

Dirigo Health Agency
Board of Directors
Minutes of Meeting - Approved
May 16, 2005

The Dirigo Health Agency Board of Directors held a meeting on Monday, May 16, 2005. Dr. Robert McAfee, Chair, convened the meeting at approximately 1:15PM in the Dirigo Health Agency Board Room, located at 211 Water Street in Augusta. Other Board members in attendance: Dana Connors, Carl Leinonen, Trish Riley, Commissioner Christine Bruenn, and Mary Henderson. Joining by telephone was Charlene Rydell. Also in attendance: Karynlee Harrington, Executive Director of the Dirigo Health Agency and Kirsten Figueroa, Fiscal Operations Director.

Dr. McAfee informed the Board that the focus of this meeting would primarily be issues specific to the Savings Offset Payment as well as any legislative changes, technical corrections, etc. that may be necessary. Dr. McAfee also acknowledged the letters the Board and staff have received, which provide valuable feedback specific to the proposed savings methodology and assessment base. The Board and staff have reviewed.

Dr. McAfee mentioned the Tough Choices program. Ms. Riley indicated that the program has been rescheduled for Saturday, May 21, 2005 in two locations: University of Maine at Orono and the University of New England from 9:00 to 3:30. The group was randomly selected by the Muskie School. There will be approximately 500 people attending.

Dr. McAfee then turned the meeting over to Ms. Riley and Ms. Harrington.

Ms. Riley started the discussions by summarizing the issues specific to the Savings Offset Payment. How can SOP be used? The issue of clarification for the Medicaid match, administrative costs, as well as the base for the assessment - premiums or claims. Public Law 2003, Chapter 469 already gives to the Board the authority to determine whether and how much savings has been created as well as the determining the amount of SOP up to the limit established in the law.

Ms. Riley compartmentalized the three key activities specific to the SOP. Refer to handout.

Mr. Leinonen requested clarification specific to the SOP and what specifically the Dirigo Legislation requires the Board to report back to the Legislature on. Ms. Riley clarified that the assessment base for TPAs and the self-insured plans; the other issues that have been raised specific to the methodology to measure savings in the current law do not require the Board to report back to the Legislature.

Mr. Connors spoke on behalf of the Maine Chamber and indicated that he had spoken to many people in the business community who shared with Mr. Connors that it is not their

intention to kill this program. This is a tremendous effort and something the State needs to explore. Financing is the biggest question to be dealt with. An even bigger challenge is to be sure that the process is open. Mr. Connors suggested moving forward with an incremental approach. Begin the process with an aim towards paid claims as the assessment base. Move forward with a working group that represents employers and insurers. Lastly Mr. Connors noted that there is a strong belief and concern that a process be developed that goes back to the Legislature so more people can understand and accept the process.

Mr. Leinonen stated that there currently is an open process defined in the legislation that includes an adjudicatory hearing prior to a Board decision regarding the methodology to measure savings. The very reason the legislation includes the adjudicatory hearing is to require the Board to hold an open public process prior to making its determination.

There was then exchange between Board members regarding the Board's responsibility vs. the Legislature based on the existing law.

Ms. Riley then presented the proposed revisions to Dirigo Health reform to be included in the amendment to LD 1577. Refer to handout.

At this point, Dr. McAfee opened the meeting to public comments, of which there were a number:

- A Maine Chamber representative voiced concern that the employers input has not been heard or sought;
- Concerns with looking at the various components of the SOP and the order in which to review;
- There should be equity in assessment base between fully insured and self-insured plans;
- Some of the proposed changes are more than technical changes;
- SOP dollars should only be used for subsidies and Maine Quality Forum. Other Agency administration costs should be paid for with other funds;
- Work group composition should include more consumers.

The Board then voted on the items on the handout as follows:

- Board approved unanimously items 2, 3 and 4;
- Item 5 and 6 passed with 4 approving and 1 opposed;
- Item 1 was deferred pending further discussion between staff and interested parties.

Staff committed to making that discussion a priority. The next Board meeting was scheduled for May 20, 2005 at 12:00PM at the Dirigo Health Agency, 211 Water Street, Augusta.

There were no other matters discussed, and there were no other questions or comments from the public. Dr. McAfee motioned, the Board seconded and voted to adjourn at approximately 4:45PM.