

**Dirigo Health Agency
Board of Directors
Minutes of Meeting
May 9, 2007**

The Dirigo Health Agency Board of Directors held a meeting on Wednesday, May 9, 2007. Dr. Robert McAfee, convened the meeting at 1:09 PM in the Dirigo Health Agency Board Room, located at 211 Water Street in Augusta. Other Board members in attendance: Ned McCann, Dana Connors, Jonathan Beal, Edward David, Trish Riley and Anne Head. Also in attendance: Karynlee Harrington, Executive Director of the Dirigo Health Agency, Will Kilbreth, Deputy Director of the Dirigo Health Agency, Dr. Josh Cutler, Acting Director of the Maine Quality Forum, and by telephone Steve Schramm of schrammraleigh Health Strategies.

The Board unanimously approved the minutes from their April 9th meeting.

Dr. McAfee introduced Dr. Josh Cutler as the new Acting Director of the Maine Quality Forum.

Update from the Governor's Office-Trish Riley

Representative Jill Conover has sponsored a bill LD 431 that would allow Dirigo the option to self administer. There is a fiscal note attached to this bill.

The Governor's Bill, LD 1890, was sponsored by Representative Hannah Pingree and co-sponsored by Senate President Beth Edmunds. The public hearing in front of the Insurance and Financial Services Committee is scheduled for May 16th but a time has not yet been determined.

Ms. Riley summarized LD 1890.

Lastly, Senator Bartlett has proposed a bill to create a study commission to study costs and recreate the Maine Healthcare Finance Commission regulations for hospitals. This bill is to be heard on May 15, 2007.

Agency Update-Karynlee Harrington

Ms. Harrington introduced Steve Schramm from schrammraleigh Health Strategy. The Agency hired Mr. Schramm to help facilitate the Bad Debt and Charity Care workgroup.

Steve Schramm

Mr. Schramm summarized the report to the Dirigo Health Agency Board of Directors from the Bad Debt and Charity Care Working Group (see attached report)

Program Status-Will Kilbreth

Enrollment

- 528 new members in April
- Total enrollment 14,138
- 52% of the members are in the B discount level
- 48% of the members are individuals

Audit

The Agency had its exit interview with the State auditor. The Auditor indicated that there would be a note in the report regarding the difficulties the Agency had in providing receivable balances (i.e., the amount owed the Agency from membership) at the end of the fiscal year in a timely manner.

Mr. Kilbreth explained that the Agency had gone through several cycles with Anthem in order to obtain the receivables information, as Anthem acts as the billing agent for DirigoChoice. The Agency was in the process of putting systems in place to avoid this delay in the future.

Expenses

Mr. Kilbreth stated that subsidy expense in April was \$3.17 million.

- \$225 projected PMPM
- \$224 actual PMPM
- \$219 projected annual PMPM
- \$208 actual annual PMPM (95% of projected)

Loss ratio report from Anthem:

- Claims incurred from 01/05-01/07 paid through 04/07: \$81,359,910.00
- Total claims paid: \$66,461,127.00 for a loss ratio of 81.7%

Mr. Kilbreth added that the new and revised SOP Q & A for year 2 has been drafted and is under review and should be out by the end of May.

Ms. Harrington stated that if Dirigo 2.0 or LD 1890 does not pass the Agency will run out of money in July. If year 2 SOP money is the only money that the Agency collects, plus any cash rollover from FY07, the program will have to close to new enrollment July 1, 2007. The Agency could continue to pay subsidies for those members enrolled through the end of FY08.

If the SOP remains the funding mechanism the Agency will send the hearing notice for Year 3 the week of 6/20/07. The tentative dates for an adjudicatory hearing would be 7/18/07-7/20/07 with the Board deliberating on 7/20/07.

Ms. Harrington added that a hearing officer needs to be engaged and council for the Board and for the Agency needs to be determined.

Mr. Beal made a motion to give Ms. Harrington he authority to plan the year 3 SOP process. The Board unanimously approved the motion.

The Board discussed the revised DirigoChoice RFP schedule. (See handout)

Ms. Harrington reported that the Agency testified at the public hearing for LD 1716, An Act to Ensure that DirigoChoice is Affordable, sponsored by Representative Sharon Treat. (See handout). The Agency's primary concern with the bill is that the costs of the program would be significantly increased and there is no proposed funding source. Ms. Harrington told the committee that The Agency would like to participate in the work session.

Ms. Harrington referred to a memo (see handout) The Agency sent to Chris Nolan regarding a fiscal note on LD 431. The fiscal note incorrectly forecast that DirigoChoice would be self-funded for a full fiscal year in 08. Ms. Harrington noted that if the Board made the decision to self fund the program it would only be for the last half of FY08.

Maine Quality Forum Update-Dr. Josh Cutler

Dr. Cutler gave an update on the *In a Heartbeat* initiative.

The MQF data website is close to being completed. The data website will show data specific to Nursing Sensitive Indicators, hospital comparison, hospital acquired infections, and AMI data.

Dr. Cutler gave a brief overview of the RWJ grant, which is a 3 year \$600,000.00 grant to study performance improvement through public reporting.

Lastly, Dr. Cutler stated that testimony was given on the modification of Chapter 270 Rules regarding data collection by MHDO.

Public Comments

The Board responded to public comments.

The meeting was adjourned at 3:00 PM.