

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

IN RE: REVIEW OF AGGREGATE)
 MEASURABLE COST SAVINGS)
 DETERMINED BY DIRIGO) PART I:
 HEALTH FOR THE FOURTH)
 ASSESSMENT YEAR) DECISION AND ORDER
)
 Docket No. INS-08-900)

Superintendent of Insurance Mila Kofman determines that extraordinary circumstances exist for the issuance of a two-part decision due to the time constraint imposed by statute requiring me to decide the above-captioned proceeding by September 23, 2008. *See* 24-A M.R.S.A. § 6913(1)(C); *see also* Insurance Rule Chapter 350(18). As established by Chapter 350(18), the first part of my decision shall plainly state the result of the decision, specify the orders made by me, and summarize the factual conclusions reached. The second part shall contain the full statement of findings of fact made by me as the basis for my decision. The second part shall be issued as soon after the issuance of the first part as possible, but in no case later than September 30, 2008. The time for taking an appeal from my decision issued in two parts begins to run from the issuance of the second part.

The filing by the Board of Directors of the Dirigo Health Agency (the “Board”) made with me on August 12, 2008 seeks approval of aggregate measurable cost savings in four areas, three categories of savings initiatives and another category labeled “overlap” that is intended to account for savings that are double-counted between certain of the savings initiatives. The table below identifies the four areas, the amount of savings and overlap approved by the Board as contained in its filing, and the amount of savings and overlap that I find to be reasonably supported by the evidence in the record.

SAVINGS INITIATIVES	DIRIGO FILING	AMOUNT FOUND REASONABLY SUPPORTED
Hospital Savings Initiatives	\$119.4 million	\$40 million
Uninsured / Underinsured Savings Initiatives	\$23.6 million	\$6.1 million
Medical Loss Ratio	\$6.6 million	\$6.6 million
Overlap (resulting in a reduction in the savings amount)	\$0	(\$4.0 million)
TOTAL	\$149.6 million	\$48.7 million

The Superintendent hereby ORDERS that the Board’s determination of aggregate measurable cost savings for the fourth assessment year is APPROVED IN PART and that \$48.7 million of aggregate measurable cost savings approved by the Board is found by me to be reasonably supported by the evidence in the record.

PER ORDER OF THE SUPERINTENDENT OF INSURANCE



Dated: September 23, 2008

MILA KOFMAN, Superintendent