



JOHN ELIAS BALDACCI
GOVERNOR

STATE OF MAINE
DIRIGO HEALTH AGENCY
211 WATER STREET, 53 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0053

KARYNLEE HARRINGTON
EXECUTIVE DIRECTOR

TO: Joint Standing Committee on Insurance and Financial Services

FROM: Karynlee Harrington, Dirigo Health Agency

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

DATE: February 22, 2007

RE: Follow up to questions sent from Colleen McCarthyReid

Please find outlined below the question raised by members of the Joint Standing Committee on Insurance and Financial Services and the Agency's response:

- Q. Have any other insurance companies expressed interest in underwriting Dirigo?
- A. **Over the last year there have been informal conversations with several interested parties. However, most of the interest is not in underwriting the plan but rather in an administrative services only arrangement.**
- Q. What is the total cost (dollars) of marketing initiatives undertaken by Dirigo?
- A. **The Agency's marketing partner is Ethos Marketing and Design. The breakout for costs incurred by the Agency through Ethos is:**
- SFY 2005 - \$283,013
 - SFY 2006 - \$341,071
 - SFY 2007 - \$246,912
- Q. Please clarify and explain the numbers on page 21 regarding enrollment. Do the numbers include all those former and present persons enrolled in Dirigo or just those currently insured under the plan?
- A. For the Committees reference included below is the table on page 21 of the Dirigo Health Agency report referenced in the question. The answers to the questions raised are footnoted below in the table.

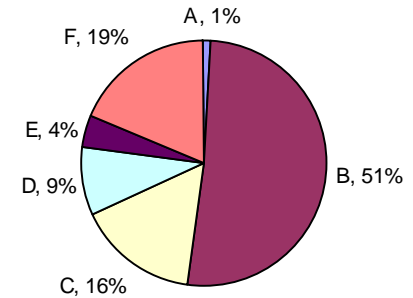
Dirigo Health Monthly Numbers December 2006
 Reported by Dirigo Health Agency 12/28/2006

Total Members Served, DC + Parents (1)	22653
New DC Members (2)	1014
New Parents	39
Total Enrolled DC Members (3)	13290
Total Enrolled Parents	5129

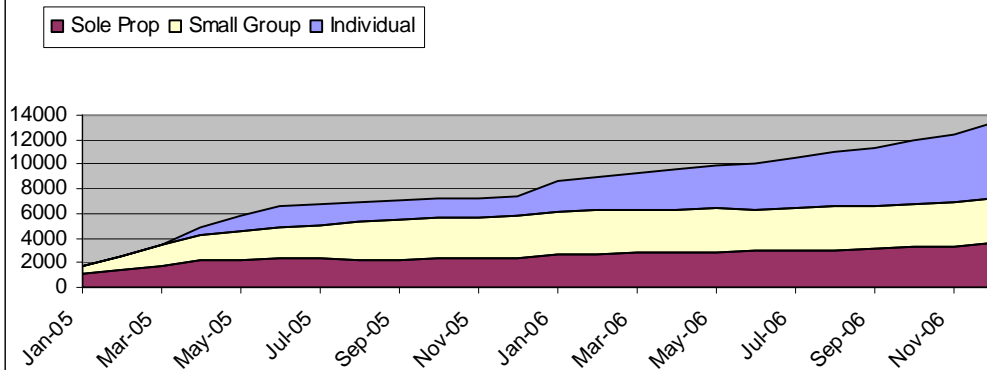
Notes:

1. Total Members Served refers to the total number of members ever enrolled (beginning 01/01/2005) for any period of time in the DirigoChoice or MaineCare Parent Expansion programs
2. Total New Members refers to the number of new members enrolled in the reporting month.
3. Total Enrolled Members refers to the number of members currently enrolled in the reporting month.
4. The current report does not include December Parent Expansion numbers.

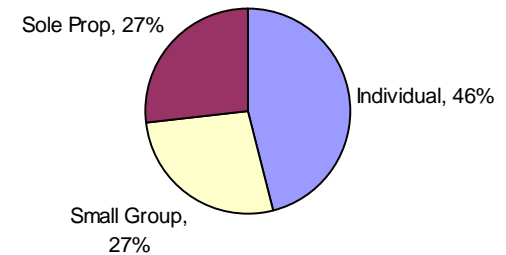
Discount Level Distribution
Total Enrolled DC Members



Member Months Growth



Employer Type Distribution
Total Enrolled DC Members





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- Q. The 7% that disenroll in the program? Are they still counted as members?
- A. **No the 7% are not counted as enrolled members however they are counted in the “total served” category as this is the number of people who have been helped by the program at some time.**
- Q. Has \$51.4 million been used to subsidize ½ of DirigoChoice enrollees? What is the exact number of subsidized individuals? Are there total budget figures, including premiums paid by individuals, sole props and businesses?
- A.
- **No. In CY 2005 and CY2006, \$38.8 million was used to subsidize 80% of DirigoChoice enrollees who qualified for subsidy.**
 - **As of December 2006 the number of subsidized members enrolled was 10, 765.**
 - **Monthly coverage cost paid by Individuals, Sole Props, and Businesses in CY2005 & CY2006 was \$35.4 million**
- Q. The 981 “high-risk pool” members seem to be a high percentage? Is this due to no preexisting condition exclusion in Dirigo? Do you have figures for what % of high-risk individuals are covered in commercial market?
- A. **Per Chapter 469 of the Public Laws of 2003, Section 6971, 1 (A) (B) A plan enrollee must be included in the high risk pool if:**
- A. **The total cost of health care services for the enrollee exceeds \$100,000 in any 12-month period; or**
 - B. **The enrollee has been diagnosed with one or more of the following conditions: acquired immune deficiency syndrome (HIV/AIDS), angina pectoris, cirrhosis of the liver, coronary occlusion, cystic fibrosis, Friedreich’s ataxia, hemophilia, Hodgkin’s disease, Huntington’s Chorea, Juvenile diabetes, leukemia, metastatic cancer, motor or sensory aphasia, multiple sclerosis, muscular dystrophy, myasthenia gravis, myotonia, heart disease requiring open heart surgery, Parkinson’s disease, polycystic kidney disease, psychotic disorder, quadriplegia, stroke, syringomyelia and Wilson’s disease.**

The Agency was unable to obtain from Anthem comparable data for their commercial non DirigoChoice product. The Agency does not have figures for what % of high-risk individuals are covered in the commercial market.