

Dirigo Health Agency
Board of Directors
Minutes of Meeting-FINAL
November 10, 2005

The Dirigo Health Agency Board of Directors held a meeting on Thursday, November 10, 2005. Dr. Robert McAfee, Chair, convened the meeting at approximately 1:15 PM in the Dirigo Health Agency Board Room, located at 211 Water Street in Augusta. Other Board members in attendance: Dana Connors, Mary Henderson, Commissioner Christine Bruenn, Commissioner Rebecca Wyke, Carl Leinonen and Trish Riley. Joining by telephone was Charlene Rydell. Also in attendance: Karynlee Harrington, Executive Director of Dirigo Health Agency, Kirsten Figueroa, Fiscal Operations Director, Dr. Dennis Shubert, Director of Maine Quality Forum, and William Laubenstein of the Attorney General's Office.

The Board approved the minutes of the 10/05/2005 meeting.

State Health Plan: Trish Riley

Ms. Riley distributed a copy of the Draft State Health Plan, A road map to better health.

The public hearings will be on November 21 and 22 in Lewiston, Portland and Bangor. The goal is to finalize the State Health Plan sometime in December.

Ms. Riley also indicated that the draft State Health Plan is available on the website for anyone to read.

Maine Quality Forum Update: Dr. Dennis Shubert

Dr. Shubert distributed a presentation titled Maine Quality Forum Update, 11/10/05. Refer to handout. Key Points of presentation:

- The Hospital Association directed the Maine Quality Forum to Northeast QIO and they are supporting and it is co-branded with the Maine Quality Forum Safety Star. It should be up and running in about a week.
- The healthcare data quality datasets are in process. The MQF nursing sensitive indicators are unique to Maine and Dr. Shubert believes Maine is the first state to collect this information statewide. The MQF is working again with the Hospital Association and the MQF was able to negotiate an arrangement with the National Database of Nursing Quality Indicators.
- MHINT governance workgroup is finishing and Newco will be taking over and they will be independent and not for profit. The consumer involvement has meaningful Board presence and the understanding of Federal and State statutes.

The Technical Workgroup is going to have a 2 day meeting for vendor interview and evaluation in the month of November.

- The Sentinel Event Ad Hoc Committee has been established. This committee will evaluate and recommend necessary changes to Maine's system. There are 22 mandatory reporting states, with Maine being the leader, reflecting bipartisan determined leadership. The group decided not to change the confidentiality and accountability structure.
- Maine presently misses retained foreign body, wrong surgical procedure, impersonation of physician and wrong gas in pipe for events. Impersonation of a physician is a crime but is not reported and collected. The wrong gas in pipe is reported to FDA but not a state level reporting.
- The group has also looked at the issue of underreporting. Maine's present definitions induce variability and it is possible that some things have been overlooked. The Division of Licensure and Certification adopted the Statute into their licensing manual so they have the obligation of establishing whether or not Maine's hospitals comply with the Statute in order to achieve their license.
- The State Health Plan asked MQF to address the issue of acute MI. Some challenges are geography, multiple providers from first responders onward and distances that prevent timely treatment. Treatments that are extremely time sensitive and treatments that can only be provided by limited centers are other challenges.
- Care in the community shows that 40% known hypertensive's have adequate blood pressure control and 18% of people requiring management of their cholesterol level achieved control. The MQF response has various options. One option they are pursuing now is analyzing existing databases for assessment of care across a population to give feedback to providers. The MQF could require data describing performance from individual practitioners. Providers with electronic medical records it would be easy to do and a minor burden. Approximately 80% of Maine providers do not have electronic medical records. .

Ms. Riley commended Dr. Shubert and the Maine Quality Forum for the work that they are doing.

Dr. McAfee discussed the letter received November 9th from Mr. Frink, Attorney for the Maine Association of Health Plans. The letter requests an adjudicatory hearing of the Board regarding the Savings Offset Payment Assessment. Dr. McAfee went on to state that the letter raises many of the same concerns noted at the hearing.

A draft document titled Proceedings on Determination of Savings Offset Payment was distributed to members of the Board. Refer to handout.

Mr. Laubenstein noted that the draft document is not a formal response to Mr. Frink but rather a suggested outline the Board consider specific to how to precede with the determination of the SOP assessment.

Dr. McAfee reviewed what was in the draft document. The Board discussed and adopted the recommendation with a few minor edits. See final document.

Workgroup Update: Ann Gosline

Ms Gosline distributed to the Board copies of the Final Report to the Dirigo Health Agency Board of Directors by the Savings Offset Payment Working Group 10/21/05. Please Recommendations concerning the definition of subsidy, invoicing and implementation and a funding strategy for covering Dirigo Health's administrative expenses are three issues that the workgroup also worked on.

The working group reached consensus that the definition of subsidy includes sliding scale subsidies and maximum out of pocket expenses and deductibles. The experience modification program (EMP) was also discussed by the workgroup and the consensus was that the recommendation to include EMP in the subsidy definition for the duration of the initial two year contract with Anthem.

The working group discussed and reached a recommendation for the funding strategy to cover a portion of the Dirigo Health Agency's general administrative expenses. The recommendation is that beginning in SFY07; the agency may include in the SOP an amount up to 4% of the agency's projected paid coverage costs to be used for administration of the agency. This 4% would exclude administrative funds for the Maine Quality Forum which by statute is already allowed to be funded under the SOP.

The working group is concerned over the structure of the statute that allows the SOP to be assessed only on claims paid under policy subject to the jurisdiction of the Superintendent and excluding from the SOP by virtue of that, claims paid under policies and excess insurance coverage issued to policy holders outside of Maine from application of the SOP.

Karynlee Harrington added that Chapter 400 Section B-3 required the Board to submit a funding strategy specific to the general administrative expenses of the Agency to the Joint Standing Committee on Insurance and Financial Services (IFS) no later than 2/15/06.

Savings Offset Payment: Karynlee Harrington

Ms. Harrington distributed a presentation titled Dirigo Health Agency Cash Status and Projection 11/10/05. Refer to handout. Key points:

- Guiding principal behind the recommendation of the amount of the SOP assessment, balance the following goals; maximize health coverage access with the payers' concern regarding the assessment amount.
- Enrollment status was reviewed as well as enrollment projections. Agency staff had the opportunity to meet with Anthem staff and compare enrollment projections. The projections made by both entities were in line with one another.
- Forecasted Enrollment through FY07 including disenrollment rates; 10% Jan-April and 20% April-March
- The Agency's anticipated cash position end of CY05
- Agency's anticipated cash needs 4/1/06-3/31/07
- Total paid claims for 2004 provided by MHDO.

Recommendation: Based on 2004 estimate of paid claims a 1.73% assessment would generate approximately \$31.3 million and would allow the agency to cover a total of 20,504 participants.

Mary Henderson asked about the waiting list. Ms. Harrington stated that if the Board adopts the proposal they will need to communicate to the people on the waiting list. Ms. Harrington indicated that staff would come back with a proposal if the Board were to adopt this recommendation specific to how the waiting list and membership counts would be managed.

Rebecca Wyke clarified that the Board could approve a higher assessment.

Trish Riley stated that it will be important for the Agency and the Board to be allowed the time to look at alternative ways to provide more affordable options to assure that more people can be served. Ms. Riley noted that She along with Karynlee and Anthem have begun to discuss options.

Public Comments

Public comments were made and the Board responded appropriately.

Dr. McAfee stated that written comments can be received until 3:00 PM on November 18, 2005.

The next Board meeting will be held on November 22, 2005 at 9:00 AM at the Dirigo Health Agency.

The meeting was adjourned at 5:00 PM.

