



Dirigo Health Agency Briefing Book

November 2010

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What Does DHA Do?

(1) Health Coverage

		Current Members	Anticipated Members by June 2011
DirigoChoice	Private health insurance coverage offered through Harvard Pilgrim Health Care. Qualifying enrollees receive subsidies to help pay for their coverage. The coverage is available both with and without subsidies.	7,211	11,356
Pre-Existing Condition Insurance Plan (PCIP)	Part of the Affordable Care Act that helps individuals who have been uninsured and have been diagnosed with certain medical conditions enroll in DirigoChoice.	11	900
Health Coverage Tax Credit (HCTC)	A federal program that DHA administers that helps workers in Maine who have lost their jobs because of trade with foreign countries enroll in DirigoChoice.	181	394
Part-Time Worker Coverage Voucher	Provides financial assistance to help part-time and seasonal, currently uninsured workers participate in their employer's health insurance plan.	44	3,000
Parent Expansion	Low or no cost health coverage for qualifying parents of children under 18.	6,692	7,760
	Total Members	14,139	22,501
	Total Small Groups	562	900
	<small>Membership as of October, 2010</small>		

(2) Health Care Quality and Safety

Examples of Key Projects

Data Reporting and Analysis

- MRSA Prevalence Study
- Patient Experience of Physician Care Survey
- All-Payer Analysis of Variation and Healthcare in Maine

Management and Support of Quality Initiatives

- Patient Centered Medical Home Pilot
- Promotion of Electronic Medical Records
- Maine Critical Access Hospital Patient Safety Collaborative
- Maine Infection Prevention Collaborative

Regulatory and Planning Responsibilities

- Support State Health Plan
- Support Certificate of Need Review
- Study Shared Decision Making Implementation

Dirigo at a Glance

5.75 years: January 2005 – September 2010

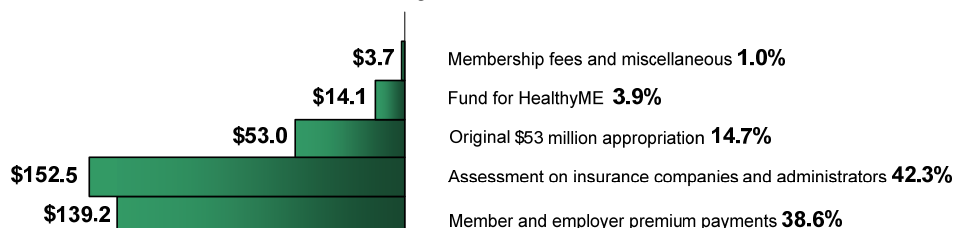
1,243 small businesses

and

31,813 people covered

50% of DirigoChoice subsidized households make less than **\$18,990** a year

Where did the money come from?



How was the money spent?



Figures in millions. For more detail on DHA revenue and expenses, see pages 8 - 12

Who benefits from the health care coverage payments?

68% goes to hospitals and doctors, paid at commercial rates

16% goes to pharmacies

16% goes to private insurance companies

Insurance company net underwriting gain on DirigoChoice through 2009: **\$18,048,330**

Sources: DHA enrollment and financial information from Agency enrollment system and reported financial statements. Payment distribution information from carrier reporting to DHA. Underwriting information from filed carrier 945 reports.

Governance

DHA operates under a **governing statute**, M.R.S.A 24-A Chapter 87.

(See <http://www.mainelegislature.org/legis/statutes/24-A/title24-Ach87sec0.html>)

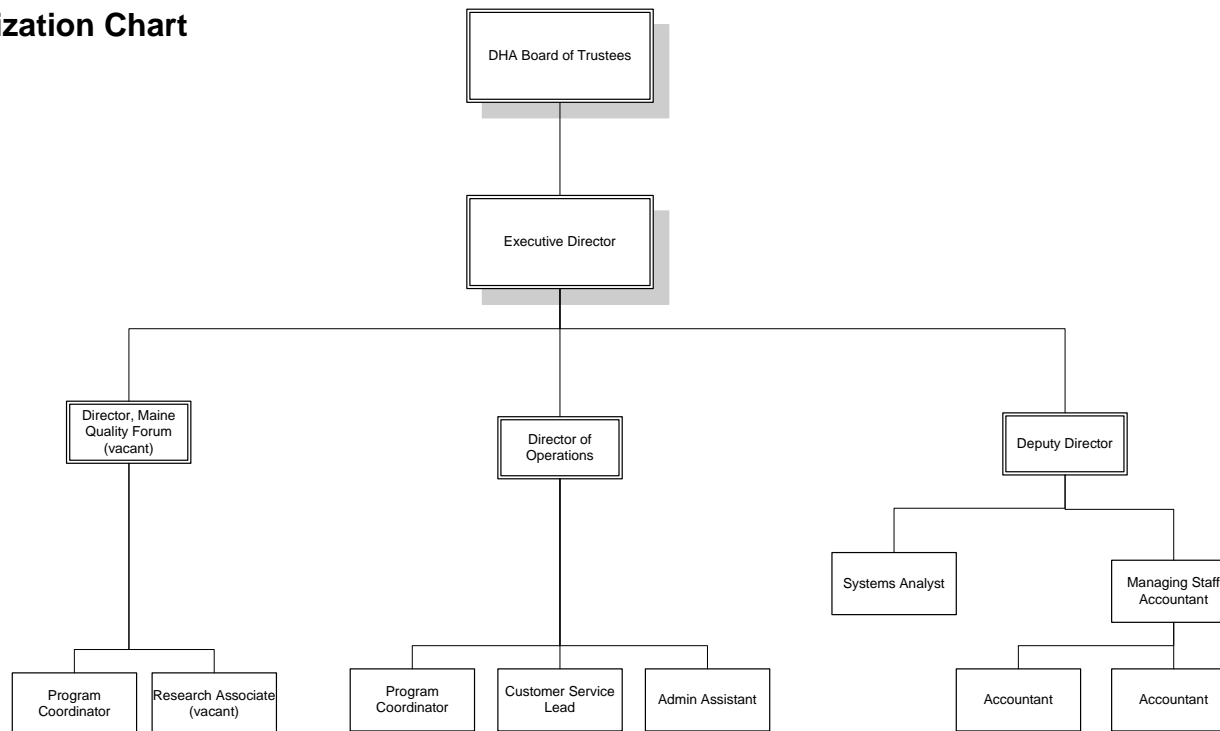
Section §6904 of the governing statute reads:

Dirigo Health is established as an independent executive agency to arrange for the provision of comprehensive, affordable health care coverage to eligible small employers, including the self-employed, their employees and dependents, and individuals on a voluntary basis. Dirigo Health is also responsible for monitoring and improving the quality of health care in this State. The exercise by Dirigo Health of the powers conferred by this chapter must be deemed and held to be the performance of essential governmental functions.

The Maine State Legislature oversees the activities of DHA through the following joint select committees:

- Insurance and Financial Services
- Health and Human Services
- Appropriations and Financial Affairs

Agency Organization Chart



The role and responsibilities of the Executive Director are described section §6909 of the governing statute:

1. Appointed position. The executive director is appointed by the board and serves at the pleasure of the board. The position of executive director is a major policy-influencing position as designated in Title 5, section 934-B.

2. Duties of executive director. The executive director shall:

- A. Serve as the liaison between the board and Dirigo Health and serve as secretary and treasurer to the board;
- B. Manage Dirigo Health's programs and services, including the Maine Quality Forum established under section 6951;
- C. Employ or contract on behalf of Dirigo Health for professional and nonprofessional personnel or service. Employees of Dirigo Health are subject to the Civil Service Law, except that the position of Director of the Maine Quality Forum is not subject to the Civil Service Law;
- D. Approve all accounts for salaries, per diems, allowable expenses of Dirigo Health or of any employee or consultant and expenses incidental to the operation of Dirigo Health; and
- E. Perform other duties prescribed by the board to carry out the functions of this chapter.

M.R.S.A 22 §8703 requires that the Executive Director of Dirigo Health, or a designee of the executive director who is an employee of Dirigo Health, shall serve as a voting member of the Maine Health Data Organization (MHDO) Board of Directors.

DHA operates under the supervision of a **Board of Trustees**. The composition of the Board is described in section §6904 of the governing statute:

1. Appointments. The board consists of 9 voting members and 4 ex officio, nonvoting members as follows.

A. The 9 voting members of the board are appointed by the Governor, subject to review by the joint standing committee of the Legislature having jurisdiction over health insurance matters and confirmation by the Senate in accordance with this paragraph.

(1) Five members qualified in accordance with subsection 2-A, paragraph A are appointed by the Governor.

(2) One member qualified in accordance with subsection 2-A, paragraph A is appointed by the Governor and must be selected from candidates nominated by the President of the Senate.

(3) One member qualified in accordance with subsection 2-A, paragraph B is appointed by the Governor and must be selected from candidates nominated by the Speaker of the House.

(4) One member qualified in accordance with subsection 2-A, paragraph B is appointed by the Governor and must be selected from the candidates nominated by the Senate Minority Leader.

(5) One member qualified in accordance with subsection 2-A, paragraph B is appointed by the Governor and must be selected from candidates nominated by the House Minority Leader.

B. The 4 ex officio, nonvoting members of the board are:

(1) The Commissioner of Professional and Financial Regulation or the commissioner's designee;

(2) The Director of the Governor's Office of Health Policy and Finance or the director of a successor agency;

(3) The Commissioner of Administrative and Financial Services or the commissioner's designee; and

(4) The Treasurer of State or the treasurer's designee.

Board Members and Terms

Member	Term Expires
Jonathan S.R. Beal, Chair Attorney	11/02/2012
Joseph Bruno VP & CEO, Community Pharmacies Managing Partner, Moosehead Furniture	09/03/2011
Edward David, MD, JD Deputy Chief Medical Examiner State of Maine	11/02/2011
Sara Gagne Holmes Executive Director Maine Equal Justice Partners	09/03/2011
Mary E. McAleney Former District Director US Small Business Administrations' Maine District Office	11/02/2012
Frank O'Hara Co-owner of Planning Decisions, Inc.	11/02/2010
Gary Reed Retired, SD Warren	02/03/2013
Marianne Ringel Program Specialist Konbit Sante, Cap Haitien Health Partnership	09/03/2010
Mary Anne Turowski Director of Politics and Legislation MSEA SEIU	11/02/2011
Ex Officio Members	
Commissioner of Professional and Financial Regulation Ann Head	
Director of the Governor's Office of Health Policy and Finance Trish Riley	
Commissioner of Administrative and Financial Services Ellen Schneider	
Treasurer of State David Lemoine	

DHA's quality responsibilities are described in section §6951 of its governing statute, which defines the **Maine Quality Forum (MQF)**. The MQF is guided by **The Maine Quality Forum Advisory Council (MQF-AC)**. The composition of the MQF-AC is described in section §6952 of the governing statute:

1. Appointment; composition. The Governor shall appoint the following members with the approval of the joint standing committee of the Legislature having jurisdiction over health and human services matters:

A. Seven members representing providers, including 3 physicians, one registered nurse, one representative of hospitals, one mental health provider and one health care practitioner who is not a physician. The 3 physician members must represent allopathic physicians, osteopathic physicians, primary care physicians and specialist physicians;

B. Four members representing consumers, including one employee who receives health care through a commercially insured product, one representative of organized labor, one representative of a consumer health advocacy group and one representative of the uninsured or MaineCare recipients;

C. Four members representing employers, including one member of the State Employee Health Commission, one representative of a private employer with more than 1,000 full-time equivalent employees, one representative of a private employer with 50 to 1,000 full-time employees and one representative of a private employer with fewer than 50 employees;

D. One representative of a private health plan; and

E. One representative of the MaineCare program.

MQF Advisory Council Members and Terms

Type	Name	Title/Organization	City/Town Residence	Term Expires
Non-Physician Provider	Kathy Boulet, DC	Chiropractor	Lewiston	12/08/11
Physician/Primary Care	Janice Wnek, MD	MHMC's Pathways to Excellence Project	Brunswick	12/08/13
Physician/Osteopathic	Dr. Steven Gefvert, DO	Retired Gastroenterologist	Cumberland	12/08/13
RN	Susan Henderson	St. Joseph's College	South Portland	12/08/13
Consumer/Employee with Commercial Coverage	Rebecca Martins	Patient Advocate	Warren	12/08/13
Consumer/Organized Labor	James Case	Attorney	Topsham	12/08/13
Consumer/Consumer Health Advocacy	Lisa Miller, MPH	Senior Program Officer, The Bingham Program	Somerville	12/08/13
Consumer/Uninsured/Maine/Care	David White	Consumer Advocate	Bar Harbor	12/08/11
Employer/Private Employer (Large Business)	Frank Johnson	Executive Director, State Employee Health Insurance	Augusta	12/08/12
Employer/Private Employer (Large Business)	Vacant			12/08/11
Employer/Private Employer (<50)	Peter Schultz	Dirigo Stitching, Inc.	Rome	12/08/13
Health Plan Representative	Jeffrey Holmstrom, DO	Medical Director, University Health Care	Saco	12/08/13
MaineCare	Roderick Prior, MD	Medical Director, MaineCare	Farmington	12/08/11
Physician/Specialist	Robert Keller, MD Chair	Consultative Spine Care	Northport	12/08/12
Mental Health Provider	Paul Tisher, MD	VP & Chief Medical Officer, Acadia Hospital	Bangor	12/08/10
Employer/Private Employer (50-1,000)	Elizabeth Mitchell	Maine Health Management Coalition	Portland	12/08/13
Hospital	Douglas Salvador, M.D.	Maine Medical Center	Cape Elizabeth	12/08/12

DHA operates the Part-Time Worker Coverage Voucher Program under the guidance of a Business Advisory Group. The members of the Group are:

Mollie Baldwin, Home Care for Maine
Dan Bernier, Phillips & Bernier
Joe Bruno, Community Pharmacies
Alan Cardinal, Hannaford
Lee Centeno, Anthem
Scott Davis, Maine Primary Care Association
Michael Deschaine, Cross Insurance
Joe Ditre, Consumers for Affordable Health Care
Robert Downs, Universal American / Advisory Council on Health Systems Development
Pat Eltman, Director of Tourism, State of Maine
Richard Erb, Maine Health Care Association
Peter Gore, Maine Chamber of Commerce
Sara Gagne Holmes, Maine Equal Justice
Edward Kane, Harvard Pilgrim Health Care
Keith E. Kolodgie, Maine Medical Center
Mila Kofman, Bureau of Insurance, State of Maine

Funding and Expenses

DHA does not receive any revenue from the General Fund.

Funding for the Agency's programs comes from the following sources:

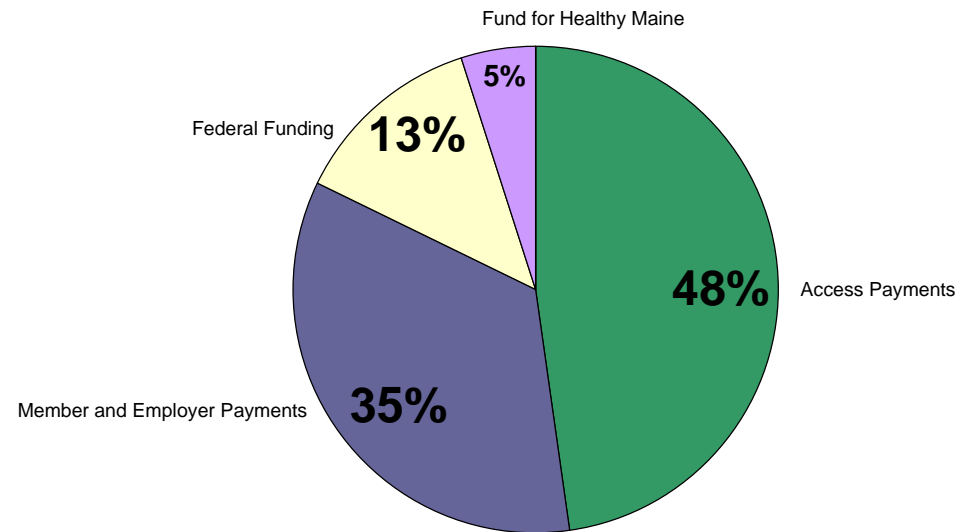
Access Payments – an assessment of 2.14% on all claims paid by health insurance carriers, 3rd-party administrators, and employee benefit excess insurance carriers. Section §6917 of the governing statute describes Access Payments.

Employer and Member Payments – Program participants pay some portion of their health insurance coverage costs, depending on their financial situation.

Healthy ME – The Legislature has determined that a portion of the tobacco settlement funds described in M.R.S.A. 22, Chapter 260-A are to be used for funding the Agency's programs.

Federal Funding – DHA receives federal funding to for a number of its programs, including PCIP and the Part-Time Coverage Voucher program.

Grants – DHA has won several competitive grants from other non-profit and private sector entities that are seeking to further coverage and quality improvement initiatives.

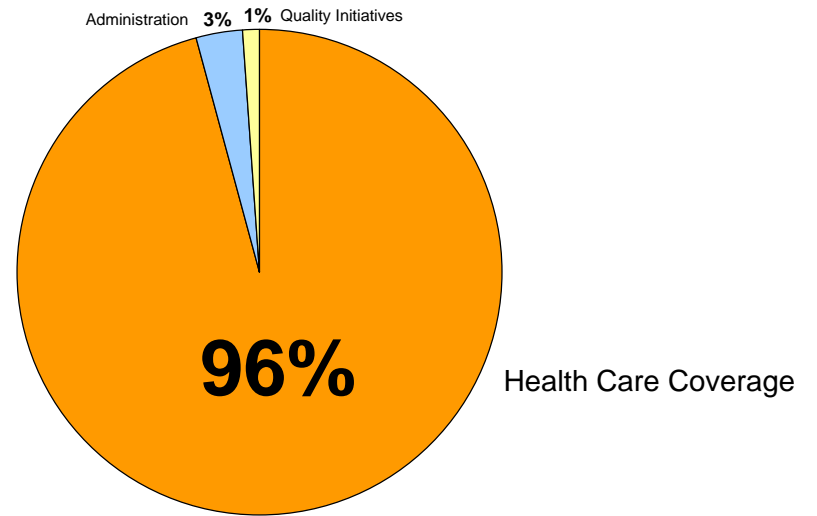


DHA has expenses that fall into the following categories:

Coverage – the amount paid to private insurance companies or to Medicaid to insure program participants.

Quality – the amount paid to vendors and consultants to support the Agency’s initiatives to improve health care quality and safety in the state.

Administration – the amount paid to staff and contractors, as well as expenditures for rent, office supplies, and shared services (e.g., computers, phone, and accounting).



Budget Information

State Fiscal Years 2011 – 2013.

FY 2011 represents the current Budget. FY 2012 and FY 2013 represent the proposed Agency Budget, approved unanimously by the Board of Trustees on August 9, 2010.

Item	2011	2012	2013	
Employer & Individual Premium Payments	\$ 29,700,000	\$ 35,265,747	\$ 35,837,198	<ul style="list-style-type: none"> • Premium Payments represent the amount paid by DirigoChoice Employers and Individuals for the DirigoChoice insurance coverage with Harvard Pilgrim Health Care (HPHC). • Monthly HPHC bills DirigoChoice small groups, individuals and self-employed members. • DirigoChoice members send their payments to the DHA • DHA adds its portion of the premium (subsidy) to the member payments and forwards the total payment to Harvard Pilgrim Health Care. <p>Assumption: The 19% increase in SFY12 over SFY11 projections represents a membership base that is fully ramped up with a 3.5% increase in premium; 2% increase in premium SFY13 and flat membership over 2012.</p>
DirigoChoice Membership Fees	\$ 700,029	\$ 857,407	\$ 857,407	<p>Monthly Fees are:</p> <ul style="list-style-type: none"> • Individual / Self-Employed: \$12.50 • Businesses from 2-9 employees: \$12.50 (per business) • Businesses from 10-24 employees: \$20.83 (per business) • Businesses from 25-50 employees \$29.17 (per business) <p>Assumption: Flat year to year as plan maintains membership levels.</p>
HRSA Grant	\$ 6,420,000	\$ 8,329,880	\$ 8,329,880	Federal funds to pay for voucher program.
Other Grants	\$ 72,500			<p>Assumption: Assumes year 3 and 4 renewal.</p>
Access Payments	\$ 42,099,996	\$ 43,565,936	\$ 45,066,646	<p>MRSA 24-A §6917 - All health insurance carriers, 3rd-party administrators and employee benefit excess insurance carriers shall pay an access payment of 2.14% on all paid claims.</p> <p>Assumption: Budget assumes an annual 3.4% increase in paid claims base.</p>
Allocation of Healthy ME Funding PL 2007 629	\$ 4,441,791	\$ 4,291,311	\$ 4,291,311	<p>PL 2007, Ch 629 established an ongoing allocation to the Agency from the Fund for Healthy Me in the amount of \$5 M each year.</p> <p>Assumption: Because of an anticipated reduction in revenue in the fund for Healthy Maine the allocation to DHA has been adjusted downward from SF11 projection by 3%.</p>
Pre-Existing Condition Funding	\$ 4,857,143	\$ 4,857,143	\$ 4,857,143	<p>Federal funds to offset projected payments to HPHC for claims that exceed a 90% medical loss ratio for the identified population.</p> <p>Assumption: \$17M funding over 42 months</p>
Totals	\$ 88,291,459.00	\$ 97,167,424	\$ 99,239,585	

Proposed Budget Expense Detail

Item		2012	2013	
				<p>There are 13 state budgeted positions. 10 of the 13 positions are filled. Refer to Organization chart on page 6.</p> <p>Staff costs represent 1.36% of the Agency's total expenses in FY 2012 and 1.37% of the Agency's total expenses in FY 2013</p> <p>State assumptions reflect projected increases for benefits and any applicable merit increases.</p> <ul style="list-style-type: none"> • 8% increase in employee health insurance • 4% increase in dental. • Worker's Compensation increases are not yet determined. • Merit increases were frozen in the 2010-2011 biennium. The Legislature and Governor will determine if merit increases will be included in the next budget.
Staff	\$ 1,360,020	\$ 1,321,204	\$ 1,361,436	
Board Stipend	\$ 8,400	\$ 8,400	\$ 8,400	<p>Assumption: 7 members collecting per diem at \$100 per meeting for 12 meetings per year. (included in Other Operating Costs in above roll up)</p>
Contracts	\$ 759,806	\$ 1,057,897	\$ 984,822	<p>Includes contracts for HRSA grant activities as well other DHA contracted services.</p> <p>Assumption: SFY12 is a 3% increase over SFY11 and 6% reduction in SFY13.</p>
Other Operating	\$ 548,995	\$ 432,720	\$ 414,118	<p>Includes, rent, travel, Board stipends, training, insurance, postage, office supplies, utilities, technology, etc.</p>
Quality	\$ 1,072,500	\$ 1,000,000	\$ 1,000,000	<p>Consulting and project costs associated with improving health care quality and safety.</p>
DirigoChoice Subsidy	\$ 37,100,000	\$ 38,827,944	\$ 39,457,117	<p>Private health insurance coverage offered through Harvard Pilgrim Health Care. Qualifying enrollees receive subsidies to help pay for their coverage</p> <p>Includes HCTC members. HCTC is a federal program that the Agency administers that helps workers who have lost their jobs because of trade with foreign countries enroll in DirigoChoice</p> <p>Assumptions: Budget assumes a 19% increase in subsidy costs in SFY12 over SFY11 b/c no prior period obligations with a 3.5% increase in premium; 2% premium increase in FY 2013 with flat membership.</p>
Employer & Individual Premium Payments	\$ 29,700,000	\$ 35,265,747	\$ 35,837,198	<p>Premium Payments is the portion of the Premium charged by HPHC that the DirigoChoice members are responsible for.</p> <p>The Member premium payments (revenue) match the Member Premium Costs (expense).</p> <p>Assumptions: The 19% increase in SFY12 over SFY11 projections represents a membership base that is fully ramped up with a 3.5% increase in premium; 2% increase in premium SFY13 and flat membership over 2012.</p>
Expansion Parents	\$ 5,100,000	\$ 5,460,163	\$ 6,383,145	<p>Parents between 150% - 200% of federal poverty (\$31,800 - \$42,400 for a family of four) that the Agency provides state share for.</p>

				<p>Assumptions:</p> <p>Match rates provided by DHHS for the period are 62.79% FY 12 and 62.65% FY 13.</p> <p>Budget assumes a monthly 1.2% increase in membership consistent with past 18 month experience.</p>
Voucher Program	\$ 7,474,206	\$ 8,936,206	\$ 8,936,206	<p>Program to assist uninsured, part-time or seasonal, low-income, employees purchase their employer's insurance.</p> <p>Assumptions:</p> <p>Assumes Year 3 and 4 grant approval. Voucher subsidies include \$1.4 million of DHA funding.</p>
Pre Existing Condition Insurance Plan	\$ 4,857,143	\$ 4,857,143	\$ 4,857,143	<p>Program for individuals who have been uninsured and have been diagnosed with certain medical conditions (100% Federally funded).</p>
Totals	\$ 87,781,070	\$ 97,167,424	\$ 99,239,585	

Health Coverage

DHA's portfolio of coverage options:

Plan	Description and Contractual Arrangements	Who Can Enroll	Who Pays?
DirigoChoice (DC)	<p>Private health insurance coverage offered through Harvard Pilgrim Health Care (HPHC). Qualifying enrollees receive subsidies to help pay for their coverage. There are three plans with varying deductibles (\$1,250, \$1,750, \$2,500) and out-of-pocket limits. The coverage is available both with and without subsidies.</p> <p>DHA and HPHC have a contract through September 30, 2013, to provide DirigoChoice. The contract provides for a one year renewal.</p>	<ul style="list-style-type: none"> • Small Businesses (fewer than 50 employees) • Sole Proprietors • Eligible Individuals 	<ul style="list-style-type: none"> • Employers • Members • DHA
Pre-Existing Condition Insurance Plan (PCIP)	<p>Part of the Affordable Care Act that helps individuals who have been uninsured and have been diagnosed with certain medical conditions enroll in DirigoChoice.</p> <p>DHA and the US Department of Health & Human Services have a contract through December 31, 2013 to provide the PCIP program.</p>	Individuals who have been uninsured for six months, who have been diagnosed with certain medical conditions, and who are US citizens, nationals, or lawfully present in the US.	<ul style="list-style-type: none"> • Members • Federal Government
Health Coverage Tax Credit (HCTC)	<p>A federal program that DHA administers that helps workers in Maine who have lost their jobs because of trade with foreign countries enroll in DirigoChoice.</p> <p>DirigoChoice is Maine's Certified HCTC Plan with the federal government.</p>	Individuals who are Receiving Trade Adjustment Assistance (TAA) benefits - including Reemployment or Alternative TAA or who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC) and who are 55 years or older	<ul style="list-style-type: none"> • Members • DHA • Federal Government
Part-Time Worker Coverage Voucher	<p>Provides financial assistance to help part-time and seasonal, currently uninsured workers participate in their employer's health insurance plan.</p> <p>The Voucher program is supported through a federal grant from the Health Resources and Services Administration (HRSA). The grant is renewable for an additional three years.</p>	Part-time or seasonal workers who have been uninsured for 90 days prior to the effective date of the employer's sponsored coverage and whose household income is less than 300% of the federal poverty level (\$32,490 for a single and \$66,150 for a family of four). The worker's assets must be under \$60,000 for a household of 1 and under \$120,000 for a household of 2 or more.	<ul style="list-style-type: none"> • Members • Employers • Federal Government
Parent Expansion	<p>Low or no cost health coverage for qualifying parents of children under 18.</p> <p>DHA and the State Department of Health and Human Resources operate under a Memorandum of Understanding.</p>	Parents of children under 18 whose household income is between 151% and 200% of the federal poverty level (\$33,075 - \$44,100 for a family of four).	<ul style="list-style-type: none"> • DHA • Federal Government

DirigoChoice Details

What is DirigoChoice?

DirigoChoice is a commercial health insurance PPO (Preferred Provider Organization) plan with comprehensive benefits, including:

- Childhood Immunizations
- Routine Preventive Care covered at 100% (includes wellness screenings)
- No Pre-existing condition exclusions
- Mental Health Parity
- Coverage for inpatient/outpatient services
- Coverage for Prescription Drugs (\$10.00 copayment for up to 30 day supply of generic drugs)
- Coverage for Smoking Cessation
- No Lifetime Maximum
- Care Management programs for asthma, diabetes, coronary artery disease (CAD), congestive heart failure (CHF), and chronic obstructive pulmonary disease (COPD).

Who is eligible to enroll in DirigoChoice?

- Small Businesses (2-50 employees)
- Self employed of one
- Individuals who:
 - Are unemployed
 - Work for a Small Business that does not offer insurance
 - Own a Small Business but cannot get enough employees to join a Small Group plan
 - Work less than 20 hours a week for any single employer
 - Are early retirees whose employer does not contribute to health benefits

Who is eligible for a subsidy?

Subsidy eligibility is based on household income, household size, and household assets as summarized below:

Income

- Applicant gross wages, tips and salaries (before any deductions)
- Spouse or domestic partner gross wages, or tips and salaries (before any deductions)
- Net self-employment income (gross receipts minus allowable business expenses)
- Investment income (dividends from stocks, bonds, annuities, trusts, mutual fund shares)
- IRA and 401K distributions
- Pensions and annuities
- Net rental income (gross rents minus allowable expenses), royalties, trusts, etc.
- Unemployment compensation
- Social Security
- Gross child support and/or alimony received

Assets

- Accounts, such as personal checking/savings, CDs, stocks, bonds, mutual funds, and annuities. Educational and retirement accounts are not counted.
- Vehicles, including automobiles, boats, motorcycles, snowmobiles, and ATVs. Applicants' primary vehicle is not counted.
- Real Estate, including second homes, camps, and land. Applicants' primary residence is not counted.
- Lump Sum Payments such as gifts, inheritances, lottery winnings, and insurance settlements

How much subsidy do members receive?

DirigoChoice subsidies are based on a sliding scale of five (5) levels, B, C, D, E, and F.

The greatest subsidy, Level B, is based on incomes below 150% of the Federal Poverty Limit (about \$16,245 for a single applicant and \$33,075 for a family of four) and assets below \$15,000 for a single applicant and \$30,000 for a family.

Applicants with incomes over 300% of FPL (about \$32,490 for a single applicant and \$66,150 for a family of four) and/or assets over \$60,000 for a single applicant and \$120,000 for a family are not eligible for any subsidy and are considered Level F.

The amount of subsidy each enrollee receives depends on:

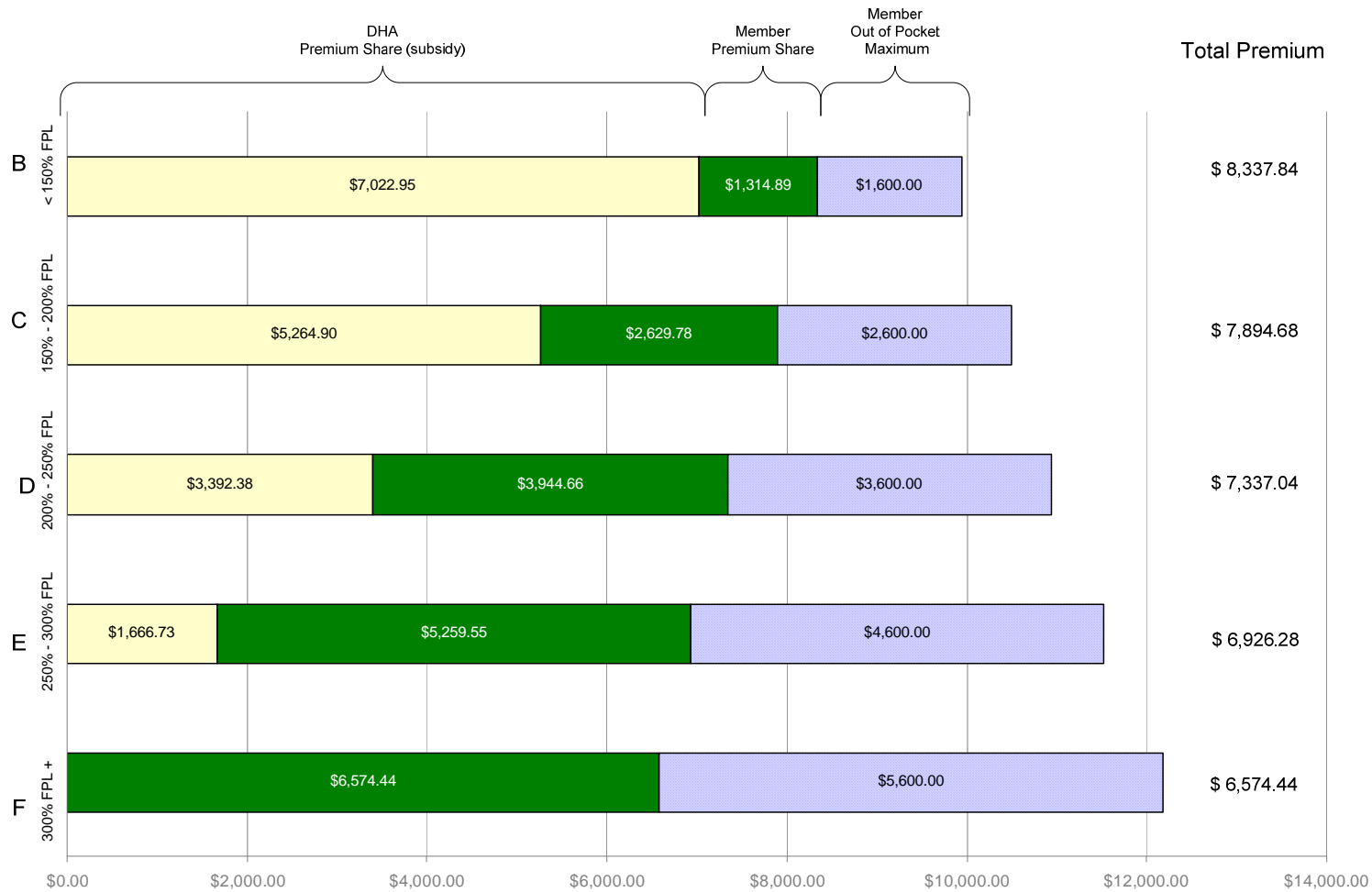
- the subsidy level he or she is eligible for
- whether the enrollee has enrolled as an Individual, a Self-Employed of One, or a Small Group Enrollee
- the number of dependents the enrollee has included on his or her policy

Subsidy is illustrated in greater detail below. In aggregate, DHA pays 45% of the total cost of DirigoChoice and Employers / Members pay 55% (based on October 2010 billing cycle).

How the DirigoChoice Sliding Scale Subsidy Works

The following chart illustrates the total DirigoChoice premium and potential costs to both members and to DHA for each subsidy level under the \$1,750 Plan. Plans with lower out-of-pocket limits have higher premiums. Out-of-pocket costs include member plan deductible and co-insurance payments.

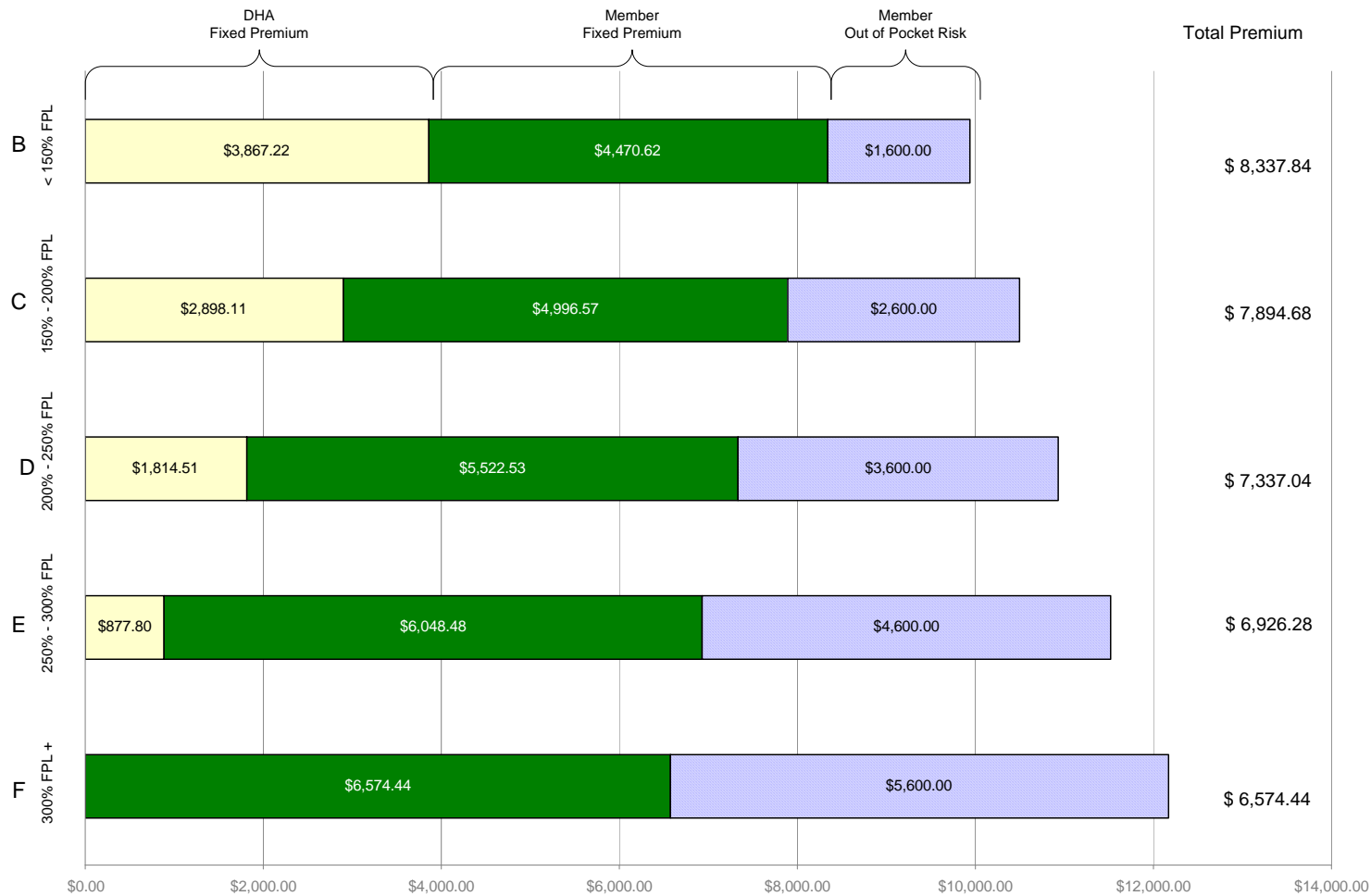
Individuals – Annual Cost, Single Enrollment



Annual costs based on single enrollment, Q4 unadjusted 2010 rates.

The following chart illustrates the total DirigoChoice premium and potential costs to both members and to DHA for each subsidy level under the \$1,750 Plan. Plans with lower out-of-pocket limits have higher premiums. Out-of-pocket costs include member plan deductible and co-insurance payments.

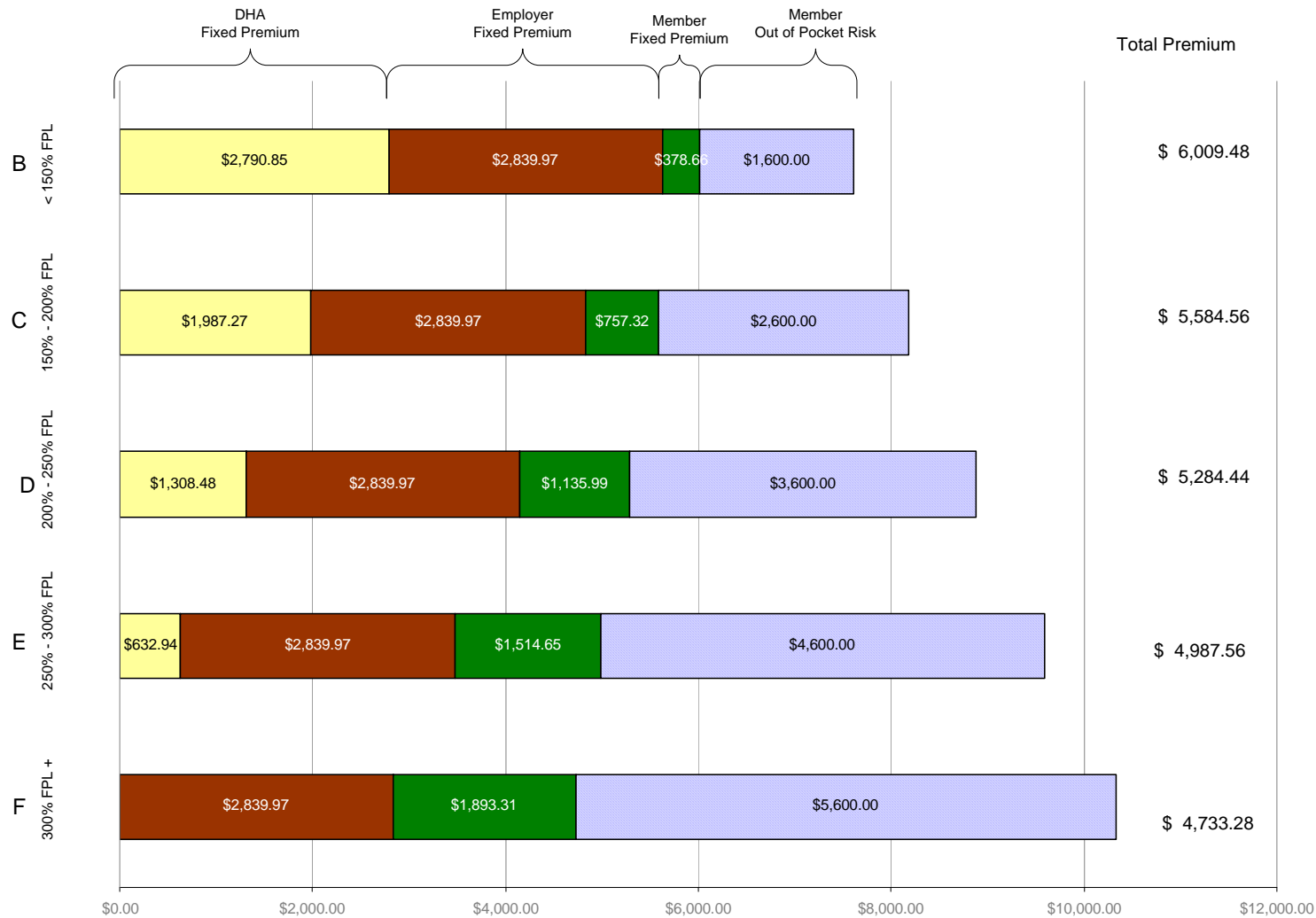
Self Employed of One – Annual Cost, Single Enrollment



Annual costs based on single enrollment, Q4 unadjusted 2010 rates.

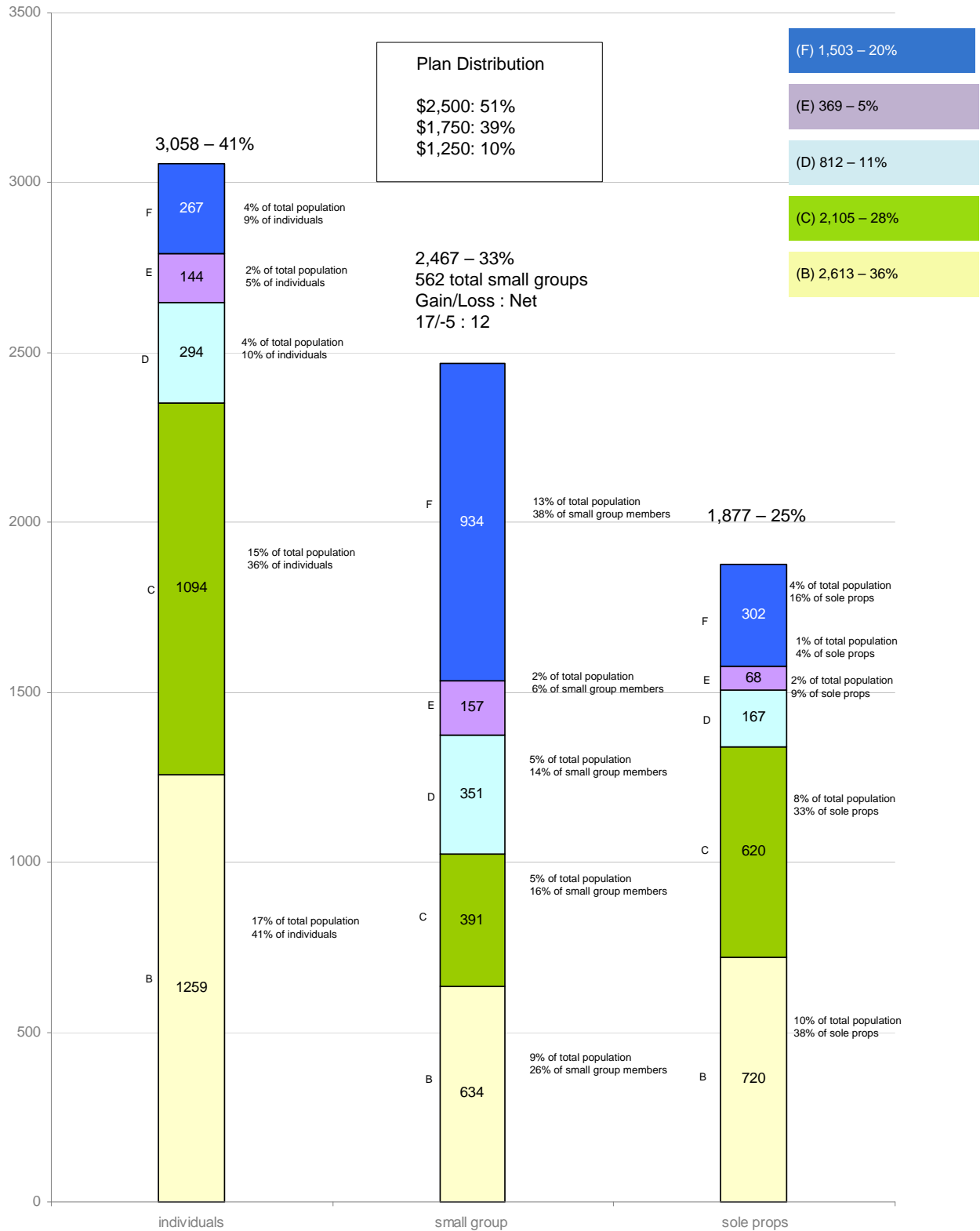
The following chart illustrates the total DirigoChoice premium and potential costs to both members and to DHA for each subsidy level under the \$1,750 Plan. Plans with lower out-of-pocket limits have higher premiums. Out-of-pocket costs include member plan deductible and co-insurance payments.

Small Group Enrollees – Annual Cost, Single Enrollment



Annual costs based on single enrollment, Q4 unadjusted 2010 rates.

DirigoChoice Enrollment Breakout – October 2010



Program Changes 2009 - 2010

Chapter 359, section 6 of the Public Laws of 2009 required the Dirigo Board of Trustees to do the following as it relates to Dirigo Health:

1. Develop products, procedures. Develop more affordable products and procedures that can reach uninsured and underinsured residents of the State to reduce uncompensated care;
2. Maximize federal initiatives. Use subsidies to maximize federal initiatives, including Medicaid and any national health reform;
3. Asset tests. Determine the impact of asset tests on determining eligibility;
4. Voucher program. Consider offering a voucher based program to provide health insurance benefits; and
5. Redesign. Redesign the DirigoChoice product or products.

After months of deliberations the DHA Board unanimously agreed to the following policy modifications, eligibility revisions, and strategic program growth:

Health Coverage Tax Credit (HCTC) Recipients:

The Agency will only subsidize member deductibles and out of pocket maximums dependent on income and asset level.

Medicare Recipients:

DirigoChoice members who turn 65 and or are over age 65 and eligible for Medicare are no longer eligible to receive a subsidy.

MaineCare (Medicaid):

DirigoChoice applicants and renewing members who wish to apply for the highest subsidy level (80%) will be required to submit proof of denial of MaineCare coverage to DHA in order to receive the 80% subsidy.

Social Security Recipients:

Social Security Administration and Railroad Retirement received by DirigoChoice applicants and renewing members is now counted as income.

Assets Counted In Subsidy Determination:

DirigoChoice applicants and renewing members are required to provide asset information in addition to income to qualify for a subsidy. The subsidy determination will be based on a sliding scale methodology using asset and income information.

Part-Time Worker Voucher Program

DHA developed a voucher program for part-time workers to purchase their employers' health insurance through a HRSA grant. The HRSA grant includes consulting assistance to evaluate the feasibility of a Medicaid waiver and staff continues to monitor the potential impact of any national reform.

2010 DirigoChoice Rates

On October 7, 2010, DHA announced that based on the rate filings with the Bureau of Insurance there would be no increase in non-group base premium rates for January 1, 2011, even while its competitors' premiums are rising by double digits.

On November 8, 2010, DHA announced that based on the rate filings with the Bureau of Insurance there would only be a 2% increase in small group base premium rates for January 1, 2011, even while most of its competitors' premiums are rising by double digits.

Health Quality

DHA / MQF monitors and reports on provider performance using measures of care quality and patient safety, promotes evidence-based care, and assesses new technologies.

In FY 2010 - 2011, DHA / MQF:

- convened an advisory group of stakeholders per a Legislative Resolve passed by the 124th Legislature to study implementation of shared decision making;
- continued to support the Patient Centered Medical Home Pilot, an initiative to test for improved quality and cost outcomes when primary care physicians are reimbursed to provide a coordinated care model.;
- developed a **Methicillin-Resistant Staphylococcus Aureus (MRSA)** prevalence study protocol implemented in all Maine hospitals in January 2010. The results of this study will be available to the public in December, 2010;
- assisted the Department of Health and Human Services in the review of three Certificate of Need (CON) applications.

DHA / MQF is currently planning or implementing the following projects:

- Patient Centered Medical Home Pilot - Continued support for the initiative. Based on this work, on November 16th, 2010 CMS selected Maine as one of eight states to participate in the Multi-Payer Advanced Primary Care Demonstration. DHA will enter into a co-operative agreement with CMS to administer this demonstration project.
- Physician Practice Level Claims Analysis - Analysis of the cost and quality of primary care practices and specialists
- Patient Experience of Care Survey - Survey of the patients of primary care physicians and specialists used to gauge the quality of care from the patient perspective.
- Web Development - Work relating to Chapter 350 (consumer web access to quality and cost information) as well as further development to improve accessibility to the Quality Forum site.
- Implementation of designated tasks from the State Health Plan - designing and convening at least two learning collaboratives representing public health, clinicians, policy makers, free clinics, and others whose responsibilities impact the priority area to discuss the determinants, risk factors, clinical guidelines and improvement strategies for impacting preventable hospitalizations and comparing Maine's patient safety achievements with national metrics, such as those used by the National Committee for Quality Assurance

DHA and National Health Reform

DHA has developed and implemented many of the operational capacities required for Individual and SHOP (small group) Exchanges under the Affordable Care Act.

DHA's Executive Director serves on the Health Reform Implementation Steering Committee established to implement National Health Reform in Maine.

The following chart illustrates the responsibilities of the Exchange and what capacities DHA has today.

Key Exchange Functions	DHA
Eligibility	
Determine Public Program	
Determine Subsidies for Private Insurance	X
Determine Employer Vouchers	
Determine Employee Vouchers	X
Determine Affordability Waiver	
Determine Affordability Exemption	
Determine Employer Access	X
Refer Applicants to Other Programs	X
Benefit and Plan Interaction	
Contract with Carriers	X
Standardize Benefit Categories	
certify Qualified Health Plans	X
Reward Quality Through Market Based Incentives	
Assign Quality Rating To Plans	
Conduct Risk Adjustment	X
Customer Service	
Call Center	X
Enroll Individuals	X
Enroll Businesses	X
Maintain Website With Cost and Quality Information	X
Provide Cost Calculator	X
Premium Payment and Collection	
Pay Brokers	X
Manage Navigator Program	
Pay Premiums to Carriers	X
Aggregate Premium From Multiple Sources	X

Source: Bailit presentation to Executive Steering Committee on Health Reform and the Advisory Council for Health Systems Development