

Dirigo Health Agency
Board of Directors
Minutes of Meeting - FINAL
September 14, 2005

The Dirigo Health Agency Board of Directors held a meeting on Wednesday, September 14, 2005. Dr. Robert McAfee, Chair, convened the meeting at approximately 11:30AM in the Dirigo Health Agency Board Room, located at 211 Water Street in Augusta. Other Board members in attendance: Dana Connors, Mary Henderson, Commissioner Rebecca Wyke, Trish Riley and Carl Leinonen. Joining by telephone was Commissioner Christine Bruenn. Also in attendance: Karynlee Harrington, Executive Director of Dirigo Health Agency and Kirsten Figueroa, Fiscal Operations Director.

Agenda: Final Presentations from SOP Workgroup; Board Deliberation; Board Vote

Dr. McAfee opened the meeting with an acknowledgement of a letter received the day before from the Maine State Chamber under Kristine Ossenfort's signature. Dr. McAfee summarized the content of the letter by stating that the Maine State Chamber was notifying the Board that it should hold an Adjudicatory Hearing as required in the law. Dr. McAfee responded to the request by stating that in the first year of the SOP determination the Adjudicatory Hearing is with the Superintendent of Insurance.

Ms. Harrington distributed to Board members a letter received that morning from Consumers for Affordable Health Care addressed to the Chair and members of the Board.

Dr. McAfee then asked the Payor Group if they wanted to present first. A representative from the Payor Group indicated that their presenter was on his way.

Dr. McAfee then asked the Dirigo Group if they were prepared to present. Mr. Schramm from Mercer addressed the Board. Mr. Schramm distributed to the Board a handout titled Summary of Savings Initiatives-Savings Amounts (see attached). He proceeded to review with the Board. Members of the Board asked Mr. Schramm questions as he presented.

Dr. McAfee then asked the Payor Group if they were prepared to present. Mr. Sheils from The Lewin Group addressed the Board. Mr. Sheils distributed to the Board a handout titled Estimated Hospital Savings in First Year of Dirigo Program under Alternative Formulas. He proceeded to review with the Board. Members of the Board asked Mr. Sheils questions as he presented.

Dr. McAfee opened the discussion up to the members of the SOP workgroup for final comments. There was some exchange between Board Members and SOP workgroup members.

The Board then moved into a deliberative session. After careful consideration of the two proposed methodologies, supporting documentation and discussions, a motion was made. As a result of subsequent discussions an amended motion was made. The amended motion, by 3 in favor, 1 opposed vote, was that the Board agreed to determine aggregate measurable cost savings using the Dirigo Group methodology as adjusted to meet concerns of the Payor Group with the following modifications: the budget initiatives are

not to include historical and current settlement amounts or periodic interim payments, except for the time value of money related to the hospital initiatives. For the first year of assessment, the Board has determined that aggregate measurable cost savings are \$136.8 million.

The following items were then discussed and voted on by the Board:

- Definition of paid claims. Motion was made to accept the definition as presented by the SOP workgroup to include the exclusion of out of state claims for Maine residents. Vote: 4 in favor, 0 opposed.
- Additional Deductible option for employers and employees not eligible for a discount. This would not be available for individuals and/or self employed employers. Clarification was made that this option would be available for employers with 10 or more employees. Vote: 4 in favor, 0 opposed.
- Asset Test for Groups B-E. Clarification was made that this asset test is consistent with MaineCare with the following exceptions: self-declaration, Dirigo Health Agency will exclude education and retirement savings. Vote: 4 in favor, 0 opposed

The next Board meeting was scheduled for October 5, 2005 at 1pm at the Dirigo Health Agency. There were no other comments from the public. There were no other matters discussed. Dr. McAfee motioned, the Board seconded, to adjourn at 2:40PM.