

**Presentation to Joint Committee on Appropriations and Financial
Affairs
June 1, 2010**

Dirigo Health Agency
SFY 2010 / SFY 2011

1) Cash Advance Repayment

Due to timing of SOP payments, the Legislature authorized a cash advance to the Agency of \$25 million at the beginning of SFY 2010 to address cash flow problems created by SOP structure (PL 2009 Chapter 213, part KK).

Status: The Agency will return an additional \$2.5M the first week of June which will reduce the balance of the cash advance to \$5 million. The remaining balance will be paid in full by June 30, 2010.

Actions to ensure full payment of the remaining \$5 M by June 30, 2010

DirigoChoice remains capped

\$0.8 million net revenue above expenses in June.

Payment Restructuring

The Agency and Harvard Pilgrim have agreed to implement a cash management plan that allows the Agency to hold \$4.2 M in cash (representing June subsidy and July pre-payments). The Agency will pay Harvard on July 1, 2010.

2) Additional Documents

- Agency April Enrollment Report
- Agency SFY 2011 Budget Overview
- Agency SFY 2011 Operating Budget