

**Dirigo Health Agency
Board of Trustees
Minutes of Meeting
March 24, 2008**

The Dirigo Health Agency Board of Trustees held a meeting on Monday, March 24, 2008. Dr. Robert McAfee, Chair, convened the meeting at 1:07 PM in the Dirigo Health Agency Board Room, located at 211 Water Street in Augusta. Other Board members in attendance: Jonathan Beal, Mary Anne Turowski, Edward David, David Lemoine, and Trish Riley. Also in attendance: Karynlee Harrington, Executive Director of the Dirigo Health Agency, William Kilbreth, Deputy Director of the Dirigo Health Agency, and Dr. Josh Cutler, Director of the Maine Quality Forum.

Legislative Update-Trish Riley

Ms. Riley stated that there have been nominations from the Senate President for the Board. They are hoping to get this finalized in this session.

Ms. Riley explained that LD 2247 is a bill for individual market reform, financing for Dirigo, and continuation for the parents. At the hearing there was testimony in favor from Rep. Pingree, Sen. Mitchell, Harvard Pilgrim Health Care, AARP, Consumers for Affordable Healthcare, Maine People's Alliance, and a number of DirigoChoice members. Anthem and the Association of Health Plans are neutral and the Chamber is opposed.

The Governor's position is that this is the right bill but at the wrong time because of the budget. He was very concerned about getting the budget through first before action is to be taken on the Dirigo bill. The Governor supports the program and the notion of the tobacco tax as part of the bill.

The budget is now through Appropriations and the goal is to get it done by the 31st of March. They will then adjourn and come back. The Dirigo bill would be part of the deliberations in a special session.

This bill was passed out of committee by a divided report of 6-4-5 with all Republicans opposed and 1 opposed with an amendment by Sen. Sullivan. Sen. Sullivan's amendment would mirror the pylon high-risk pool bill. Rep. Conover was absent. There were also a couple of technical corrections that were amendments to the bill that included consumer education by the Bureau of Insurance, issues around geographic ratings, clarification of tobacco legalization, and the technical correction to the pooling of the dollars of the program are 20% of new dollars.

Ms. Riley added that there has been positive editorial support in the Portland Press Herald, Bangor Daily, and the Times Record in Brunswick. Dr. McAfee asked if there has been greater support for the insurance piece of the bill.

Ms. Riley responded that it is clearly viewed as a comprehensive bill. The Republicans are more interested in a high-risk pool. The Chair's proposal is to keep a 1.7% surcharge for Dirigo that would decline over time. Many businesses and individuals stated how important the program is to them.

Dr. McAfee asked for some assurance that this bill is viable.

Ms. Riley responded that Majority Leaders Rep. Pingree and Sen. Mitchell are very committed to this and they understand the urgency and situation of this bill.

The State Health Plan is moving along well and it goes to the Advisory Council on March 28, 2008 and will be finalized with the cost-driver study sometime before April.

The capital investment fund is set annually by the Governor's Office of Health Policy and Finance and a final determination is due by April 29, 2008. The Advisory Council has advised to add \$1 million to the fund but the hospitals have asked for more to incorporate all 3 projects that are now under review. The Advisory Council's recommendation is to keep it where it is.

The Health and Human Services Committee in reviewing the bill from Sen. Diamond to repeal the capital investment fund which was killed but has asked the Governor's Office of Health Policy and Finance to reconsider the limit for this year because if all 3 hospital projects get approved they will need to be funded.

Vincent Conti has resigned from his post as President at Maine Medical Center. MaineHealth and Maine Medical Center are now talking about merging.

Dr. McAfee asked if there are anymore cuts to MaineCare that will affect Dirigo.

Ms. Riley responded that there have been some cuts that have been restored and there are no cuts that will directly affect Dirigo.

Maine Quality Forum Update-Dr. Josh Cutler

Dr. Cutler presented the current projects of the Maine Quality Forum to the Board.

- Data Collection and Reporting
 - Discharge Data and website
 - Paid Claims Data and Health Dialog Project
 - Hospital reported Performance Indicators (Chapter 270)
- Healthcare Associated Infections
- Advanced Medical Home Pilot
- In a Heartbeat
- Voluntary Practice Assessment
- Website Development
- RWJ Projects: Quality Counts/AF4Q/RQS
- Critical Access Hospital Collaborative
- CON Assessment
- CMS HER Demonstration Project

The 3 major projects being worked on right now are the CMS EHR Demonstration, the Critical Access Hospital Project, and the Robert Wood Johnson Grants.

The CMS EHR Demonstration is a Medicare demonstration project. The MQF was publicly invited to apply for Maine to become the sight for this demonstration project around electronic health care records. This is a 5 year project to encourage small to medium sized practices (1-5 doctors) to use EMR to improve care quality and reduce errors. Incentive rewards of \$5,000.00 to \$15,000.00 will be given out based on EMR functionality, reporting on quality measures, and performance on quality measures.

Dr. Cutler stated that the application is due May 15, 2008 and the initial meeting will be held on April 1, 2008 at the Dirigo Health Agency offices.

The Critical Access Hospital Project is a collaboration among 14 of the 15 critical access hospitals in Maine. The project was convened by the Maine Quality Forum, Muskie, the Office of Rural Health and Primary Care at DHHS, and is funded by MeHAF and is focused on medication safety issues including medication reconciliation and pharmacy coverage. An obstacle of the project is the "rural-relevant" quality indicators and small numbers at small rural hospitals.

The Robert Wood Johnson Foundation grants are now in year 2 which is the "Aligning Forces for Quality" (3-year \$600,000.00) phase of ambulatory care performance measurement, reporting, and consumer engagement. The grant is to be extended as "Regional Quality Strategies" (3-year, \$1,000,000.00) phase and the emphasis will be on in-patient care, analysis of racial, ethnic, and socioeconomic disparities in health care.

The Maine Quality Forum is the grantee and the fiscal agent of the grants. Joining MQF as the lead organizations are Quality Counts and Maine Health Management Coalition.

Agency Member and Financial Update-William Kilbreth

Mr. Kilbreth reported that the trends are staying static and the cap is still in effect. There is a slow and steady erosion of membership. The erosion is staying consistent with what has within the past 2 to 3 years.

- 13,681 total enrolled DirigoChoice members
- 688 total enrolled DirigoChoice small groups
- Individuals makes up 48% of membership

The cost of the program is just under \$7 million for January and February and the agency is averaging just under \$3.5 million for subsidies for DirigoChoice.

The total cost of the program for January and February is \$12,469,036.30.

Karynlee Harrington added that the agency has experienced more members paying late than what has been historically experienced. This is could be due to economy and the transition to Harvard Pilgrim.

The way the program works is that the payment has to be in by the 1st of the month. By law there is a 30 day grace period. If payment is received within the 30 days then the member is terminated.

Harvard Pilgrim will reinstate a member if they have not been terminated within the past 36 months for non-payment. The member will have to fill out a reinstatement form, submit within 30 days of termination, and pay the back money that the member owes.

Ms. Harrington added that the reinstatement policy will be printed on the May bills.

Jonathan Beal voiced his concern about a DirigoChoice member not being able to be reinstated if they were terminated from a prior Harvard Pilgrim insurance plan.

Mary Anne Turowski asked if the member was terminated prior, did they have to be fully terminated to not be reinstated as a DirigoChoice member. Ms. Harrington confirmed that this is true. Secondly, Ms. Turowski asked how they would know if they have to fill out the reinstatement form. Gloria Tomsa responded that a warning letter will go on the 7th day of the month and a second warning letter will go out to the member around the 17th-20th of the month. If they still have not paid by the end of the 30 days they will receive a cancellation notice.

Ms. Harrington added that she would like to send a notification of the reinstatement policy and the form to each Dirigo member.

Jonathan Beal is very concerned that we are creating obstacles for members who have money problems and are not good at filling out forms in regards to the reinstatement policy. Mr. Beal really believes that a look needs to be taken of the population and how they may react to this policy.

Ms. Harrington responded that she will take the concerns of the Board back to Harvard Pilgrim and she will also create a timeline for the Board of when the billing and warning letters and what the letters state to the members.

Agency Update-Karynlee Harrington

Ms. Harrington presented the timeline to the Board that she presented to the IFS Committee.

Ms. Harrington explained how the surcharge would replace the SOP. There have been 2 SOPs accessed. SOP 1 totaled \$43.7 million, SOP 2 totaled \$33.4 million, and SOP 3 totaled \$32.8 million. SOP 1 has been fully collected. SOP 2 started on 07/01/07 and the first payment of SOP 2 was 12/01/07. Payments of the SOP are due sixty days at the close of each quarter.

The timeline attempts to show the Board if all of SOP 2 is received and assuming 2247 passes and goes into affect as of July 1, 2008 that surcharge suggests using that same paid claims as the SOP. The first month to collect the surcharge charge would be August 2008 which is based on July claims.

Ms. Harrington explained that there is no period of time where both the SOP and surcharge are being collected and the surcharge will be collected in 12 months whereas the SOP takes up to 24 months to collect.

Ed David is concerned that the money that is owed from the previous SOP would be forgiven and the agency will not be getting the money that it is owed.

William Kilbreth assured the Board that the mechanism for the SOP and the surcharge is the same and instead of having a staggered 24 month collection it is a standard 1.8 collection of paid claims each month.

Mary Anne Turowski asked if LD 2247 becomes law will the agency still need to do the SOP 4. Ms. Harrington responded that due to timing and other issues the SOP 4 will still have to be done.

Ms. Harrington added that in the event that LD 2247 does not pass she provided the Board with the recommendation regarding the amount of the SOP to be applied beginning July 1, 2008.

- Continue the same disenrollment and persistency rates
- No change in subsidy and benefit design
- No new DirigoChoice membership (with the following exceptions, HCTC, new hire, new dependents)
- Carry the MaineCare parents through SFY09
- Continue MQF projects through SFY09
- DirigoChoice program ends February 2009-ending membership 9,294

Ms. Harrington then presented to the Board Article 7 from the agreement with Harvard Pilgrim which covers the agreement period, termination and/or suspension of performance.

Ms. Harrington stated that they will be meeting with Harvard Pilgrim at the end of the week and she will report the claims data and financial reports at the next board meeting.

A notice of proceeding was sent out regarding the 4th year adjudicatory hearing. It was distributed to interested parties, past intervenors, Portland Press Herald, Kennebec Journal, and the Bangor Daily News on March 10th and 11th.

Public Comments

There were no public comments.

Next Meetings

Monday, April 28, 2008 at 1:00 PM

Monday, May 19, 2008 at 1:00 PM

Dr. McAfee adjourned the meeting at 2:44 PM.

