

Dirigo Health Agency
Board of Directors
Minutes of Meeting
January 8th, 2007

The Dirigo Health Agency Board of Directors held a meeting on Monday, January 8th, 2007. Dr. Robert McAfee, Chair, convened the meeting at 1:00 PM in the Dirigo Health Agency Board Room, located at 211 Water Street in Augusta. Other Board members in attendance: Ned McCann, Jonathan Beal, and Trish Riley. Also in attendance: Karynlee Harrington, Executive Director of the Dirigo Health Agency, Will Kilbreth, Deputy Director of the Dirigo Health Agency.

The Board unanimously approved the minutes from their November 20th, 2006 meeting.

The Board unanimously approved the minutes from their December 28th, 2006 meeting.

Update from the Governor's Office – Trish Riley

The Governor has not yet seen the report from the Blue Ribbon Commission as the Commission has not yet finalized the report.

One recommendation of the Commission was that there is an independent review of health cost drivers in the State, since the work of the Commission made clear that there is a lack of consensus on this issue.

Ms. Riley discussed the recent Wellpoint announcement and press release regarding the company's proposals for providing coverage to the uninsured. She noted that the majority of the proposals mirrored work that had been done in Maine, including Medicaid expansions and subsidies for lower income households.

Mr. McCann moved that the Board ratify their action taken at the December 28th Board Meeting based on the Board's decision to assess the full amount of aggregate measurable cost savings of 34.3 million. As determined by the Superintendent of Insurance, the second year savings offset payment is 1.85% of paid claims.

Mr. Connors stated that he would recuse himself from voting on the motion.

The Board approved the motion, three in favor, and one abstention.

Agency Updates – Karynlee Harrington

Ms. Harrington explained the operations of the second SOP assessment:

It applies to paid claims for plan years beginning July 1, 2007 through June 30th of 2008. The Agency will notify entities subject to the assessment no later than April 30th, 2007,

and based on current law the Agency collects 60 days after the close of the quarter. The Agency would give notice November 1st, 2007 that payment is due December 1, 2007.

Quality Forum Updates

In a Heartbeat project: vendor selection is complete. The Forum and the Advisory Council are making final determinations regarding metrics and methodology

Work with Health Dialog is ongoing.

Ms. Harrington noted that a formal search was not in place for a replacement for Dr. Shubert until Agency financing was worked out.

Ms. Harrington distributed the decision of the Superintendent of Insurance Anthem's rate increase request for the DirigoChoice Individual and Sole Prop plan. The Superintendent had approved an average 13.4% increase, effective March 1, 2007.

Ms. Harrington distributed a draft timeline for the RFP process for selecting a vendor to provide coverage in 2008. She noted that the timeline was contingent upon the Legislature's actions and the potential authorization to move forward with an ASO plan.

The Agency plans to maintain Individual enrollment at 50% of aggregate membership in order to keep within financial targets.

The most recent Anthem loss ratio report (through November 2006) shows an aggregate loss ratio of 79.1%.

- Individuals 101.3%
- Sole Props 72.7%
- Small Group 64%

Less than 1% of Small Groups have taken the 2500 deductible to date.

Public Comments

Hilary Schneider from Consumers for Affordable Health Care asked that the Board consider increasing subsidies in the light of the Anthem rate increase.

The Board set their next meeting for February 5th, 2007.

