

DHA SFY 2014 Proposed Budget

Revenues			
Item	Amount	Notes	
DirigoChoice Employer & Individual Premium Payments	\$ 17,533,737	<p>Premium Payments represent the amount paid by DirigoChoice Employers and Individuals for the DirigoChoice insurance coverage with Harvard Pilgrim Health Care (HPHC).</p> <p>HPHC bills DirigoChoice small groups, individuals and self-employed members monthly.</p> <p>DirigoChoice members send their payments to DHA</p> <p>DHA adds its portion of the premium (subsidy) to the member payments and forwards the total payment to Harvard Pilgrim Health Care.</p> <p>Assumption:</p> <p>Based on SFY 2012 actuals, projected trend, and current cost distribution between members and DHA.</p>	
DirigoChoice Membership Fees	\$ 256,788	<p>Monthly Fees are:</p> <ul style="list-style-type: none"> • Individual / Self-Employed: \$12.50 • Businesses from 2-9 employees: \$12.50 (per business) • Businesses from 10-24 employees: \$20.83 (per business) • Businesses from 25-50 employees \$29.17 (per business) <p>Assumption:</p> <p>Based on SFY 2012 actuals.</p>	
HRSA Grant	120,191	<p>Assumption:</p> <p>Federal program is defunded. HRSA has granted a no cost extension for September 1, 2011 – August 31, 2012 to expend unused funds from prior periods. Agency has secured a similar extension for September 1, 2012 – August 31, 2013.</p>	
Access Payments	\$ 11,946,534	<p>Assumption:</p> <p>Based on percentages established in PL 380, Part BBB and SFY 2012 actuals. (FY 2012: 1.87%, FY 2013: 1.64%, FY 2014: 1.14, January 1, 2014: no access payment).</p>	
Allocation of Healthy ME Funding PL 2007 629		<p>Assumption:</p> <p>No new funds from Healthy ME will be available to Agency.</p>	
Pre-Existing Condition Funding	\$ 2,428,572	<p>Federal funds to offset projected payments to HPHC for claims that exceed a 90% medical loss ratio for the identified population.</p> <p>PL 90 requires the board of the newly established reinsurance program to “work collaboratively with the Dirigo Health Program established pursuant to chapter 87 to develop a proposal to access unused funds from the State's allocation from the federal preexisting condition insurance plan established pursuant to the federal Affordable Care Act to be used to fund, in part, the operations of the association. Any federal funding obtained by the association must be used to reduce the assessment of member insurers required under this section. In developing the proposal, funds</p>	

		necessary for the federal preexisting condition insurance plan as currently administered by Dirigo Health have priority over any funds transferred to the association.” Assumption: Based on current contract with CMS
Total Revenue	\$ 32,285,822	

Expenses			
	Item	Amount	Notes
	Operating Expenses (incl. Board Stipend, staff, contracts, rent, etc)	\$1,388,588	Assumption: Based on SFY 2012 actuals
	Quality	\$ 1,000,000	Consulting and project costs associated with improving health care quality and safety in the following key areas: <ul style="list-style-type: none"> • patient experience of care surveys • shared decision making demonstration • patient centered medical home pilot (including Medicare Advanced Primary Care pilot)
	DirigoChoice Subsidy	\$ 12,696,844	Qualifying enrollees receive subsidies to help pay for their coverage. Includes HCTC and PCIP members. Subsidy represents approximately 52% of the overall cost of coverage. Assumptions: Based on SFY 2012 actuals and projected trend
	DirigoChoice Employer & Individual Premium Payments	\$ 17,533,737	Premium payments represent the portion of the premium charged by HPHC that the DirigoChoice members are responsible for. The Member premium payments (revenue) match the Member Premium Costs (expense). Assumptions: Based on SFY 2012 actuals and projected trend
	Medicaid Expansion Parents (150%-200%)	\$ 0.00	Parents between 150% - 200% of federal poverty (\$31,800 - \$42,400 for a family of four) that the Agency provides state share for. Assumptions: Program is eliminated
	Medicaid Parents (Under 150%)	\$ 0	Parents below 150% of federal poverty (\$31,800) that the Agency provides state share for. Assumption: Program is eliminated
	Other Medicaid	\$ 0	No current obligation
	Voucher Program	\$ 360,574	Program to assist uninsured, part-time or seasonal, low-income, employees purchase their employer's insurance. Assumptions: Federal program is defunded. HRSA has granted a no cost extension for September 1, 2011 – August 31, 2012 to expend unused funds from prior

		<p>periods. Agency has secured a similar extension for September 1, 2012 – August 31, 2013. Expenses exceed revenue because grant funding ends August 31, 2013 but Agency intends to keep program open until December 31, 2013.</p> <p>Based on SFY 2012 actuals and projected trend</p>
Pre Existing Condition Insurance Plan	\$ \$ 2,428,572	<p>Program for individuals who have been uninsured and have been diagnosed with certain medical conditions (100% Federally funded).</p> <p>PL 90: The board shall work collaboratively with the Dirigo Health Program established pursuant to chapter 87 to develop a proposal to access unused funds from the State's allocation from the federal preexisting condition insurance plan established pursuant to the federal Affordable Care Act to be used to fund, in part, the operations of the association. Any federal funding obtained by the association must be used to reduce the assessment of member insurers required under this section. In developing the proposal, funds necessary for the federal preexisting condition insurance plan as currently administered by Dirigo Health have priority over any funds transferred to the association.</p> <p>Assumption:</p> <p>Based on current contract with CMS</p>
Total Expenses	\$ 35,408,316	
Net Operating Margin	\$ (3,122,494)	Negative operating margin offset by DHA positive fund balance at end of SFY 2012.

- Ending SFY 2013 balance will be used to offset final reduction in access payment effective July 1, 2013.
- Budget is preliminary and is subject to normal legislative budget process. Legislature will be considering SFY 2014 and 2015 biennial budget in next (Fall) session.