

Dirigo Health Agency  
Board of Trustees Meeting  
May 18, 2009

Issue: HCTC (Health Care Tax Credit) subsidy application: HCTC is a Federal program that provides health care subsidies for workers who have lost their jobs due to off shoring. As part of the Federal Recovery Plan the definition of eligibility has expanded to the service sector and the federal subsidy has increased from 65% to 80% as of April 1, 2009.

In order to continue to provide subsidies to this population given the anticipated growth in this program in FY10 &11 the Agency is recommending to the Dirigo Board that the state maximize the federal premium subsidies and subsidize only the out-of-pocket and deductible buy downs.

In aggregate the HCTC member's premium payment will be consistent with that of DirigoChoice non HCTC members. In the current model HCTC members are paying on average 7% of the total premium; with this change the average will increase to approximately 20%. Again, this amount is consistent with other members enrolled in DirigoChoice (non HCTC).

With the Boards approval the Agency will work with the HCTC members and stakeholders to communicate this change effective August 1, 2009.