



STATE OF MAINE
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TO: Joint Committee on Insurance and Financial Services
Joint Committee on Appropriations and Financial Affairs
Joint Committee on Health and Human Services

FROM: Karynlee Harrington, Dirigo Health Agency

CC: Trish Riley, Governor's Office of Health Policy and Finance
Dr. Robert McAfee, Chair of the Dirigo Health Agency Board of Trustees

DATE: October 5, 2009

RE: DirigoChoice Eligibility Changes

I would like to take this opportunity to follow up with the Committees specific to a number of eligibility changes in the DirigoChoice product that the Dirigo Board of Trustees has recently adopted as part of their Legislative requirement in PL 2009, Chapter 359 Section 6-Changes to Dirigo Health.

The Dirigo Board spent many hours this summer meeting and deliberating over the requirement to re-design the DirigoChoice product. One principle the Board followed in meeting your directive to lower program costs was to assure the program serves those who did not have access to other sources of coverage. The eligibility decisions made by the Board that follow were made in an effort to spread limited resources in the most appropriate manner.

The Board will submit a more detailed report to the Committee regarding all the changes made to the Dirigo Health Program as required in PL 2009, Chapter 359 by January 1, 2010.

In the interim, we wanted the Committee to be aware of the following eligibility changes, some of which are in the process of being implemented and others that go into effect July 1, 2010.

Health Coverage Tax Credit (HCTC) Recipients:

Effective 10/1/09 HCTC recipients who are DirigoChoice members receive an 80% premium subsidy through HCTC and ARRA Federal Funds. The Agency will continue to subsidize the members' reduced deductibles and out of pocket maximums dependent on income level.

Medicare Recipients:

DirigoChoice members who are over age 65 and eligible for Medicare will no longer receive a subsidy off the monthly cost of DirigoChoice coverage. Should they elect to continue the DirigoChoice coverage they will pay the full monthly rate for their coverage. This is effective 11/1/09 forward dependent on their eligibility for Medicare A, B and D.

MaineCare (Medicaid):

DirigoChoice applicants and renewing members who wish to apply for the highest subsidy level (80%) will be required to submit proof of denial of MaineCare coverage to the Dirigo Health Agency in order to receive the 80% subsidy. Without proof of a Medicaid denial, the highest subsidy the applicant may receive is 60% off the monthly cost of coverage. This is effective for 1/1/2010 renewals and new business going forward.

Social Security Recipients:

Social Security Administration and Railroad Retirement received by DirigoChoice applicants and renewing members will count as income effective 1/1/2010.

Assets Counted In Subsidy Determination:

DirigoChoice applicants and renewing members will be required to provide asset information in addition to income to qualify for a subsidy. The subsidy determination will be based on a sliding scale methodology using asset and income information. The Agency will accept asset information on a self-declaration basis. This change is effective 7/1/2010.

I would be happy to answer any additional questions that you many have regarding these changes.

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