

**Dirigo Health Agency
Board of Directors
Minutes of Meeting-Approved
June 18, 2007**

The Dirigo Health Agency Board of Directors held a meeting on Monday, June 18, 2007. Dr. Robert McAfee convened the meeting at 1:04 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, and Dr. Edward David. 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 May 9th meeting.

Agency Update-Karynlee Harrington

Rules-Adjudicatory Proceeding

Ms. Karynlee Harrington gave the status of the Rules of Practice and Proceedings for the adjudicatory hearings. Three sets of interested parties submitted comments. Ms. Harrington stated that she had reviewed all submitted comments with counsel. Ms. Harrington then reviewed the submitted comments with the Board and those comments that counsel recommends the Agency accept and those comments the Agency will not accept at this time.

The Board unanimously approved the rules as amended by the Agency.

Legislative Update

Ms. Harrington reminded the Board that the Insurance and Financial Services (IFS) Committee was meeting at the same time as this afternoons Board meeting to discuss the future of the Dirigo Health Agency. At the conclusion of the Board meeting Ms. Harrington is heading over to the committee meeting.

Three Committee (IFS) proposals have been brought forward specific to market reform and the future funding of the Dirigo Health Agency:

- Senator Sullivan proposed repealing the SOP and putting in its place an assessment on carriers and hospitals. The amendment requires carriers to pay an assessment equal to 1% of gross direct written premium and requires hospitals to pay an assessment equal to 1% of net operating revenue.
- Representative Brautigam proposal also repeals the SOP and calls for a 1.8% surcharge on hospital bills and an increase of the cigarette tax of \$0.75.
- The Republicans proposal does not suggest repealing the SOP nor does it present alternative funding mechanisms.

RFP Status

Ms. Harrington stated that the Agency is waiting for final legislative action before releasing the RFP to the market.

Anthem Letter

Ms. Harrington informed the Board that a letter was sent out by Anthem to their individual subscribers stating that Anthem would be increasing rates effective July 1, 2007 because of the Dirigo Health Board of Directors action to assess Year two SOP.

Financials-Will Kilbreth

Enrollment

- 641 new members for May
- 14,418 total enrolled DirigoChoice members
- \$27,891,874.97 DirigoChoice annual coverage costs
- \$12,120,431.26 member and employer share
- \$14,804,178.67 Dirigo share
- \$213.98 annual subsidy PMPM, 97% of target

Mr. Kilbreth stated that Dirigo has a cash position of \$12,733,011.00 at the end of May. The cash does not represent the balance of the \$53 million of original funding but rather cash on hand from all sources, (i.e. Employer and member contributions, SOP etc)

The Agency will collect payments for SOP year 1 through September 2008. SOP receipts to date are \$33,860,281.00. The Agency will begin to collect SOP year 2 in December of 2008.

The next meetings scheduled are:

- June 28 at 1:00pm
- July 23 and July 24 and 26 -adjudicatory hearing
- August 6 at 1:00pm

Ms. Harrington added that the Agency had met the 50% enrollment threshold for Individuals. Effective August 1 the Agency will cap enrollment for Individuals. She stated that the Agency is working with Anthem to manage this process. This process might result in a waiting list for Individuals

Public Comments

There were no public comments.

The meeting was adjourned at 2:04 PM.