

Dirigo Health Agency  
Board of Directors  
Minutes of Meeting - FINAL  
December 7th, 2005

The Dirigo Health Agency Board of Directors held a meeting on Wednesday, December 7th, 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: Carl Leinonen, Dana Connors, Mary Henderson, Commissioner Christine Bruenn, and Trish Riley. Also in attendance: Karynlee Harrington, Executive Director of Dirigo Health Agency and Will Kilbreth, Technical Director.

The Board reviewed and approved the Minutes from the November 22<sup>nd</sup>, 2005 meeting with the following amendment: Mr. Leinonen noted that the Board's second motion should have read: "Mr. Leinonen moved to acknowledge the pass-through problem and will work with appropriate parties to address the issue."

Ms. Harrington noted that the correct figure for the Agency's expenses from the beginning of Fiscal Year '06 through October 1<sup>st</sup> '06 was \$9.3 million, not \$11 million as previously reported.

Ms. Harrington noted that the Board had moved to assess an amount (\$43.7 million) instead of a percentage of paid claims.

Mr. Leinonen moved that, based on the Board's decision to assess the full amount of aggregate measurable cost savings of \$43.7 million, that the savings offset payment for 2006 be:

- For health insurance carriers, 2.408 % of annual paid claims for health care policies as provided in 24-A M.R.S.A § 6913 (3)(B) (1).
- For 3<sup>rd</sup> party administrators, 2.408 % of annual paid claims for health care for residents of this State as provided in 24-A M.R.S.A § 6913 (3)(B) (2).
- For employee benefit excess insurance carriers, 2.408 % of annual paid claims on employee benefit excess insurance carriers as provided in 24-A M.R.S.A § 6913 (3)(B) (3).

Ms. Henderson seconded the motion.

The Board discussed the motion and the mechanics of the assessment. Ms. Harrington stated that the Agency's expectation is that insurers and TPAs will self-report.

The Board approved the motion 3 in favor and 1 opposed.

Ms. Harrington recommended that the Board revisit their decision to structure the discount program for Individuals (as defined by the Agency) such that Individuals would be responsible for at least 60% of the cost. Ms. Harrington noted that the Agency had received significant feedback from multiple parties, including the MHA, Consumers for Affordable HealthCare, and enrolled Individuals, that indicated that many currently enrolled Individuals would not be able to afford the increased cost and would, therefore, dis-enroll from the program. Given that a stated goal of the Agency is to decrease the number of uninsured, Ms. Harrington noted that the program change could be counterproductive.

Ms. Harrington stated that the Agency would be able to manage the increased discounts under the approved assessment, but that it would need to monitor enrollment on a monthly basis.

Ms. Henderson moved to maintain the Individual discount program in 2006 as defined in 2005. Mr. Leinonen seconded the motion.

The Board discussed the motion. The board approved the motion unanimously with the understanding that the rule making process would allow for public comment on the benefit design.

Ms. Harrington noted that the Agency was searching for a Deputy Director with a finance background to fill the position vacated by Ms. Figueroa.

There were no comments from the public.

Mr. Leinonen moved that, pursuant to Title 1, Section 405 6E which allows the Board to consult with its attorney regarding pending litigation, the Board adjourn to Executive Session.

Ms. Henderson seconded. The Board approved the motion unanimously and adjourned to Executive Session.