

**Dirigo Health Agency
SFY09 (July 1, 2008-June 30, 2009)**

Scenario 1: PL 2007, c. 629 is suspended due to People's Veto

Revenue:

\$32.8M SOP 3
\$.6 membership fees
\$33.4M

Expenses:

Subsidy: \$24.8M (+\$8.6M-Gap)
Operating/MQF: \$3.9M
Parents: \$4.7M
\$42M

Issues:

1. Significant cash flow problem continues (takes 24 months to collect one period of assessment).
2. \$8.6M needed to cover subsidy March-June 2009.
3. Depending on how the gap is financed potential issues with HPHC contract.
4. Enrollment Caps in DirigoChoice stay in place.
5. Ending DC membership as of June 30, 2009- 8,500 + 5,600 parents=14,100

Scenario 2: PL 2007, c. 629 goes into effect July 18, 2008

Revenue:

\$57.8M
\$.6 membership fees
\$58.4M

Expenses:

Subsidy: \$41.6M
Operating/MQF: \$3.9M
Parents: \$4.7M
\$50.2M
Transition: \$8.2M
\$58.4M

Issues:

1. DirigoChoice can re-open subsidy to small group and self employed.
2. Agency and HPHC develop an aggressive marketing plan targeting small group and self employed.
3. Individuals 50% of total enrollment.
4. Minimum 60 day lead time needed for new business. Earliest effective date October 1, 2008.
5. Preliminary estimates indicate the DC program can take on 270 new members/month.
6. Ending DC membership as of June 30, 2009- 11,500+5600 parents=17,100

The above estimates related to growth and costs are subject to change based on where the program ends June 30, 2008.

The numbers above have been rounded.