Healthcare associated infections-Infections that patients acquire during the course of receiving treatment for other conditions within a healthcare setting. The goals of the HAI intervention strategies are to reduce the rate of HAI, especially multiple drug resistant organisms, and increase compliance with known prevention strategies.
- ❖ Variation analysis-Analysis of geographic variation in healthcare delivery has show vast differences in spending on care among areas of the US and among small areas within the State of Maine. Variation analysis has shown large differences in health care spending among areas of the US.

The reason these areas were chosen because of the Advisory Council's emphasis on cost control.

Agency Financial Update-William Kilbreth

William Kilbreth stated that Dirigo continues to get new members. There are 14,087 members as of January 2008. There were 15,123 members in September 2007. We have lost 1,036 members since the cap has been in place. Individuals have dropped to 48% of membership since the cap was initiated and has been made up by small group membership.

Mr. Kilbreth added that the enrollment is slightly above where the Agency thought they would be but the costs are under from a PMPM perspective.

The percentage of DirigoChoice members that are uninsured/underinsured has dropped 3 points to 57.6%.

Agency Update-Karynlee Harrington

Ms. Harrington referred to the handout of Harvard Pilgrim Health Care's DirigoChoice Small Group Community rates for the 1st quarter of 2008. She then guided the group through the example rates along with example discount reductions for small groups, individuals, and sole proprietors. The individual and sole proprietor examples are based on the \$1750 and \$2500 deductible options.

Dr. McAfee asked if the rates are any different for anyone else other than Harvard.

Ms. Harrington responded that the DirigoChoice benefit package is somewhat unique since it has a mental health parody and other benefits. The base rates for Anthem may

be slightly lower but it is hard to compare because the Anthem does not have the mental health parody that Dirigo does.

Ms. Harrington referred to a letter to the Joint Committee on Insurance and Financial Services dated January 2008 that answers questions that were being asked of the Agency. In CY2007 the Agency's administrative/operating costs have gone down 4-5%. In the previous years this number has been in the double digits.

The question was asked how the change over to Harvard Pilgrim is progressing.

Ms. Harrington responded that there are systemic issues that are going on with the change over to Harvard Pilgrim. The issue at this time is that the bills have gone out late so this has proved to be a challenge. Another challenge is that some people pay at the last minute and then the balance is carried onto the next month and people are confused about what they owe. This was also true with Anthem.

William Kilbreth added that there is an infrastructure in place to answer any questions for members. Anthem and Harvard Pilgrim have also set up their own infrastructure so they are able to meet the needs of the members as well.

Ms. Harrington added that there have not been, to her knowledge, of any formal complaints to the Bureau of Insurance regarding the change over.

Public Comments

Jonathan Beal asked if members of the public have any concerns regarding telephonic participation.

Kristine Ossenfort of the Maine Chamber of Commerce responded that the difficulty is if a move was made to have completely telephonic meetings. This would seem hard for the interested parties but if they at least had a physical location where they could meet that would make it easier. Another problem with any type of telephonic meeting is that it is hard to see side conversations that may be taking place. Some of these could be of importance to interested parties.

Next Meeting

The next Dirigo Health Agency Board of Trustees meeting will be held on Monday, March 24, 2008 beginning at 1:00 PM.

