

## ACCESS

With only 11% of Mainers under 65 lacking health care coverage, Maine ranks as a leader in covering the uninsured. MaineCare and DirigoChoice, the subsidized health coverage for individual, self-employed and small businesses with household income below 300% FPL, have played a critical role in assuring health coverage. As ominous trends in the national economy ripple across Maine, health care costs and insurance affordability are growing impediments to access. The State's budget is challenged to preserve MaineCare eligibility. Employers, squeezed by an economic slowdown, and rising health care costs, drop coverage for employees or pass more costs on to them. Without employer coverage, more individuals turn to the costly non-group market where sales of the most widely sold product – a \$15,000 deductible – grew 29% from 2002 – 2006 (BOI). With Maine's median income of about \$45,000, a \$15,000 deductible represents 1/3rd of that family's income – before premiums are paid. High out of pocket health care costs like that are leading to a growing number of under-insured Mainers.

As Dirigo Health Reform laid out, covering the uninsured requires 3 key strategies:

- MaineCare for our lowest income citizens;
- DirigoChoice, a subsidized health coverage plan for those ineligible for MaineCare but unable to pay the full cost of private coverage; and
- System reforms – investments in public health to prevent costly diseases, insurance market reforms and cost containment strategies to shore up the employer-based system and assure premiums remain affordable there and in the individual market.

Despite challenging economic times, there is promise in Maine. The Legislature will annually examine a report on cost drivers and recommendations to lower health care cost growth presented by the Advisory Council on Health Systems Development. Efforts are underway to enact a budget that will protect MaineCare eligibility and as the State Health Plan is being written, parallel efforts are underway to develop reforms in the individual market and to secure sustainable funding to continue DirigoChoice, either through alternative funding or a strengthened process to collect the SOP.

**Outcome by 2010:** Sustain current rates of insured Mainers during challenging economic times and build efficiencies in current programs to cover more people.

- Task:**
- 1) Dirigo Health Agency Board of Trustees will examine DirigoChoice to identify efficiencies to reduce program costs as a way to cover more members including but not limited to; establishment of an asset test; restructuring the subsidy structure; incentivizing small employers to take up coverage; targeting enrollees to cover more uninsured.
  - 2) The Bureau of Insurance will work with stakeholders and examine current regulations governing the small group market to analyze and report on potential strategies to increase the availability of affordable products and report to the Advisory Council on Health Systems Development? Jt. Committee on Insurance and Financial Services?