

STATE OF MAINE  
DIRIGO HEALTH AGENCY

RE: DETERMINATION OF )  
AGGREGATE MEASURABLE ) DIRIGO HEALTH AGENCY'S  
COST SAVINGS FOR THE ) STATEMENT OF ISSUES  
FOURTH ASSESSMENT YEAR ) FOR BOARD DETERMINATION  
(2009) )

As required by the Procedural Order of June 24, 2008, the Dirigo Health Agency states that the following issues are to be determined by the Board in this proceeding:

1. The amount of savings in State Fiscal Year 2007 attributed to Maine hospitals' voluntary reduction in cost per Case Mix Adjusted Discharge ("CMAD");
2. The amount of savings in Calendar Year 2008 attributed to the reduction or avoidance of bad debt and charity care costs;
3. The amount of savings in Calendar Year 2008 attributed to the implementation of a minimum Medical Loss Ratio ("MLR") requirement for the small group insurance market; and
4. The aggregate amount of the above savings.

There are many issues that the Board is *not* to determine in this proceeding, including the following that are addressed at length in some of Intervenor's proposed pre-filed testimony:

1. What the Savings Offset Payment ("SOP") will be for the fourth assessment year;
2. What portion of the savings is reasonably recoverable by the payers of the SOP;
3. What the payers can or should do to attempt to recover savings;
4. What the payers can or should do if they are unable to fully recover savings; and

5. Whether it makes sense from a policy perspective for the payers to pay the SOP or for them to pass part or all of the SOP on to their policy holders or others.

Dated: July 10, 2008

/s/ Michael J. Colleran  
Michael J. Colleran, Maine Bar No. 9247  
Assistant Attorney General  
6 State House Station  
Augusta, ME 04333-0006  
(207) 626-8834  
(207) 287-3120 fax  
michael.colleran@maine.gov  
Attorney for Dirigo Health Agency