



Dirigo Health Agency Board

Annual Report to the State Legislature

SFY 2004

The Dirigo Health Law, P.L. 469, requires the Dirigo Health Agency Board to report annually to the Governor and Legislature. This report, issued in September 2004, constitutes the Board's first annual report.

For more information or additional copies of this report, contact the Dirigo Health Agency, 211 Water Street, Augusta, Maine 04333 or visit the Dirigo Health Agency website at [www.dirigohealth.maine.gov](http://www.dirigohealth.maine.gov).

### **Dirigo Health Agency Board of Directors**

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Former President, Maine Medical Association and American Medical Association

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Maine State Chamber of Commerce

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Director, Governor's Office of Health Policy and Finance



Dirigo Health Agency Board

**Annual Report to the Maine State Legislature**

SFY 2004

September, 2004



## Executive Summary

The Dirigo Health Agency Board of Directors is pleased to provide this first annual report to Governor Baldacci and the Maine Legislature, as required by Public Law 469. This first year since the passage of the historic Dirigo Health Reform Act has been one of program design, capacity development, and the development of a public/private collaborative relationship between the new Dirigo Health Agency, a private insurance carrier, and the Maine Department of Health and Human Services.

The key accomplishments of the Dirigo Health Agency and its Board this year have been:

- ▲ The appointment and operations of the Dirigo Health Agency Board of Directors;
- ▲ The appointment of the Dirigo Health Agency Executive Director and recruitment of the Agency's Executive Team;
- ▲ The design of the DirigoChoice benefit plan, including the unique elements of preventive services, wellness incentives, and sliding scale payments and deductible discounts;
- ▲ The issuing of a Request for Proposal for an insurance partner and the successful completion of negotiations with Anthem Blue Cross and Blue Shield to serve as that partner;
- ▲ The appointment of the Maine Quality Forum and its Director and the adoption of a mission statement and goals;
- ▲ The design of a methodology for measuring savings to determine the level of the Savings Offset Payment in future years; and
- ▲ The creation and launch of the Dirigo Health website and information campaign.

The Board looks forward to the October roll-out of DirigoChoice as a program that will meet the needs of many of Maine's citizens and small businesses for an affordable, accessible and high quality health plan.



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## I. Introduction

The Dirigo Health Agency (Agency) Board of Directors is pleased to provide this first annual report to Governor Baldacci and the Maine Legislature, as required by Public Law 469, the Dirigo Health Reform Act. This report provides information on the accomplishments and milestones of the Dirigo Health Agency and its Board, to date, and sets these accomplishments into the broader context of the goals of the Dirigo Health Reform Act.

Section II reports the milestones of the Agency and progress toward the launching of the Dirigo Health Plan, DirigoChoice. Section III presents the financial report for the Agency's first year of operations. Section IV sets forth baseline data against which the progress and impact of DirigoChoice will be measured in future years. In addition, this section discusses data availability for the measures required by the legislation, and describes the plan for program benchmarks. Section V reports the accomplishments of the Maine Quality Forum. Section VI places the Agency within the context of the broader Dirigo Health Law reforms. Section VII discusses the up-coming initiatives expected in the course of the coming year.

### *Overview of the Dirigo Health Reform Act*

The purpose of the Dirigo Health Reform Act is to make quality, affordable health care available to every Maine citizen and to initiate new processes for containing health care costs and improving health care quality.

The Act is predicated on the assumptions that successful health care reform must address access to care, costs, and quality simultaneously, and that health reform cannot be done in a piecemeal fashion. If efforts are made only to expand access to care, costs will increase. If efforts are made only to reduce costs, access will be limited. Efforts to address only quality could result in continued high costs and lack of access. As a result, the Dirigo Health Reform Act addresses all three concerns.

The Act creates the Dirigo Health Plan (DirigoChoice) to address access to care. DirigoChoice is a voluntary market-based program, designed to help small businesses, self-employed persons, and individuals afford health coverage. Workers and individuals who meet income guidelines will receive financial assistance to participate in the program.

The Act specifies that the newly created Dirigo Health Agency is responsible for DirigoChoice. The Agency is required to report annually to the Governor and Legislature. According to Public Law 469:



**The Act is predicated on the assumptions that successful health care reform must address access to care, costs, and quality simultaneously, and that health reform cannot be done in a piecemeal fashion.**

**The Dirigo Health Reform Act addresses a crisis in the health insurance market and health care system in Maine**

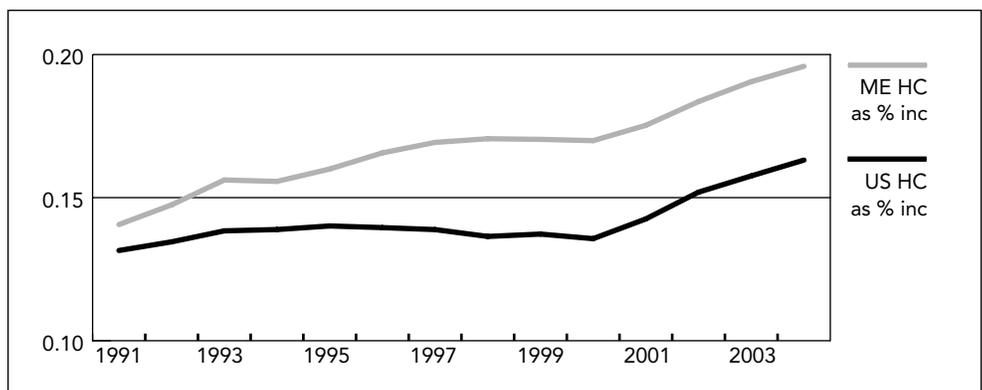
“Beginning September 1, 2004, and annually thereafter, the board shall report on the impact of Dirigo Health on the small group and individual health insurance markets in this State and any reduction in the number of uninsured individuals in the State. The board shall also report on membership in Dirigo Health, the extent of coverage, the effect on premiums, the number of covered lives, the number of Dirigo Health Insurance policies issued or renewed and Dirigo Health Insurance premiums earned and claims incurred by health insurance carriers offering Dirigo Health Insurance. The board shall submit the report to the Governor, the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs, the joint standing committee of the Legislature having jurisdiction over health insurance and financial services matters and the joint standing committee of the Legislature having jurisdiction over health and human services matters.”

**The Need for Reform**

The Dirigo Health Reform Act addresses a crisis in the health insurance market and health care system in Maine, as evidenced by the following facts:

- ▲ Between 1991 and 1998, Maine’s per capita health care spending increased faster than all other states in the nation (7.3% in Maine vs. 4.9% nationally).
- ▲ Between 1991 and 2004 personal health care spending increased faster than income in Maine (137% for personal health care spending compared to 70% for income).
- ▲ Between 1991 and 2004, Maine residents spent more of their income on health care than residents of other states (increasing from 14% to almost 20% in Maine, compared to 13% and 16% nationally).

**Figure 1**  
**Changes in Health Care Spending as a Percent of Income, Maine and the U.S.**



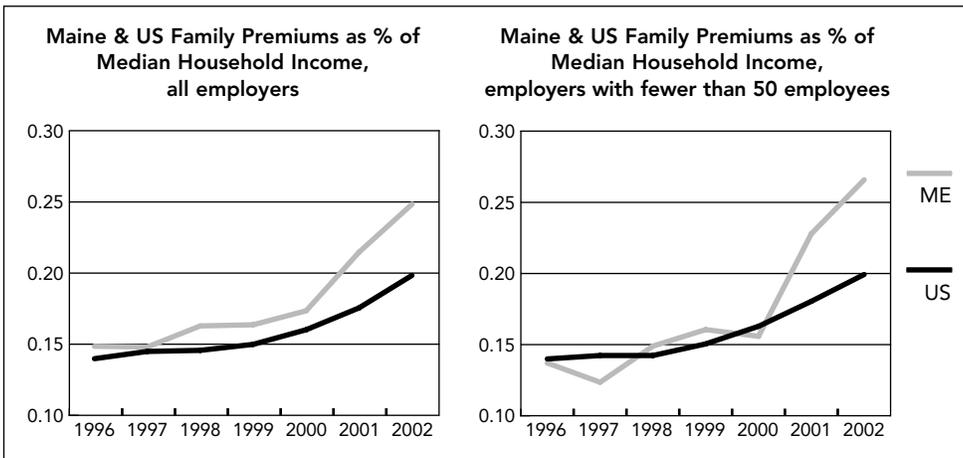
▲ Between 1996 and 2002, the cost of a family insurance policy for Maine businesses and employees increased by 77% while median household income increased by only 6%. Premiums as a share of income have increased by a greater percentage in Maine than nationally.

More spending on health care does not translate into greater access or better health outcomes. More than 1 in 8 Mainers under age 65 are uninsured despite the fact that most work full time. Maine has higher rates of many preventable diseases than the other New England states.

Since passage of the Dirigo Health Reform Act, the urgent need for action has only increased. If health care costs continue to grow at the current rate, health care will become increasingly unaffordable for Maine employers, individuals, and families.

**Since passage of the Dirigo Health Reform Act, the urgent need for action has only increased.**

**Figure 2**  
**Changes in Family Premiums as a Percent of Median Household Income, Maine and the U.S.**



These facts are explained in greater detail in Maine’s State Health Plan (July 2004), available on the new Dirigo Health website at [www.dirigohealth.maine.gov](http://www.dirigohealth.maine.gov).

**It is a public-private partnership, coordinated with MaineCare (Maine's Medicaid program), with an overall goal of creating a seamless system of health coverage where no one falls through the cracks.**

## II. Dirigo Health Agency Milestones

The Dirigo Health Plan, DirigoChoice, has features that make it unique in the country. It is a public-private partnership, coordinated with MaineCare (Maine's Medicaid program), with an overall goal of creating a seamless system of health coverage where no one falls through the cracks. The DirigoChoice plan is:

- ▲ Publicly sponsored;
- ▲ Shares costs among employers, employees, and state dollars;
- ▲ Supported with public dollars to reduce enrollee payment cost to low income Mainers and to cover public administrative and oversight functions;
- ▲ Incorporates public health goals of improving the overall health of the Maine population;
- ▲ Designed for market segments with the highest number of uninsured: small businesses that have difficulty providing health benefits, self-employed persons, and other individuals barred by cost from the commercial insurance market; and
- ▲ Coordinates with the MaineCare program (Maine's Medicaid program), allowing the lowest wage workers to qualify for full discounts and receive additional services directly from MaineCare.

Yet, DirigoChoice will compete directly with private insurers in the small group and individual markets. It must comply with all insurance regulations, and must offer an appealing insurance product that attracts voluntary enrollment. As such, the Dirigo Health Agency has:

- ▲ Solicited a private insurance partner to market and administer DirigoChoice ; and
- ▲ Designed a benefit package tailored to compete with existing products in the market.

Because the plan is unique, the Dirigo Health Agency has faced many challenges in program design and implementation. The roll-out of the health plan is behind schedule because of the need to work through untested, cutting edge design features and the determination of the Agency leadership to anticipate possible future problems, "get it right" and prevent frustrations and problems once enrollment starts.

Behind the scenes, work has been intense and the Dirigo Health Agency can point to many milestone accomplishments for the first year of program development and implementation. These Year 1 accomplishments are summarized as follows.

***Appointment of the Dirigo Health Agency Board***

As specified in legislation, the Dirigo Health Agency is governed by a Board of five appointed voting members, and three ex officio non-voting members. The Board was appointed by Governor Baldacci, approved by the Joint Committee on Banking and Insurance, and confirmed by the Maine State Senate on October 30, 2003. The Board has met 14 times to review the activities of the Agency and make decisions regarding program development. The membership of the Board is shown below.

**...the Dirigo Health Agency is governed by a Board of five appointed voting members, and three ex officio non-voting members.**

**Table 1  
Dirigo Health Agency Board of Directors**

<b>Name</b>	<b>Affiliation</b>
<b>Robert McAfee, MD, Chair</b>	Former President, Maine Medical Association and American Medical Association
<b>Dana Connors</b>	President, Maine State Chamber of Commerce
<b>Mary Henderson</b>	Executive Director, Maine Equal Justice Project
<b>Carl Leinonen</b>	Executive Director, Maine State Employees Association
<b>Charlene Rydell</b>	Policy Advisor, Congressman Tom Allen
<b><i>Ex Officio</i></b>	
<b>Acting Commissioner Christine Bruenn</b>	Department of Professional and Financial Regulation (represented by Commissioner Robert E. Murray, Jr., until June 15, 2004).
<b>Commissioner Rebecca Wyke</b>	Department of Administrative and Financial Services
<b>Patricia Riley</b>	Director, Governor's Office of Health Policy and Finance

***Completion of Plan Design***

In keeping with the goal of attracting business enrollment, DirigoChoice is built on the prevailing market PPO offerings but includes three unique innovations.

**1. Wellness and prevention coverage at 100%**

The program provides comprehensive coverage of important preventive care to

**...the program is tailored to make health coverage affordable to all, while asking families to contribute a reasonable amount based on their ability to pay.**

encourage early and effective interventions and to reduce serious illness and complications that arise from delays in seeking care. Well child visits and physical exams for adults including blood testing and screening tests like mammograms are covered 100% without any enrollee co-payments. Some important preventive services like flu shots are also fully covered.

## **2. Healthy ME Program**

The benefit plan is structured to provide incentives to enrollees to take individual responsibility for their health including life-style changes to enhance wellness. The Healthy ME Rewards Program, developed as part of DirigoChoice, will pay \$100 to enrollees who complete a health needs questionnaire and meet goals set by enrollees together with their personal physician. The kinds of activities that will be recognized and rewarded include physician recommended weight loss and smoking cessation. DirigoChoice will also offer discounts for Fitness Club memberships.

## **3. Financial Discount Program**

The most fundamental departure from traditional insurance is DirigoChoice's discounts and reduced out-of-pocket payment structure. Enrollees with incomes under 300% of the federal poverty line (about \$56,000 for a family of four) will be eligible for discounts and reduced deductible levels. The level of the discount is substantial for very low-income individuals and families, and declines as incomes rise. In addition, employees who are eligible for MaineCare receive full discounts and additional services directly from MaineCare. In this manner, the program is tailored to make health coverage affordable to all, while asking families to contribute a reasonable amount based on their ability to pay.

### ***Request for Proposal for an Insurance Partner***

A Request for Proposals for an insurance partner was issued May 7, 2004. While later than originally anticipated, the release of this document represented the completion of internal staff work on significant design elements of DirigoChoice. Prior to soliciting bids from insurers, the Dirigo Health Agency and Board had to determine the benefit and payment structure and program eligibility requirements, review state and federal regulatory requirements covering both private insurance products and the MaineCare Program, and map future organizational responsibilities of the contractor and Dirigo Health Agency staff.

Anticipated program costs necessary to design the payment structure were developed by Watson Wyatt, Inc., based on comprehensive demographic data from the Maine population, and Maine-specific health care utilization and cost information.

The Request for Proposal resulted in a bid from Anthem Blue Cross and Blue Shield of Maine and the commencement of negotiations with this insurer, which are now completed.

## ***Plan Roll-out and Commencement of a Public Education Campaign***

DirigoChoice is ready for a marketing roll-out with the completion of contractual arrangements with the insurance partner, Anthem Blue Cross and Blue Shield of Maine. The roll-out will be publicized via a new Dirigo Health website and information campaign. The website provides a central place for interested parties to access a wide range of health related information, from all aspects of the Dirigo Health Reform Act to ways citizens can improve their own health. It can be accessed at [www.dirigohealth.maine.gov](http://www.dirigohealth.maine.gov).

A television and radio campaign was also developed to inform the public. It was launched in August 2004 and will evolve with the introduction of DirigoChoice. The Governor's Office of Health Policy and Finance received a grant totaling \$887,000 from the Maine Health Access Foundation (MeHAF), the state's largest health care foundation, most of which is being used for marketing DirigoChoice and raising public awareness of the Dirigo Health Reform Act. Of the total marketing budget, approximately 65% is funded by the MeHAF grant.

## ***Development of Methodology to Determine Savings Offset Payment***

The Dirigo Health Reform Act specifies that funds to cover the costs of discounts, the Dirigo Health Agency, and the Maine Quality Forum on an on-going basis will be payments made by insurance carriers, employee benefit plans, and third party administrators in an amount determined by the Dirigo Health Agency Board, but not exceeding aggregate savings in the state from decreases in the rate of health care spending and reduced bad debt and charity care, and not exceeding, in any case, 4% of payments.

The Dirigo Health Agency, working together with the Governor's Office of Health Policy and Finance (GOHPF) and its consultants from Mathematica Policy Research, Inc. and the Harvard School of Public Health, has drafted a proposed methodology for measuring changes in aggregate health care spending in the state. The proposed system will rely on a sophisticated method of trending historical cost increases in relation to changes in health care spending across the country, as a whole, and using this model to compare expected costs with actual cost experience in Maine, once the Dirigo Reform program is active. In addition, this model will be compared to specific trends such as insurance premium costs and aggregate bad debt and charity care costs.

**The Dirigo Health Agency, working together with the Governor's Office of Health Policy and Finance (GOHPF) and its consultants from Mathematica Policy Research, Inc. and the Harvard School of Public Health, has drafted a proposed methodology for measuring changes in aggregate health care spending in the state.**

**...the Dirigo Health Agency must develop internal capacity for managing DirigoChoice and for coordinating with both a private insurance carrier and the State Department of Health and Human Services.**

### ***Development of Dirigo Health Agency Infrastructure and Staff Capacity***

As an organization charged with building a public-private partnership for the delivery of health benefits, the Dirigo Health Agency must develop internal capacity for managing DirigoChoice and for coordinating with both a private insurance carrier and the State Department of Health and Human Services. Most program operations will be contracted. The private carrier will be responsible for marketing, claims processing, provider network management, and assuming risk. The Department of Health and Human Services will determine the eligibility of applicants for MaineCare coverage, as well as for the financial discount program. The Agency, under the direction of the Board, has overall responsibility for program oversight and quality, for fiscal management of program funds, and for developing systems that assure smooth coordination between the state-provided and contracted services.

Over the past year, an experienced team has managed the Agency's coordination and oversight functions. As of September 1, 2004, the team consists of KarynLee Harrington, Executive Director; Kirsten Figueroa, Director of Budget and Fiscal Operations; and Gloria Tomsa, Director of Operations. Dr. Dennis Shubert serves as Director of the Maine Quality Forum.

Agency development plans call for six Program Coordinators. Currently four Program Coordinators are on board.

### III. Dirigo Health Agency Cost Report

The Dirigo Health Agency financial statement of operations for SFY 04 is summarized in Table 2 below.

**Table 2**  
**Summary of Dirigo Health Agency Financial Statement of Operations for SFY 04**

Expenditures	Special Revenue Fund
Salary and Wages	\$142,622
Health and Other Benefits	41,725
Board per diem	3,200
Contract Services State	42,148
Computer Services State	14,032
Other Contract Services	539,459
General Operations	22,927
Stacap	14,664
<b>Total Expenditures—Fiscal Year 2004</b>	<b>\$820,777</b>

### IV. Measurement of Program Impact and Performance

In response to legislative requirements for reporting, the Dirigo Health Agency plans to use a series of external and internal measures to track changes in Maine’s health insurance market following roll-out of DirigoChoice. These measures include:

- ▲ estimates of the uninsured;
- ▲ changes in private health plan enrollment, premium costs, and MaineCare;
- ▲ data on DirigoChoice enrollees; and
- ▲ data on participating DirigoChoice employers.

Where possible, these benchmarks will come directly from administrative data sets and other sources the Agency can access (such as actual premium charges reported to Maine’s Bureau of Insurance). However, in other cases the Agency will need to use proxy measures to monitor changes following DirigoChoice enrollment.

...the Dirigo Health Agency plans to use a series of external and internal measures to track changes in Maine’s health insurance market following roll-out of DirigoChoice.

## External Benchmarks

### Measure 1: Change in uninsured population

In order to assure consistency over time, the Agency is committed to using existing data sources that are updated annually to monitor the number of uninsured. Because the use of these national data sources poses certain limitations, the Agency is prepared to periodically augment these sources with the collection of more targeted survey data as needed. As a condition of Maine's federally funded State Health Planning Grant Initiative, the state conducted its own survey of Maine's uninsured problem during the Dirigo Health Reform Act planning period (Ziller & Kilbreth, 2003). Such surveys may be repeated in the future.

The key national data sets that will be used to track uninsured rates are the Behavioral Risk Factor Surveillance Survey (BRFSS) conducted by Maine's Bureau of Health and sponsored by the Centers for Disease Control and the Census Bureau's Current Population Survey (CPS). Each of these data sources has the benefit of being collected annually, permitting state-level estimates and being publicly available at no charge.

A comparison of the estimates of the number of uninsured for the years 2001 - 2003, based on data from the BRFSS, the CPS and Maine's 2002 Household Survey shows that the three surveys yielded similar results (Table 3). Because the BRFSS survey goes into less detail, it tends to produce slightly higher estimates of the number of the uninsured than other surveys.

**Table 3**  
**Estimates of Proportion of Non-Elderly Uninsured in Maine—**  
**A Comparison of Data Sources**

	BRFSS	CPS*	Household Survey
<b>2001:</b>			
Total uninsured		12.9	
Adults 18-64	15.1	15.0	
Children		7.1	
<b>2002:</b>			
Total uninsured		13.4	12.5
Adults 18-64	16.7	15.3	14.4
Children		7.9	7.6
<b>2003:</b>			
Total uninsured		Not yet available	
Adults 18-64	13.9	Not yet available	
Children		Not yet available	

The chief limitation of the BRFSS is that it does not collect data on children. In addition, BRFSS has limited information about income and employment characteristics. The CPS contains children and detailed work and economic data; however, it is slower than BRFSS to release its public use files. Results from both surveys will be reported annually.

**Measure 2: Changes in the privately and publicly insured population**

In order to develop a clearer sense of changes in the state’s health insurance marketplace over time, the Agency will also measure and track the mix of health insurance held by Maine residents:

- ▲ On the private side, the Agency will measure increases and/or decreases in Maine’s small group, large group, individual, and self-funded plan enrollments. These data will be available from the Maine Health Data Organization’s all-payer database that will track the coverage and claims experience of Maine’s insured lives. Because the all-payer database is not yet fully operational, there are no baseline estimates for this measure.
- ▲ On the public side, the Agency will report changes in MaineCare coverage.

**Measure 3: Changes in premiums**

Because the Dirigo Health Reform Act includes strategies for controlling private insurance costs, the Agency will monitor changes in premiums in Maine’s health insurance market. Private plans are required to report premium information to the Bureau of Insurance, and the Agency will track non-group, small group, and large, fully insured group premiums over time.

As a baseline measurement, information on premiums in Maine, by business size, for 2002 is presented in the Table below.

**Table 4  
Average Annual Premiums in Maine and the U.S., 2002**

	Businesses under 50		Businesses 50 and over	
	Single Coverage	Family Coverage	Single Coverage	Family Coverage
<b>Maine</b>	\$3,746	\$9,844	\$3,533	\$9,028
<b>United States</b>	\$3,375	\$8,502	\$3,133	\$8,463

**The Agency will measure and track the mix of health insurance held by Maine residents and will monitor changes in premiums in Maine’s health insurance market.**

**The Agency will collect information on participants and the number and characteristics of employers that enroll their workers in DirigoChoice.**

### ***Internal Benchmarks***

In addition to the external measures cited above, the Agency will collect the following internal measures of DirigoChoice performance:

#### **Measure 4: Number and characteristics of DirigoChoice enrollees**

As part of its enrollment process, DirigoChoice will collect information on participants and future annual reports will include the following data:

- ▲ The number of covered lives in DirigoChoice, at a specified point in time and cumulatively;
- ▲ The number and proportion of DirigoChoice members that were uninsured prior to enrollment; and
- ▲ The number and proportion of DirigoChoice members that receive financial discounts, and at what level of discount.

#### **Measure 5: Number and characteristics of participating employers**

The Agency will collect information on the number and characteristics of employers that enroll their workers in DirigoChoice. Future annual reports will include:

- ▲ A count of number of employers that participate in DirigoChoice, both at a point in time and cumulatively; and
- ▲ The proportion of participating employers who previously did not offer health insurance coverage to their workers.

## V. Maine Quality Forum Milestones

The Dirigo Health Reform Act created the Maine Quality Forum (MQF) to serve as a watchdog and resource center for quality within the state. The MQF has identified the following 10-year goals for its activities:

- ▲ All Mainers will have access to information that will allow them to make informed choices about healthcare services and healthy lifestyles;
- ▲ Maine's healthcare providers consistently will demonstrate the implementation of accepted best practices across the spectrum of health;
- ▲ Maine's healthcare providers consistently will demonstrate efficient resource utilization across the spectrum of medical care;
- ▲ The State of Maine will be able to conduct meaningful, longitudinal analyses of healthcare reform efforts; and
- ▲ Maine's healthcare system consistently will demonstrate effective placement and use of emerging medical technologies.

A strong directive in the formation of the MQF was that it not duplicate efforts of existing public and private quality and data collection efforts within the state. The MQF conducts its work in partnership with other state agencies, consumers, providers, employers, and national experts with the goal of achieving broad consensus on how to improve the value and quality of health care in the state. Using the rich reservoir of data available in the state, the MQF is able to detect opportunities for improvement and focus resources where they can have the greatest impact on quality.

### Key accomplishments/Milestones

#### *Appointment of the MQF Advisory Council*

- ▲ The MQF was established within the Dirigo Health Agency as authorized in the Dirigo Health Reform Act. In December 2003, the Governor appointed and the Joint Standing Committee on Health and Human Services reviewed and approved, 17 members to the MQF Advisory Council (see Appendix A). The MQF works closely with an Advisory Council composed of consumers, providers, organized labor, health advocacy groups, large and small employers. Dr. Robert McArtor is the chair of the Advisory Council. The Council has been instrumental in its support of the adoption of hospital inpatient indicators. Also, the Advisory Council has helped the MQF prioritize its efforts leading to a statewide effort for health information interconnectivity. The MQF Advisory Council has met monthly since December 2003.

**The MQF conducts its work in partnership with other state agencies, consumers, providers, employers, and national experts with the goal of achieving broad consensus on how to improve the value and quality of health care in the state.**

### ***Selection of MQF Director***

- ▲ Dr. Dennis Shubert was selected to serve as Director of the MQF. An active member of Maine's medical community, Dr. Shubert is a past President of the Penobscot County Medical and Maine Neurosurgical Societies and was an incorporator of the Maine Medical Assessment Foundation as well as a study group leader.

### ***Adoption of MQF Mission Statement***

One of the MQF's first tasks was to develop a mission statement that reflected its broad mandate of improving the health of Maine citizens. In doing so, the MQF subscribed to the Institute of Medicine's definition of high quality healthcare as described in its 2001 report, *Crossing the Quality Chasm*, which describes high quality care as:

- ▲ ***Safe*** – avoiding injuries to patients from the care that is intended to help them;
- ▲ ***Effective*** – providing services based on scientific knowledge to all who could benefit and refraining from providing services to those not likely to benefit (avoiding underuse and overuse, respectively);
- ▲ ***Patient-centered*** – providing care that is respectful of and responsive to individual patient preferences needs, and values and ensuring that patient values guide all clinical decisions;
- ▲ ***Timely*** – reducing waits and sometimes harmful delays for both those who receive and those who give care;
- ▲ ***Efficient*** – avoiding waste, including waste of equipment, supplies, ideas, and energy; and
- ▲ ***Equitable*** – providing care that does not vary in quality because of personal characteristics such as gender, ethnicity, geographic location, and socioeconomic status.

...the NQF will provide the MQF with direct access to resources and expertise as it conducts its quality activities.

### ***Membership in National Quality Forum***

- ▲ To assure its seat at the table in national decision making on consensus standard development and performance measures, the MQF joined the National Quality Forum (NQF). A membership organization of public and private healthcare purchasers, providers, consumers, and researchers, the NQF will provide the MQF with direct access to resources and expertise as it conducts its quality activities.

### ***Appointment of the MQF Provider Group***

- ▲ The Provider Group was formed as required by the Dirigo Health Law to solicit early and focused input into proposed policies, programs and initiatives of the Advisory Council. Members (see Appendix B) were selected following a broad-based nomination process from professional organizations as well as from the general public via the Dirigo Health web site. Two open positions will be filled: Indian Health Services and community pharmacy.

### ***Selection of Core Hospital Performance Measurement Set***

- ▲ The MQF Performance Measurement Committee, in collaboration with the Maine Hospital Association and the Maine Healthcare Management Coalition, adopted a set of 26 indicators that will be used to publicly report and compare the performance of Maine's hospitals. This early effort at consensus-building will be duplicated as the MQF attempts to expand the list of core indicators within and beyond hospitals to other settings of care.

### ***Review of Nurse Staffing Ratios***

- ▲ The MQF, through its Technology Assessment Committee, recently completed the first phase of a review of minimum staffing ratios for direct-care registered nurse staffing in hospitals as requested by the Joint Standing Committee on Health and Human Services of the Maine State Legislature. The MQF reviewed national studies and initiatives examining the impact of ratios on patient safety and care outcomes. Before completing its report in December 2004, the Technology Assessment Committee will review existing nurse staffing ratios and methods used in Maine hospitals to oversee their adequacy.

**The MQF Performance Measurement Committee, in collaboration with the Maine Hospital Association and the Maine Healthcare Management Coalition, adopted a set of 26 indicators that will be used to publicly report and compare the performance of Maine's hospitals.**

**...the Agency has worked to assure that the decisions regarding the development of DirigoChoice coordinate with the reform efforts...**

## **VI. The Dirigo Health Agency in the Context of Broader Reform**

The Dirigo Health Agency is launching a health plan in the context of a health system environment in Maine that is under severe stress. Health care costs are rising at a rate that is unsustainable for Maine's economy, as is evidenced by shrinking small employer and non-group insurance markets, increasingly difficult choices for large employers trying to maintain historical benefit levels, and strain on the general fund from rising Medicaid costs.

The Dirigo Health Agency realizes that it cannot, alone, bring about the changes that will stabilize the insurance market and assure appropriate access to Maine citizens. Through a close working relationship with the GOHPF, the Agency has worked to assure that the decisions regarding the development of DirigoChoice coordinate with the reform efforts underway through the other venues created by the Dirigo Health Reform Act.

In celebration of the first year anniversary of the Dirigo Health Reform Act, an integrated report is being prepared by GOHPF that outlines the work of the various Dirigo Health Reform Act commissions and boards. It is scheduled for release in September 2004.

## VII. Dirigo Health Agency Plans Going Forward

The most immediate and seminal benchmark for the Dirigo Health Agency is the launching of DirigoChoice. The short term goal of this launch is to preferentially reach and enroll the target population of working families in small businesses, self-employed persons, and individuals for whom private coverage is out of reach due to cost. The provision of coverage and subsequent delivery of quality health services to this population will be a major step toward the Governor's goal of accessible affordable health care for all.

Another major activity for the pending fiscal year will be the implementation of monitoring and measurement capacity so that the experience of DirigoChoice can be continuously assessed and periodically reported to the Governor and Legislature.

The Dirigo Health Agency executive staff also expects to closely monitor the changing health coverage market and regulatory environment and to be responsive to new circumstances as the need arises. Changes in the range of offerings in the private market, or in the tax structure related to health spending may necessitate modified or additional coverage options from DirigoChoice. In addition, the recommendations emanating from the commissions and task forces formed as a part of the Dirigo Reform Act may result in new legislation that could impact DirigoChoice. Close attention and flexibility will be the watchwords for the Dirigo Health Agency over the coming year.

**The provision of coverage and subsequent delivery of quality health services to this population will be a major step toward the Governor's goal of accessible affordable health care for all.**



## **Appendix A**

### **Maine Quality Forum Advisory Council**

#### **Key Duties**

Guide research and dissemination; promote quality performance measures, data coordination and public reporting of data, consumer education, and technology assessment; convene Provider Advisory Group.

#### **Membership**

*Chair*, Robert McArtor, M.D., M.P.H., MaineHealth

Clifford Rosen, M.D., Maine Center for Osteoporosis Research and Education

Janice Wnek, M.D., Maine Health Management Coalition's Pathways to Excellence Project

Stephen Shannon, D.O., M.P.H., Dean and Vice President of Health Services, UNECOM

Richard Bruns, D.C., Bruns Chiropractic Clinic

Nancy Kelleher, Senior Director of Public Policy and Communications, Sweetser

Rebecca Colwell, R.N., B.S.N., M.B.A., Vice President, HomeCare and Hospice, HealthReach

Rebecca Martins, Patient Advocate, National Patient Safety Commission

Jonathan S. R. Beal, Attorney

Lisa Miller, M.P.H., Senior Program Officer, The Bingham Program

David White, President, MDI Imported Car Service, Inc.

Frank Johnson, Director, State Employee Health Insurance

Daniel Roet, Director, Human Resources Services, Bath Iron Works

Jim McGregor, Executive Vice President, Maine Municipal Association

Chip Morrison, President and CEO, Androscoggin County Chamber of Commerce

Representative of a private health insurer (Vacant)

Laureen Biczak, D.O., Medical Director, MaineCare

## Appendix B

### MQF Provider Group Members

Robert Armstrong (Nursing Facility)  
Director of LTC, Central ME Healthcare Corp,  
Lewiston

Ronald Bailyn, MD (Psychiatrist)  
Director, Div. of Geriatric Psychiatry, Maine  
Medical Center, Portland

Bruce Bates, DO (Primary Care)  
Dept. of Family Practice, UNE, Biddeford

Leslie Brancato, MSW (Social Worker)  
President, Community Counseling Center,  
Portland

Keith Burnham, R.Ph,  
(Hospital Pharmacist)  
Parkview Hospital, Brunswick

David Douglass, OD (Optometrist)  
Eye Center Northeast, Bangor

Jeffrey Dow, DMD (Dentist)  
Private Practice, Waterville

Philip Elkin, MD (Primary Care)  
Peninsula Primary Care, Blue Hill

Holly Gartmayer (FQHC)  
Program Dir, Harrington Family Health Ctr.,  
Harrington

Joel Johnson, RN, CCM, ACS  
(Outpatient RN)  
Director, Central & Western ME Reg PHO,  
Lewiston

Doug Jorgensen, DO, CPC  
Founder, Manchester Osteopathic Healthcare,  
Manchester

Patricia Thompson Leavitt, MS, FNP  
(Nurse Practitioner)  
Volunteer CEO, Access Health, Inc., Buxton

Jane Marie Kirschling, RN, DNS  
(RN Faculty Member)  
University of So ME School of Nursing

Karen Kohlhepp Mosher, PhD  
(Mental Health Clinic)  
Clinical Director, Kennebec Valley MHC,  
Augusta

Marc Malon, DC, FICC (Dr. of Chiropractic)  
Private Practice, Biddeford

David Marks, PhD (Psychologist)  
Private Practice/Clinical Neuropsychology,  
Yarmouth

Shawn McGlew, PA-C  
(Physician Assistant)  
Maine General Medical Center, Augusta

Christopher Pingitore, DPM (Podiatrist)  
Private practice, Portland

Nancy Quick, PhD  
(Rehabilitation Therapist)  
Assistant Professor, Dept. of PT, UNE, Biddeford

Patricia Roy, RN, MSN (Hospital RN)  
Director, Professional Quality Services, Central  
Maine Medical Center, Lewiston

Sandra Scott-Adams (Home Health)  
VP/Home Care, Aroostook Medical Ctr.,  
Presque Isle

Stephen Sears, MD, MPH, FACP  
(Specialty Care)  
CMO, MaineGeneral Health System, Augusta

Marie Vienneau, RN, BSN (Hospital)  
CEO, Millinocket Regional Hospital, Millinocket

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