

STATE OF MAINE

DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION

BUREAU OF INSURANCE

IN RE: REVIEW OF AGGREGATE)
MEASURABLE COST SAVINGS)
DETERMINED BY DIRIGO HEALTH)
FOR THE FOURTH ASSESSMENT)
YEAR)

Docket No. INS-08-900)

FILING COVER SHEET

TO: Superintendent, Bureau of Insurance
Attn: Vanessa J. Leon at Vanessa.J.Leon@maine.gov
Docket No. INS-08-900
34 State House Station
Augusta, ME 04333-0034

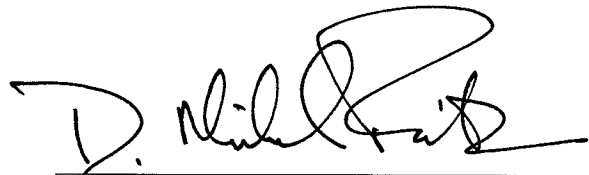
DATE FILED: August 1, 2008

PARTY: Maine Association of Health Plans

DOCUMENT: Application to Intervene

DOCUMENT TYPE: Application

CONFIDENTIALITY: None.



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IN RE: REVIEW OF AGGREGATE)
MEASURABLE COST SAVINGS)
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YEAR)
Docket No. INS-07-900)

**APPLICATION TO INTERVENE OF
MAINE ASSOCIATION
OF HEALTH PLANS**

Applicant Maine Association of Health Plans ("MEAHP" or the "Association"), on behalf of its member companies, by and through counsel, pursuant to the Notice of Pending Proceeding and Hearing issued by the Superintendent of Insurance dated July 10, 2008, 5 M.R.S.A. §§ 9054(1)-(2), and Bureau of Insurance rule Chapter 350(9)(A)(1), requests the Superintendent grant the Association intervenor status as of right as a full party in this proceedings, pursuant to 5 M.R.S.A. § 9054(1), or in the alternative, as a full party pursuant to 5 M.R.S.A. § 9054(2), based upon the following:

1. MEAHP members are or may be substantially and directly affected by this proceeding; and
2. MEAHP members have a significant interest in this proceeding.

STATEMENT OF FACTS

1. Maine Association of Health Plans is an incorporated association of health plans with a principal place of business located in Cumberland, Maine.
2. MEAHP was founded in 1997 to advocate for its member health plans before the Maine Legislature and regulatory agencies.
3. MEAHP's members are entities licensed by the Maine Bureau of Insurance and include health insurers, health maintenance organizations, and third-party administrators, including Aetna, Inc., Anthem Health Plans of Maine, Inc. d/b/a Anthem Blue Cross Blue Shield of Maine, CIGNA HealthCare of Maine, Inc., and Harvard Pilgrim Health Care, Inc. and its affiliates Health Plans, Inc. and HPHC Insurance Company, Inc.
4. Each MEAHP member will be substantially and directly affected by the outcome of this proceeding and each has an interest in this proceeding for the following reasons:
 - A. The Dirigo Health Board held its adjudicatory proceeding on July 22-23, 2008 to determine, for the fourth assessment year, "aggregate measurable cost savings

["AMCS"], including any reduction or avoidance of bad debt and charity care costs to health care providers in this State as a result of the operation of Dirigo Health and any increased MaineCare enrollment due to an expansion in MaineCare eligibility occurring after June 30, 2004."

Following the adjudicatory hearing, the Dirigo Health Board determined the fourth year AMCS at a public hearing on July 24, 2008. The written determination of AMCS will be contained in the board's filing to be made with the Superintendent.

- B. MEAHP was granted intervenor status by the Dirigo Health Board and participated as a fully party in the adjudicatory proceedings relating to the board's recommended determination of AMCS for the first, second, third, and fourth assessment years.
- C. MEAHP was granted intervenor status by the Superintendent of Insurance in the prior adjudicatory proceedings relating to the review of the Dirigo Health Board's recommended determination of AMCS for the first, second and third assessment years (e.g. Docket Nos. INS-05-700, INS-06-900, INS-07-900).
- D. Determination by the Dirigo Health Board of AMCS and approval of that determination by the Superintendent are prerequisites for establishing one cap on the amount of the savings offset payments ("SOP") that member companies of MEAHP will be required to make.
- E. Under 24-A M.R.S.A. §§ 6913(2)-(3), each member of MEAHP, is by virtue of the Dirigo Health Board's determination of AMCS, subject to an assessment of a SOP of up to 4% of paid claims.
- F. The SOP must be paid in the first instance by, among others, each MEAHP member company. Under Maine law, these companies may, in turn, include the amount of SOP in the calculation of the rates they charges to their customers. See, e.g. 24-A M.R.S.A. § 2736-C.
- G. In addition to the substantial and direct effect of having to pay the SOP, premium rates of customers of MEAHP member companies may be impacted by the amount of the SOP, as the SOP is used in calculating those rates. Imposition of the assessment of the SOP may necessitate an increase in prices charged by the members of MEAHP to their customers and potential customers, and may result in loss of business due to such an increase.
- H. MEAHP and its member companies have a substantial interest in ensuring that the methodology used to calculate the AMCS includes only those savings that fall within the parameters of the Dirigo Health Act, and that all supporting assumptions and related calculations of savings are reasonable.

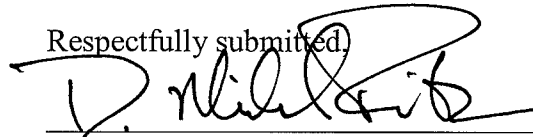
- I. MEAHP and its member companies also have a substantial interest in ensuring that the SOP does not exceed the actual savings that have flowed from providers, to MEAHP's member companies, and ultimately to their customers in the form of lower premium rates.

WHEREFORE, pursuant to 5 M.R.S.A. § 9054(1)-(2), MEAHP requests the Superintendent grant it intervenor status as of right as a full party in this proceeding and seeks without limitation the following specific rights provided to other parties to this proceeding:

1. To be represented by counsel;
2. To participate in pre-hearing conferences;
3. To issue and receive information (discovery) requests and copies of filings and notices;
4. To stipulate facts;
5. To present evidence and oral and written arguments on legal and factual issues;
6. To pre-file testimony and exhibits;
7. To cross examine witnesses;
8. To file motions, briefs, and other pleadings; and
9. To participate in settlement negotiations.

Dated at Portland, Maine, this 1st day of August, 2008.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on August 1, 2008, a copy of the foregoing document was served upon the following:

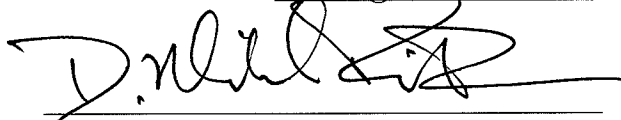
Mila Kofman, Superintendent
Attn: Vanessa J. Leon, Docket No. INS-08-900
Bureau of Insurance
Maine Department of Professional and Financial Regulation
34 State House Station
Augusta, ME 04333-0034

Board of Directors
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Thomas Sturtevant
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I further certify that I caused to be served by sending an identical electronic copy of the foregoing document to the following interested parties:

Consumers for Affordable Health Care	Mia S. Poliquin Pross, Esq. mpross@mainecahc.org
Maine Automobile Dealers Association Insurance Trust	Bruce Gerrity, Esq. bgerrity@preti.com
Anthem Health Plans of Maine, Inc. d/b/a Anthem Blue Cross and Blue Shield	Christopher T. Roach, Esq. croach@pierceatwood.com
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