

Dirigo Health Agency
Board of Directors
Minutes of Meeting
February 5th, 2007

The Dirigo Health Agency Board of Directors held a meeting on Monday, February 5th, 2007. Dr. Robert McAfee, Chair, convened the meeting at 10:00 AM 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 January 8th, 2006 meeting.

Update from the Governor's Office – Trish Riley

The Governor's Office of Health Policy and Finance is now fully staffed with the addition of two new employees. Chuck Quintero is the Communications and Legislative liaison and Philip Saucier is the lawyer for the office.

The Governor's Office and the Agency worked with the Maine Association of Health Plans, Anthem Blue Cross and Blue Shield of Maine and the Maine State Chamber on revising the language in the law specific to the timing of the determination of aggregate measurable savings. The parties agreed on a language change that was presented in the supplemental budget bill that changed the date from April to August. Consumers for Affordable Health Care were not part of the discussions and did express their dissatisfaction with the process. Ms. Riley reiterated that the process was not meant to be exclusionary but rather a quick action as a way to keep the focus on the funding issues.

The Advisory Council on Health Systems Development has completed its review of the proposed capital investment fund for this year based on the guidance from the Advisory Council. For this year the capital investment fund will be \$9.983M; of which \$8.7M for hospital projects and \$1.2M for other projects. This represents a 7.5% increase over last year. The formula is based on two things:

- Projects over five year history
- Medical inflation

Agency Updates – Karynlee Harrington

Quality Forum Update

MQF-AC meeting scheduled for February 5, 2006. There are a number of new members on the Council. Staff is working on formalizing strategic and tactical planning of the

various initiatives that the Agency is involved in which will help new members engage in the work as we move forward.

Overview of *In a Heartbeat* project. Refer to handout that was summarized.

Overview of outreach initiatives specific to “Heart Month”. Press release and a number of op-eds reinforcing the signs and symptoms of a heart attack and to call 911.

State of Washington has been in touch with the Governors Office of Health Policy and Finance

Product Update

Copy of the Blue Ribbon Commission’s final report was handed out to Board. Based on the recommendations of the BRC and a conversation with Dr. McAfee the Agency has moved forward with pulling together the group of stakeholders to review bad debt and charity care. The Agency has asked SchrammRaleigh to participate in the discussions of the group to provide the technical guidance and any other support needed.

The Agency will meet with the Insurance and Financial Services Committee on Tuesday February 6, 2007 and the Health and Human Services Committee on Wednesday February 7, 2007.

The Agency’s Annual report looks much like the report that the Agency presented to the Blue Ribbon Commission. There are a few final updates that will be made and then it will be the document that the Agency will use at the Committee meetings. The key updates include:

- 2006 EMP payment was \$14.9M.
- Initial 2006 EMP settlement was \$10.3M back to the Agency.
- Final 2006 EMP settlement will be done in May 2007. Agency may owe additional money at that time.
- Replaced projected 2006 PMPM with actual 2006 PMPM.
- Replaced projected 2006 operating costs with actual 2006 actual costs PMPM.

Agency continues to explore opportunities to find efficiencies in our operation as we continue to grow with no increase in staff. The staff that Anthem is funding to staff the toll free “hot line” has been very effective. To date we have received positive feedback from members and brokers. An example of a change in operations that will streamline the process for members as well as the Agency is effective March 1, 2007 Anthem will bill our individual and self-employed members at the discounted rate vs. the full rate. This will eliminate the subsidy being put on an EBT card or transferred into a savings or checking account.

Aggregate Loss Ratio for period claims paid through December 2006 is 79.9%.

Reviewed January Monthly numbers. Refer to handout.

Ms. Harrington talked to the Board about the need to survey members that disenroll. Additionally, Ms. Harrington has been exploring with the Bureau of Insurance and the industry how disenrollment and prior status information can best be obtained. The Agency is required to report this data (market wide, not just DirigoChoice) to the Legislature on a quarterly basis and to date we have indicated in our reporting that there is no access to this information.

Ms. Harrington raised some concerns regarding persistency of our individual and self-employed contracts for the month of March when the new rate increase is implemented. The increase is an average of 13% the rate increase may be higher or lower depending on the demographics of the contract.

Copy of the December and January Income Statement was distributed. Audit has not been finalized as such there is no balance sheet. Key points:

- Subsidy costs for January \$207 pmpm
- Cash balance of \$13.8M includes the \$10.3M EMP settlement
- Total Agency monthly expense approximately \$4M

Copy of the appeal filed by the Maine Auto Dealers specific to the Board's action on December 28, 2006 was provided to the Board. Agency's AAG is in the process of responding.

Copy of the appeal filed by Consumers for Affordable Health Care requesting a reconsideration and stay specific to the 2007 rate for DirigoChoice individuals/self-employed contracts was provided to the Board. The Agency is not a party to the proceeding however our members may be impacted.

Ms. Harrington summarized the wellness pilot and the work that has been completed to date in collaboration with the Governor's Office of Health Policy and Finance.

The appeal of year one AMCS determination by Superintendent will be argued in the Law Court on February 13, 2007 at 10:00am.

Public Comments

No Public Comments

The Board set their next meeting for March 12th, 2007.

