

Dirigo Health Agency Press Release

CONTACT: Karynlee Harrington 287-9900
(Cell) 446-0890

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FOR IMMEDIATE RELEASE

Dirigo Health Agency Announces No Increase in Premium Rates for Jan 1, 2011

Augusta – The Dirigo Health Agency, which recently re-opened enrollment in DirigoChoice, announced today that it will not raise its rates in the non group market in January even while its competitors' premiums are rising by double digits. DirigoChoice is offered by the non-profit Harvard Pilgrim Health Care.

"This is good news for our members especially in this challenging economy", said Jonathan Beal, Chair of the Dirigo Board of Trustees. "In addition to no increase in the premium, because of the Affordable Care Act, members will no longer have to pay out of pocket for preventive services and members who need durable medical equipment like wheelchairs will pay less out of pocket for those services", said Beal.

"DirigoChoice has achieved these competitive rates because of positive experience in its pool of individuals. DirigoChoice offers its members better coverage for preventive care, prescription drugs, and mental health services than is generally available in the market and that matters in keeping people healthier", said Karynlee Harrington, Executive Director of DHA. Under the Affordable Care Act this same approach will become the national standard when states establish health insurance exchanges.

The Bureau of Insurance reports that it approved a 14.1% increase in the non-group market for Anthem Blue Cross and Blue Shield of Maine and a 10% increase for Mega Life. Each of these carriers had initially requested higher rate increases. "In comparison, DirigoChoice's 0% increase demonstrates the value of this program," Beal added. Consistent with how premiums are developed in the non-group market, all carriers increase rates slightly based on age. Similarly, DirigoChoice premium rates may increase if a member has moved into an older age band.

Harvard Pilgrim spends about 90 cents of every DirigoChoice premium dollar on healthcare. The remaining 10 cents are spent on administrative costs including disease management, wellness programs, and customer service.

"Harvard Pilgrim is committed to serving the people of Maine and we are honored to partner with the Dirigo Health Agency to offer affordable health care solutions to the individual market throughout the state," said Ed Kane, Harvard Pilgrim's VP, Maine. "As a non-profit health plan, Harvard Pilgrim shares the Dirigo Health Agency's goal to reduce costs and improve quality and access to care for Maine's residents."

Today DirigoChoice represents approximately 16% of the non-group market in Maine, bringing competition to the State. The Agency's funding will allow an additional 1,500 individuals and their families to be covered by DirigoChoice. The program provides an important bridge to national reform which will provide affordable coverage to most Mainers in 2014.

For more information about Dirigo coverage options, visit www.dirigohealth.maine.gov or call DHA at 1-877-892-8391.