

October 14, 2005

Via mail & email

Alessandro A. Iuppa, Superintendent  
Attn: Vanessa J. Leon, Docket No. INS-05-700  
Bureau of Insurance  
Maine Department of Professional and Financial Regulation  
34 State House Station  
Augusta, Maine 04333-0034  
[vanessa.j.leon@maine.gov](mailto:vanessa.j.leon@maine.gov)

Re: Review of Aggregate Measurable Cost Savings Determined by Dirigo Health for the First Assessment Year, Docket No. INS-05-700

Dear Superintendent Iuppa:

Please find enclosed the following:

1. Filing Cover Sheet.
2. Two hard copies of Dirigo Health Response to Information Request of Maine Automobile Dealers Associates Insurance Trust and Bankers Health Trust.
3. Attachments A—X to Response.
4. Attachment aa—CD of electronic documents.

Thank you for your assistance with this matter.

Yours very truly,

/s/William H. Laubenstein, III

William H. Laubenstein, III  
Assistant Attorney General

cc: (Via mail and email)  
William H. Stiles, Esq.  
Thomas C. Sturtevant, Jr., AAG  
Roy T. Pierce, Esq.  
Christopher T. Roach, Esq.  
Rufus E. Brown, Esq.  
D. Michael Frink, Esq.  
John Kelly, Esq.  
Karynlee Harrington  
Trish Riley

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

IN RE: REVIEW OF AGGREGATE )  
MEASURABLE COST SAVINGS )  
DETERMINED BY DIRIGO ) FILING COVER SHEET  
HEALTH FOR THE FIRST )  
ASSESSMENT YEAR )  
)  
)  
Docket No. INS-05-700 )

TO: Alessandro Iuppa, Superintendent of Insurance  
Attn: Vanessa J. Leon

Date Filed: October 14, 2005

Name of Party: Dirigo Health Board of Directors

Document Title: Dirigo Health Response to Information Request of Maine  
Automobile Dealers Association Insurance Trust and Bankers  
Health Trust

Document Type: Response to Information Request

Confidential: No

Dated: October 14, 2005

Respectfully submitted,

/s/William H. Laubenstein, III

William H. Laubenstein, III  
Assistant Attorney General

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

IN RE: REVIEW OF AGGREGATE	)	DIRIGO HEALTH RESPONSE
MEASURABLE COST SAVINGS	)	TO INFORMATION REQUEST
DETERMINED BY DIRIGO	)	OF MAINE AUTOMOBILE DEALERS
HEALTH FOR THE FIRST	)	ASSOCIATION INSURANCE TRUST
ASSESSMENT YEAR	)	AND BANKERS HEALTH TRUST
	)	
DOCKET NO. INS-05-700	)	

The Board of Directors of Dirigo Health responds to the Information Request of the Maine Automobile Dealers Association Insurance Trust and Bankers Health Trust dated October 5, 2005 as follows:

1. Please identify all documents considered by the Board in adopting the Dirigo Methodology. See also Response to Request No. 52.

**Response No. 1:** All document responsive to this request are in the Dirigo filing as required by P. L. 2005, ch. 400. See also Response to Request No. 52.

2. Please provide copies of all documents identified in your response to Request No. 1 above.

**Response No. 2:** All document responsive to this request are in the Dirigo filing as required by P. L. 2005, ch. 400. See also Response to Request No. 52.

3. Please identify all documents on which the Board relied in adopting the Dirigo Methodology.

**Response No. 3:** All document responsive to this request are in the Dirigo filing as required by P. L. 2005, ch. 400. See also Response to Request No. 52.

4. Please identify each person who participated in any way in the preparation of the Dirigo Health Savings Offset Methodologies appended to the Board Filing as Attachment 5.

**Response No. 4:** Maria Dominiak, Timothy Doyle, Guy Grantham, Mita Lodh , Michelle Raleigh, F Kevin Russell, Steven Schramm, Cynthia Smith, Gabe Smith.

5. Please provide the current *curriculum vitae* of each person identified in your response to Request No. 4 above.

**Response No. 5:** Please see the attached biographies for each of the above Mercer staff in attachment: Bios.zip.

6. For each person identified to your response to Request No. 4 above, please describe the role that person played in the preparation of Attachment 5 to the Board Filing.

**Response No. 6:** Roles of Mercer Staff: Kevin Russell, Timothy Doyle, Michelle Raleigh, and Gabe Smith provided actuarial analysis. Cynthia Smith provided project management and strategic planning. Steve Schramm provided project leadership, overall strategic planning and presentation. Maria Dominiak, Mita Lodh, and Guy Grantham provided peer review of analysis.

7. Please identify the source of all data used, considered, or consulted in the preparation of Attachment 5 to the Board Filing.

**Response No. 7:** Please refer to

- a. the appendices to Attachment 11, located at [http://www.state.me.us/pfr/ins/dirigo\\_health\\_filing.htm](http://www.state.me.us/pfr/ins/dirigo_health_filing.htm);
- b. VUG spreadsheets: VUG1.zip, VUG2.zip, VUG3.zip
- c. CON/CIF spreadsheets: CON Data.zip

d. Hospital and Physician Fee spreadsheets: Fee Initiative Data.zip

8. Please identify each person who participated in any way in the preparation of the Methodology for Estimation of Savings Attributable to the Limit on Consolidated Operating Margins and Cost Per Case - Mix Adjusted Discharges of Acute Hospitals appended to the Board Filing as Attachment 6.

**Response No. 8:**

Nancy M. Kane

Michael Kane

From Mercer: Michelle Raleigh, Steve Schramm, Tim Doyle, Kevin Russell, Guy Grantham, Gabe Smith.

The members of the SOP Working Group influenced the development of the Methodology. They are identified in Attachment 1 to the Dirigo Filing

The Maine Hospital Association designed the methodology for defining CMAD. Dirigo does not have information regarding the names of the persons who participated.

Data provided by Governor's Office of Health Policy and Finance (Provider Tax), Maine Hospital Association (CMAD template and 2003 data, 2001 CMI), Health Share (2004 CMI), Maine Health Data Organization (Medicare Cost Reports, hospital audited financial statements)

9. Please provide the current *curriculum vitae* of each person identified in your response to Request No. 8 above.

**Response No. 9:** See "Kanecv" for Nancy Morgan Kane,

“Mike Kane CV” for Michael Kane, appended hereto as Attachments A and B.

Dirigo does not have resumes for members of the SOP Working Group or of persons at the Maine Hospital Association. For resumes for persons from Mercer see Response the Request # 5.

10. For each person identified in your response to Request No. 8 above, please describe the role that person played in the preparation of Attachment 6 to the Board Filing.

**Response No. 10:** Other than those providing data only:

Nancy M. Kane – principal role: defining Savings Offset Payment related to CMAD and COM, collecting information and incorporating it into CMAD template, calculating the “Savings Offset Payment” related to CMAD and COM; adapting the SOP methodology based on input from Dirigo Working Group and Mercer; and wrote final reports on CMAD and COM that were provided to the Dirigo Health Board.

Michael Kane – standardized hospital audited statements and created electronic spreadsheets of hospital income statements, which were then provided to Nancy M. Kane for purposes of calculating the SOP related to COM.

Mercer staff: review of COM and CMAD methodologies and calculations; assistance in fiscal year adjustments of inflation index (CMAD)

SOP Working Group: made recommendations to incorporate hospital inflation and compound growth rates in calculating the CMAD.

Maine Hospital Association: Defined how CMAD should be calculated.

See also Response to Request # 10.

11. Please identify the source of all data used, considered, or consulted in the preparation of Attachment 6 to the Board Filing.

**Response No. 11:** Please see response to Superintendent's First Informational Request, responses to Questions 1 and 2.

12. Please identify each person who participated in any way in the preparation of the Summary of Savings Initiatives - Savings Amounts appended to the Board Filing as Attachment 8.

**Response No. 12:** Please refer to Question #6.

13. Please provide the current *curriculum vitae* of each person identified in your response to Request No. 12 above.

**Response No. 13:** Please refer to Question #5.

14. For each person identified in your response to Request No. 12 above, please describe the role that person played in the preparation of Attachment 8 to the Board Filing.

**Response No. 14:** Please refer to Question #6.

15. Please identify the source of all data used, considered, or consulted in the preparation of Attachment 8 to the Board Filing.

**Response No. 15:** Please refer to Question #7.

16. Please identify each person who participated in any way in the preparation of the Draft Final: Dirigo Health Savings Offset Payment (SOP): Methodology and Calculations appended to the Board Filing as Attachment 9.

**Response No. 16:** Please refer to Question #4.

17. Please provide the current *curriculum vitae* of each person identified in your response to Request No. 16 above.

**Response No. 17:** Please refer to Question #5.

18. For each person identified in your response to Request No. 16 above, please describe the role that person played in the preparation of Attachment 9 to the Board Filing.

**Response No. 18:** Please refer to Question #6.

19. Please identify the source of all data used, considered, or consulted in the preparation of Attachment 9 to the Board Filing.

**Response No. 19:** Please refer to Question #7.

20. Please identify each person who participated in any way in the preparation of the Final Report: Dirigo Health Savings Offset Payment (SOP): Methodology and Calculations appended to the Board Filing as Attachment 11.

**Response No. 20:** Please refer to Question #4.

21. Please provide the current *curriculum vitae* of each person identified in your response to Request No. 20 above.

**Response No. 21:** Please refer to Question #5.

22. For each person identified in your response to Request No. 20 above, please describe the role that person played in the preparation of Attachment 11 to the Board Filing.

**Response No. 22:** Please refer to Question #6.

23. Please identify the source of all data used, considered, or consulted in the preparation of Attachment 11 to the Board Filing.

**Response No. 23:** Please refer to Question #7.

24. Please identify each person who participated in any way in the preparation of the Calculation of SOP Related to Limits on the Growth in Cost Per CMAD appended to the Board Filing as Attachment 12A.

**Response No. 24:**

Nancy M. Kane

Mercer staff: Michelle Raleigh, Steve Schramm, Tim Doyle, Kevin Russell, Guy Grantham and Gabe Smith

25. Please provide the current *curriculum vitae* of each person identified in your response to Request No. 24 above.

**Response No. 25:** See response to question 9.

26. For each person identified in your response to Request No. 24 above, please describe the role that person played in the preparation of Attachment 12A to the Board Filing.

**Response No. 26:** Nancy M. Kane designed and created the spreadsheet calculations; Mercer staff reviewed them; see response to Question 24.

27. Please identify the source of all data used, considered, or consulted in the preparation of Attachment 12A to the Board Filing.

**Response No. 27:** See response to Question 11.

28. Please identify each person who participated in any way in the preparation of the Final Report to DHA SOP: Voluntary Operating Profit Limit appended to the Board Filing as Attachment 12B.

**Response No. 28:** Nancy M. Kane.

29. Please provide the current *curriculum vitae* of each person identified in your response to Request No. 28 above.

**Response No. 29:** See response to question 9.

30. For each person identified in your response to Request No. 28 above, please describe the role that person played in the preparation of Attachment 12B to the Board Filing.

**Response No. 30:** See response to question 10

31. Please identify the source of all data used, considered, or consulted in the preparation of Attachment 12B to the Board Filing.

**Response No. 31:** See response to question 11

32. Please provide copies of all tape recordings (not transcripts) of all meetings of the Board held since January 1, 2005.

**Response No. 32:** The tapes are appended hereto as Attachment C.

33. Please provide copies of all data, calculations, information, work papers, or documents provided to Nancy M. Kane, DBA by the Maine Hospital Association.

**Response No. 33:** See response to Superintendent's First Information Request, # 1.d and 2.a. Also see "Cost per Case Mix Adjusted Discharge with CR Reference" document appended hereto as Attachment D .

34. Please provide copies of all data, calculations, information, work papers, or documents provided to Nancy M. Kane, DBA by the Maine Health Data Organization.

**Response No. 34:** The MHDO provided hard copy hospital audited financial statements and excerpts of Medicare cost reports. What was used of the MHDO data has been provided in spreadsheets to the Superintendent in response to his First Information Request. The hard copy data obtained from the MHDO is in the public domain and consists of thousands of pages. These documents are not being provided; reproducing the documents would be unduly burdensome.

35. Please identify all data, calculations, information, work papers, or documents provided to Mercer by other consultants, including but not limited to Nancy M. Kane, DBA and Beth Kilbreth, hired by the Dirigo Health Agency.

**Response No. 35:** Please refer to question 7.

36. Please identify all data, calculations, information, work papers, or documents provided to Nancy M. Kane, DBA by other consultants, including but not limited to Mercer and Beth Kilbreth, hired by the Dirigo Health Agency.

**Response No. 36:** See “Mercer CMAD Attachment”, Attachment E, “Mercer CMAD calc100305”, Attachment F, and Mercer fiscal year adj op inc limit mr.”, Attachment G; CMAD Review.zip

37. Please state the date on which the Dirigo Health Agency retained or otherwise engaged Mercer.

**Response No. 37:** The Dirigo Health Agency engaged Mercer Human Resource Consulting on July 1, 2005 to assist the Agency in developing a Savings Offset methodology and calculations.

38. Please provide copies of any agreement pursuant to which Nancy M. Kane, DBA has provided services to the Dirigo Health Agency.

**Response No. 38:** Document responsive to Request No. 38 is appended hereto as Attachment H.

39. Please provide copies of any agreement pursuant to which Mercer has provided services to the Dirigo Health Agency.

**Response No. 39:** Documents responsive to Request No. 39 are appended hereto as Attachment I, Attachment J, and Attachment K.

40. Please state the date on which the Dirigo Health Agency retained or otherwise engaged Nancy M. Kane, DBA.

**Response No. 40:** The Dirigo Health Agency engaged Nancy M. Kane, DBA through Harvard School of Public Health on June 1, 2005 to assist the Agency in calculating Consolidated Operating Margins and Costs Per Case Mix Adjusted Discharge.

41. Please state the amount that the Dirigo Health Agency has paid to Nancy M. Kane, DBA to date.

**Response No. 41:** To date, no invoices have been submitted to the Dirigo Health Agency, and therefore no amounts have been paid to Nancy M. Kane, DBA through Harvard School of Public Health.

42. Please state the amount that the Dirigo Health Agency has paid to Mercer to date.

**Response No. 42:** To date, the Dirigo Health Agency has paid \$499,478 to Mercer for their work with assisting the Agency in developing a Savings Offset methodology and calculations.

43. Please state the rate at which the Dirigo Health Agency has agreed to pay Nancy M. Kane, DBA for services rendered in connection with this proceeding.

**Response No. 43:** See Response to Request No. 38.

44. Please state the rate at which the Dirigo Health Agency has agreed to pay Mercer for services rendered in connection with this proceeding.

**Response No. 44:** See Response to Request No. 39.

45. Please provide all communications between the Dirigo Health Agency and Mercer relating to the Dirigo Health Program.

**Response No. 45:** Objection to request sustained.

46. Please provide all communications between or among the Board, the Dirigo Health Agency and Nancy M. Kane, DBA relating to the Dirigo Health Program.

**Response No. 46:** Objection to request sustained.

47. Please provide all data, calculations, information, work papers, or documents provided to Nancy M. Kane, DBA by the Dirigo Health Agency.

**Response No. 47:** No documents were provided by the Dirigo Health Agency.

48. Please provide all data, calculations, information, work papers, or documents provided to Nancy M. Kane, DBA by Mercer.

**Response No. 48:** See response to Question #36.

49. Please provide all data, calculations, information, work papers, or documents provided to Nancy M. Kane, DBA by any employee, agent, representative, or contractor of the government of the State of Maine.

**Response No. 49:** See Response to Request No. 8.

50. Please provide all data, calculations, information, work papers, or documents provided to Nancy M. Kane, DBA by any employee, agent, representative, or contractor of the government of the State of Maine.

**Response No. 50:** See Response to Request No. 8.

51. Please explain in full how the Dirigo Methodology takes account of differing hospital fiscal years and contract cycles.

**Response No. 51:** Refer to Attachments #2, #6, #11 and #12 at [http://www.state.me.us/pfr/ins/dirigo\\_health\\_filing.htm](http://www.state.me.us/pfr/ins/dirigo_health_filing.htm);

52. Please explain in full all of the bases for the Board's conclusion that "the Dirigo Group methodology offers a more accurate approach to the measurement of cost savings and a

more transparent response to the initiatives identified in the Act” than the so-called Payor Group methodology.

**Response No. 52:** The explanation is contained in the Dirigo filing and in the transcripts for Board meetings held on September 6, 13 and 14, 2005, appended hereto as Attachments L, M and N.

53. Please explain in full how the Board’s recommendation to include physician reimbursements in its calculation of aggregate measurable cost savings is accurately and fairly attributable to the operation of Dirigo Health Program.

**Response No. 53:** All document responsive to this request are in the Dirigo filing as required by P. L. 2005, ch. 400. See also Response to Request No. 52.

54. Please state the basis for your assertion that “The Legislature also made it clear that health insurance carriers have a responsibility to pass savings on to employers and employees through negotiation with health care providers of reimbursement rates” set forth on page 11 of the Board Filing.

**Response No. 54:** See P. L. 2003, ch. 469, 24-A M. R. S. A. § 6913 (7).

55. Please describe the so-called “woodwork effect.”

**Response No. 55:** The "woodwork effect" is a term describing the increase in enrollment in Medicaid and SCHIP programs not due to changes in the number of persons eligible by reason of income, but rather from those persons not enrolled although they meet the requirements (other than not having made application). The increase in publicity and/or new enrollment procedures

results in these persons coming "from out of the woodwork" to make application and become enrolled

56. Please identify all data and/or professional literature that you believe supports the validity of the so-called "woodwork effect."

**Response No. 56:** See Attachments O and P.

57. Please describe the so-called "sentinel effect."

**Response No. 57:** Dirigo is unable to respond to this question because it does not understand what is meant by the "sentinel effect."

58. Please identify all data and/or professional literature that you believe supports the validity of the so-called "sentinel effect."

**Response No. 58:** See Response to Request No. 57.

59. Please describe the steps taken, if any, to validate the Dirigo Methodology.

**Response No. 59:** **DHA to provide; Refer to Attachments #2, #6, #11 and #12 at [http://www.state.me.us/pfr/ins/dirigo\\_health\\_filing.htm](http://www.state.me.us/pfr/ins/dirigo_health_filing.htm);**

60. Please provide all data, calculations, information, work papers, or documents used, considered, or consulted in any attempt to validate the Dirigo Methodology identified in your response to Request No. 59 above.

**Response No. 60:** Please see Question #7 and #36 above.

61. Please identify each person involved in any attempt to validate the Dirigo Methodology identified in your response to Request No. 59 above.

**Response No. 61:** Please refer to Question #4 above.

62. Please produce all documents evidencing any communication between or among any employee or agent of the Dirigo Health Agency, member of the Dirigo Health Agency's Board of Directors, and any other employee, agent, or representative of the government of the State of Maine relating to:

- a. the need for savings offset payments to maintain the financial viability of the Dirigo Health Program;
- b. the amount of savings offset payments necessary to maintain the financial viability of the Dirigo Health Program;
- c. the cost savings attributable to the operation of the Dirigo Health Program; and
- d. the manner by which cost savings could be attributed to the operation of the Dirigo Health Program.

**Response No 62:** Objection to request sustained.

63. Please identify all statements made by any employee, agent or representative of the Dirigo Health Agency, or by any other employee, agent, or representative of the government of the State of Maine relating to:

- a. the need for savings offset payments to maintain the financial viability of the Dirigo Health Program;
- b. the amount of savings offset payments necessary to maintain the financial viability of the Dirigo Health Program;
- c. the cost savings attributable to the operation of the Dirigo Health Program; and
- d. the manner by which cost savings could be attributed to the operation of the Dirigo Health Program.

**Response No. 63:** Objection to request sustained.

64. For each statement identified in your response to Request No. 63 above, please identify:

- a. The person who made the statement;
- b. The date on which the statement was made; and
- c. The person(s) or organization to whom the statement was made.

**Response No. 64:** Objection to request sustained.

65. Please produce copies of all quarterly reports and supplementary information compiled by the Board pursuant to 24-A M.R.S.A. § 6913(8)(A)(1) concerning the total enrollment in Dirigo Health Insurance, including the number of enrollees previously underinsured or uninsured, the number of enrollees previously insured, the number of individual enrollees, and the number of enrollees enrolled through small employers.

**Response No. 65:** Documents responsive to Request No. 65, Request No. 67, Request No. 69, Request No. 71, Request No. 73, Request No. 75, Request No. 77, and Request No. 79 are appended hereto as Attachments Q through X.

66. What consideration, if any, was given by the Board to the reports produced in response to Request No. 65 above in reaching its determination of aggregate measurable cost savings set forth in the Board Filing?

**Response No. 66:** Pursuant to 24-A M.R.S.A. § 6913 (6), prior to enactment of P. L. 2005, ch.440, the Board was to use the reports described in 24-A M.R.S.A. § 6913 (8) with regard to determining the savings offset payment, not aggregate measurable cost savings. Subsection 6 was repealed by Chapter 400, Sec. A-12.

67. Please produce copies of all quarterly reports and supplementary information compiled by the Board pursuant to 24-A M.R.S.A. § 6913(8)(A)(2) concerning the total number of enrollees covered in health plans through large employers and self-insured employers.

**Response No. 67:** See Response to Request No. 65.

68. What consideration, if any, was given by the Board to the reports produced in response to Request No. 67 above in reaching its determination of aggregate measurable cost savings set forth in the Board Filing?

**Response No. 68:** Pursuant to 24-A M.R.S.A. § 6913 (6), prior to enactment of P. L. 2005, ch.440, the Board was to use the reports described in 24-A M.R.S.A. § 6913 (8) with regard to determining the savings offset payment, not aggregate measurable cost savings. Subsection 6 was repealed by Chapter 400, Sec. A-12.

69. Please produce copies of all quarterly reports and supplementary information compiled by the Board pursuant to 24-A M.R.S.A. § 6913(8)(A)(3) concerning the number of employers, both small employers and large employers, who have ceased offering health

insurance, or contributing to the cost of health insurance for employees, or who have begun offering coverage on a self-insured basis.

**Response No. 69:** See Response to Request No. 65.

70. What consideration, if any, was given by the Board to the reports produced in response to Request No. 69 above in reaching its determination of aggregate measurable cost savings set forth in the Board Filing?

**Response No. 70:** Pursuant to 24-A M.R.S.A. § 6913 (6), prior to enactment of P. L. 2005, ch.440, the Board was to use the reports described in 24-A M.R.S.A. § 6913 (8) with regard to determining the savings offset payment, not aggregate measurable cost savings. Subsection 6 was repealed by Chapter 400, Sec. A-12.

71. Please produce copies of all quarterly reports and supplementary information compiled by the Board pursuant to 24-A M.R.S.A. § 6913(8)(A)(4) concerning the number of employers, both small employers and large employers, who have begun to offer health insurance or contribute to the cost of health insurance premiums for their employees.

**Response No. 71:** See Response to Request No. 65.

72. What consideration, if any, was given by the Board to the reports produced in response to Request No. 71 above in reaching its determination of aggregate measurable cost savings set forth in the Board Filing?

**Response No. 72:** Pursuant to 24-A M.R.S.A. § 6913 (6), prior to enactment of P. L. 2005, ch.440, the Board was to use the reports described in 24-A M.R.S.A. § 6913 (8) with

regard to determining the savings offset payment, not aggregate measurable cost savings.  
Subsection 6 was repealed by Chapter 400, Sec. A-12.

73. Please produce copies of all quarterly reports and supplementary information compiled by the Board pursuant to 24-A M.R.S.A. § 6913(8)(A)(5) concerning the number of new participating employers in Dirigo Health Insurance.

**Response No. 73:** See Response to Request No. 65.

74. What consideration, if any, was given by the Board to the reports produced in response to Request No. 73 above in reaching its determination of aggregate measurable cost savings set forth in the Board Filing?

**Response No. 74:** Pursuant to 24-A M.R.S.A. § 6913 (6), prior to enactment of P. L. 2005, ch.440, the Board was to use the reports described in 24-A M.R.S.A. § 6913 (8) with regard to determining the savings offset payment, not aggregate measurable cost savings.  
Subsection 6 was repealed by Chapter 400, Sec. A-12.

75. Please produce copies of all quarterly reports and supplementary information compiled by the Board pursuant to 24-A M.R.S.A. § 6913(8)(A)(6) concerning the number of employers ceasing to offer coverage through Dirigo Health Insurance.

**Response No. 75:** See Response to Request No. 65.

76. What consideration, if any, was given by the Board to the reports produced in response to Request No. 75 above in reaching its determination of aggregate measurable cost savings set forth in the Board Filing?

**Response No. 76:** Pursuant to 24-A M.R.S.A. § 6913 (6), prior to enactment of P. L. 2005, ch.440, the Board was to use the reports described in 24-A M.R.S.A. § 6913 (8) with regard to determining the savings offset payment, not aggregate measurable cost savings. Subsection 6 was repealed by Chapter 400, Sec. A-12.

77. Please produce copies of all quarterly reports and supplementary information compiled by the Board pursuant to 24-A M.R.S.A. § 6913(8)(A)(7) concerning the duration of employers participating in Dirigo Health Insurance.

**Response No. 77:** See Response to Request No. 65.

78. What consideration, if any, was given by the Board to the reports produced in response to Request No. 77 above in reaching its determination of aggregate measurable cost savings set forth in the Board Filing?

**Response No. 78:** Pursuant to 24-A M.R.S.A. § 6913 (6), prior to enactment of P. L. 2005, ch.440, the Board was to use the reports described in 24-A M.R.S.A. § 6913 (8) with regard to determining the savings offset payment, not aggregate measurable cost savings. Subsection 6 was repealed by Chapter 400, Sec. A-12.

79. Please produce copies of all quarterly reports and supplementary information compiled by the Board pursuant to 24-A M.R.S.A. § 6913(8)(A)(8) concerning the comparison of actual enrollees in Dirigo Health Insurance to the projected enrollees.

**Response No. 79:** See Response to Request No. 65.

80. What consideration, if any, was given by the Board to the reports produced in response to Request No. 79 above in reaching its determination of aggregate measurable cost savings set forth in the Board Filing?

**Response No. 80:** Pursuant to 24-A M.R.S.A. § 6913 (6), prior to enactment of P. L. 2005, ch.440, the Board was to use the reports described in 24-A M.R.S.A. § 6913 (8) with regard to determining the savings offset payment, not aggregate measurable cost savings. Subsection 6 was repealed by Chapter 400, Sec. A-12.

81. Please produce copies of all reports and supplementary information compiled by the Board pursuant 24-A M.R.S.A. § 6913(8)(B) concerning the total cost of bad debt and charity care beginning with the base year of 2002.

**Response No. 81:** Documents responsive to Request No. 81 may be found in Attachment 11 to the September 19, 2005 Dirigo Health Agency Filing of Aggregate Measurable Cost Savings.

82. What consideration, if any, was given by the Board to the reports produced in response to Request No. 81 above in reaching its determination of aggregate measurable cost savings set forth in the Board Filing?

**Response No. 82:** Pursuant to 24-A M.R.S.A. § 6913 (6), prior to enactment of P. L. 2005, ch.440, the Board was to use the reports described in 24-A M.R.S.A. § 6913 (8) with regard to determining the savings offset payment, not aggregate measurable cost savings. Subsection 6 was repealed by Chapter 400, Sec. A-12.

The Board considered the data found in the Bad Debt and Free Care Baseline Analysis Report as described in the September 19, 2005 Dirigo Health Agency Filing of Aggregate

Measurable Cost Savings, Attachment 9, Draft Final – Dirigo Health Savings Offset Payment (SOP) Methodology and Calculations, Chapter 5.

83. Please identify all communications between or among any employee or agent of the Dirigo Health Agency, any member of the Dirigo Health Agency’s Board of Directors, any employee or agent of the Office of the Attorney General, and any other employee, agent, or representative of the government of the State of Maine relating to:

- a. whether the Legislature contemplated that an adjudicatory hearing would be held by the Board prior to the Board’s determination of aggregate measurable cost savings for the First Assessment Year;
- b. whether the Legislature contemplated that an adjudicatory hearing would be held by the Superintendent following the Board’s filing of its determination of aggregate measurable cost savings for the First Assessment Year; and
- c. the procedure to be followed by the Board and the Superintendent with respect to the determination of aggregate measurable cost savings for the First Assessment Year.

**Response No. 83:** Objection to request sustained.

84. For each communication identified in your response to Request No. 83 above, please identify:

- a. The parties to the communication;
- b. The date of the communication; and
- c. The content of the communication.

**Response No. 84:** Objection to request sustained.

85. Please produce copies of all documents constituting, evidencing, or relating to any communication identified in your answer to Request No. 83 above.

**Response No. 85:** Objection to request sustained.

Dated: October 14, 2005

Respectfully submitted,

/s/William H. Laubenstein, III

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William H. Laubenstein, III  
Assistant Attorney General



STATE OF MAINE  
**DIRIGO HEALTH AGENCY**  
 211 WATER STREET, 53 STATE HOUSE STATION  
 AUGUSTA, MAINE 04333-0053

JOHN ELIAS BALDACCI  
 GOVERNOR

KARYNLEE HARRINGTON  
 EXECUTIVE DIRECTOR

TO: Joint Committee on Appropriations and Financial Affairs  
 Joint Committee on Health and Human Services  
 Joint Committee on Insurance and Financial Services  
 Al Iuppa, Superintendent, Bureau of Insurance

FROM: Karynlee Harrington, Executive Director, Dirigo Health Agency

CC: Trish Riley, Director of Governor's Office of Health Policy and Finance  
 Dr. Robert McAfee, Chair of the Dirigo Health Agency Board of Directors

DATE: September 30, 2005

RE: Benefit Design, per Public Law 2003, chapter 469, section 6908, 2.C.

I am pleased to present this report to the Committees on the status of DirigoChoice as required by Chapter 469 of the Public Laws of 2003, Section 6908, 2, C. This report is a summary detailing the DirigoChoice plan design.

The Dirigo Board of Directors unanimously approved the product design that was detailed in the Dirigo Health request for proposal at the March 25, 2004 Dirigo Health Agency Board Meeting. At the August 23, 2004 Dirigo Health Board Meeting, the Board unanimously approved the signing of the Anthem/Dirigo Health Agency contract.

(1) Report on the benefit package, including the estimated premium and applicable coinsurance, deductibles, copayments and out-of-pocket maximums.

Attached is a DirigoChoice brochure highlighting plan benefits, including coinsurance and copayments.

Below is a chart, detailing deductibles and out-of-pocket maximums for our various discount groups.

<b>DirigoChoice/MaineCare - 100%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>All</b>	<i>Single</i>	0	0
	<i>Family</i>	0	0
<b>Group B - 80%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>Plan One</b>	<i>Single</i>	250	800
	<i>Family</i>	500	1600
<b>Plan Two</b>	<i>Single</i>	500	1600
	<i>Family</i>	1000	3200
<b>Group C - 60%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>Plan One</b>	<i>Single</i>	500	1600
	<i>Family</i>	1000	3200
<b>Plan Two</b>	<i>Single</i>	800	2600
	<i>Family</i>	1600	5200



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<b>Group D – 40%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>Plan One</b>	<i>Single</i>	750	2400
	<i>Family</i>	1500	4800
<b>Plan Two</b>	<i>Single</i>	1125	3600
	<i>Family</i>	2250	7200
<b>Group E – 20%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>Plan One</b>	<i>Single</i>	1000	3200
	<i>Family</i>	2000	6400
<b>Plan Two</b>	<i>Single</i>	1450	4600
	<i>Family</i>	2900	9200
<b>Group F – 0%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>Plan One</b>	<i>Single</i>	1250	4000
	<i>Family</i>	2500	8000
*New Option as of 1/1/2006	<i>Single</i>	750	2400
	<i>Family</i>	1500	4800
<b>Plan Two</b>	<i>Single</i>	1750	5600
	<i>Family</i>	3500	11200
*New Option as of 1/1/2006	<i>Single</i>	1125	3600
	<i>Family</i>	2250	7200

\*New Option is only available to Employers with 10 or more employees

Below are the Anthem Blue Cross and Blue Shield unadjusted community rates for DirigoChoice effective January 1, 2006:

**Plan 1**

<u>group</u>	<u>one adult</u>	<u>two adults</u>	<u>two adults and child(ren)</u>	<u>one adult and child(ren)</u>	<u>child(ren) only</u>
A	\$388.60	\$816.06	\$1,165.80	\$699.48	\$310.88
B	\$388.80	\$816.48	\$1,166.40	\$699.84	\$311.04
C	\$363.49	\$763.33	\$1,090.47	\$654.28	\$290.79
D	\$341.17	\$716.46	\$1,023.51	\$614.11	\$272.94
E	\$324.27	\$680.97	\$972.81	\$583.69	\$259.42
F	\$309.86	\$650.71	\$929.58	\$557.75	\$247.89

**Plan 2**

<u>group</u>	<u>one adult</u>	<u>two adults</u>	<u>two adults and child(ren)</u>	<u>one adult and child(ren)</u>	<u>child(ren) only</u>
A	\$388.60	\$816.06	\$1,165.80	\$699.48	\$310.88
B	\$363.49	\$763.33	\$1,090.47	\$654.28	\$290.79
C	\$336.63	\$706.92	\$1,009.89	\$605.93	\$269.30
D	\$318.12	\$668.05	\$954.36	\$572.62	\$254.50
E	\$301.28	\$632.69	\$903.84	\$542.30	\$241.02
F	\$286.61	\$601.88	\$859.83	\$515.90	\$229.29



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 GOVERNOR

KARYNLEE HARRINGTON  
 EXECUTIVE DIRECTOR

Below are the Anthem Blue Cross and Blue Shield unadjusted community rates for DirigoChoice effective October 1, 2005

**Plan 1**

<u>group</u>	<u>one adult</u>	<u>two adults</u>	<u>two adults and child(ren)</u>	<u>one adult and child(ren)</u>	<u>child(ren) only</u>
A	\$388.60	\$816.06	\$1,165.80	\$699.48	\$310.88
B	\$410.42	\$861.88	\$1,231.26	\$738.76	\$328.34
C	\$383.70	\$805.77	\$1,151.10	\$690.66	\$306.96
D	\$360.13	\$756.27	\$1,080.39	\$648.23	\$288.10
E	\$342.29	\$718.81	\$1,026.87	\$616.12	\$273.83
F	\$327.08	\$686.87	\$981.24	\$588.74	\$261.66

**Plan 2**

<u>one adult</u>	<u>two adults</u>	<u>two adults and child(ren)</u>	<u>one adult and child(ren)</u>	<u>child(ren) only</u>
\$388.60	\$816.06	\$1,165.80	\$699.48	\$310.88
\$383.70	\$805.77	\$1,151.10	\$690.66	\$306.96
\$355.34	\$746.21	\$1,066.02	\$639.61	\$284.27
\$335.81	\$705.20	\$1,007.43	\$604.46	\$268.65
\$318.03	\$667.86	\$954.09	\$572.45	\$254.42
\$302.54	\$635.33	\$907.62	\$544.57	\$242.03

Upon your review, please do not hesitate to contact me with questions or comments.

Sincerely,

Karynlee Harrington  
 Executive Director



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KARYNLEE HARRINGTON  
 EXECUTIVE DIRECTOR

TO: Joint Committee on Appropriations and Financial Affairs  
 Joint Committee on Health and Human Services  
 Joint Committee on Insurance and Financial Services

FROM: Karynlee Harrington, Executive Director, Dirigo Health Agency

CC: Trish Riley, Director of Governor’s Office of Health Policy and Finance  
 Dr. Robert McAfee, Chair of the Dirigo Health Agency Board of Directors

DATE: September 23, 2005

RE: Subsidies Report, per Public Law 2003, chapter 469, section 6912, 6.

I am pleased to present this report to the Committees regarding DirigoChoice subsidies as required by Chapter 469 of the Public Laws of 2003, Section 6912, 6, as amended. The report includes estimates of the structure of direct subsidies, the funding required for the subsidies, and the estimated number of Dirigo Health enrollees eligible for the subsidies.

The Dirigo Board of Directors unanimously approved the subsidy design that was detailed in the Dirigo Health request for proposal at the March 25, 2004 Dirigo Health Agency Board Meeting. At the August 23, 2004 Dirigo Health Board Meeting, the Board unanimously approved the signing of the Anthem/Dirigo Health Agency contract.

The following tables show the Federal Poverty Levels used to determine subsidy group (for 2005 effective dates), as well as the subsidy structure.

**Table 1**

Discount Group	DirigoChoice/ MaineCare guidelines	B 100-149%	C 150-199%	D 200-249%	E 250-299%
Household Size	<b>Annual Income Less Than:</b>				
1	Income/assets	\$13,965	\$18,620	\$23,275	\$27,930
2	Income/assets	\$18,735	\$24,980	\$31,225	\$37,470
3	Income/assets	\$23,505	\$31,340	\$39,175	\$47,010
4	Income/assets	\$28,275	\$37,700	\$47,125	\$56,550
5	Income/assets	\$33,045	\$44,060	\$55,075	\$66,090
6	Income/assets	\$37,824	\$50,424	\$63,024	\$75,636



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**Table 2**

<b>DirigoChoice/MaineCare – 100%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>All</b>	<i>Single</i>	0	0
	<i>Family</i>	0	0
<b>Group B – 80%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>Plan One</b>	<i>Single</i>	250	800
	<i>Family</i>	500	1600
<b>Plan Two</b>	<i>Single</i>	500	1600
	<i>Family</i>	1000	3200
<b>Group C – 60%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>Plan One</b>	<i>Single</i>	500	1600
	<i>Family</i>	1000	3200
<b>Plan Two</b>	<i>Single</i>	800	2600
	<i>Family</i>	1600	5200
<b>Group D – 40%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>Plan One</b>	<i>Single</i>	750	2400
	<i>Family</i>	1500	4800
<b>Plan Two</b>	<i>Single</i>	1125	3600
	<i>Family</i>	2250	7200
<b>Group E – 20%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>Plan One</b>	<i>Single</i>	1000	3200
	<i>Family</i>	2000	6400
<b>Plan Two</b>	<i>Single</i>	1450	4600
	<i>Family</i>	2900	9200
<b>Group F – 0%</b>		<b>Deductible</b>	<b>Out of Pocket</b>
<b>Plan One</b>	<i>Single</i>	1250	4000
	<i>Family</i>	2500	8000
*New Option as of 1/1/2006	<i>Single</i>	750	2400
	<i>Family</i>	1500	4800
<b>Plan Two</b>	<i>Single</i>	1750	5600
	<i>Family</i>	3500	11200
*New Option as of 1/1/2006	<i>Single</i>	1125	3600
	<i>Family</i>	2250	7200

\*New Option is only available to Employers with 10 or more employees



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The following table shows budgeted subsidies amounts, the funding required for the subsidies, and the estimated number of Dirigo Health enrollees eligible:

	FY05	FY06 Budget	FY07 Budget
Subsidies, including EMP, and funding required for subsidies	\$14,847,972	\$57,108,972	\$89,974,054
Members	Ramp up to 18,000 total participants by June 30, 2005, of which 15,055 were projected to be under 300% FPL	18,000 from FY05 plus ramp up of 26,300 through FY06 for 44,300 total participants by June 30, 2006, of which 38,300 were projected to be under 300% FPL	44,300 from FY06 plus ramp up of 15,500 through FY07 for 59,800 total participants by June 30, 2007, of which 51,060 were projected to be under 300% FPL
Actual enrollment	Ramped up to 8,922 total participants at June 30, 2005, of which 7,381 were under 300% FPL	The Agency is in the process of reforecasting FY06 enrollment based on actual experience	The Agency is in the process of reforecasting FY07 enrollment based on actual experience
Actual expenditures	FY05 Agency expenditures totaled \$18.2MM, for a cash carry forward of \$42MM into FY06	The Agency is in the process of reforecasting FY06 budget based on actual experience	The Agency is in the process of reforecasting FY07 budget based on actual experience

Upon your review, please do not hesitate to contact me with questions or comments.

Sincerely,

Karynlee Harrington  
 Executive Director



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KARYNLEE HARRINGTON  
EXECUTIVE DIRECTOR

TO: Joint Committee on Appropriations and Financial Affairs  
Joint Committee on Health and Human Services  
Joint Committee on Insurance and Financial Services  
Al Iuppa, Superintendent, Bureau of Insurance

FROM: Karynlee Harrington, Executive Director, Dirigo Health Agency

CC: Trish Riley, Director of Governor's Office of Health Policy and Finance  
Dr. Robert McAfee, Chair of the Dirigo Health Agency Board of Directors  
Kirsten Figueroa, Director of Fiscal Operations, Dirigo Health Agency

DATE: September 1, 2005

RE: Quarterly report of DirigoChoice activity, per Public Law 2003, chapter 469, section 6913, 8.A.

I am pleased to present this report to the Committees on the status of DirigoChoice as required by Chapter 469 of the Public Laws of 2003, Section 6913, 8, A. The report is a summary detailing the activity of DirigoChoice for its first quarter of activity, January 2005 through March 2005, and represents information provided to and discussed with the Dirigo Health Agency Board of Directors.

(1) The total enrollment in Dirigo Health Insurance, including the number of enrollees previously underinsured or uninsured, the number of enrollees previously insured, the number of individual enrollees, and the number of enrollees enrolled through small employers.

As of March 31, 2005, total enrollment in DirigoChoice was 3,712 members:

- January: 1,706
- February: 954
- March: 1,052

First quarter membership represents 334 small business contracts (1,800 members) and 1,023 self-employed employer contracts (1,912 members). This first quarter of activity does not include individual contracts; the earliest effective date of enrollment for eligible individuals is April 1, 2005.

The Dirigo Health Agency has contracted with the Muskie School of Public Service to survey the DirigoChoice membership to determine the insured, uninsured and underinsured status prior to their enrollment in DirigoChoice. Although we attempt to collect this data currently via the application for subscribers, we must also collect this data for their dependents.

The following are highlights of the Quarter 1, Muskie membership survey:

- Approximately 40% of enrollees were uninsured, had been uninsured during the year or had temporary coverage through COBRA.



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- Approximately 40% of enrollees with previous coverage had deductibles over \$2500, many in excess of \$5,000.
- Individuals with the lowest income were most likely to have deductibles in excess of \$2500. For many in this category the cost of health insurance consumed 25% or more of gross income.
- Majority of enrollees learned of DirigoChoice from newspapers, radio or television.
- Early perception of DirigoChoice is favorable both cost and coverage being cited. Many expressed concerns about the sustainability of the program.

(2) The total number of enrollees covered in health plans through large employers and self-insured employers.

Per the Bureau of Insurance, as of December 31, 2004, there were 554,059 enrollees in Maine covered in health plans through large employers and self-insured employers.

(3) The number of employers, both small employers and large employers, who have ceased offering health insurance or contributing to the cost of health insurance for employees or who have begun offering coverage on a self-insured basis.

This data is not currently collected or reported. The Agency will coordinate with the Bureau of Insurance as to the feasibility and best way of collecting this data.

(4) The number of employers, both small employers and large employers, who have begun to offer health insurance or contribute to the cost of health insurance premiums for their employees.

This data is not currently collected or reported in the aggregate. The Agency will coordinate with the Bureau of Insurance as to the feasibility and best way of collecting this data.

However, the Dirigo Health Agency does track this information for its DirigoChoice small employers (2-50 employees). To date, 38% of our small employers have begun to offer health insurance.

(5) The number of new participating employers in Dirigo Health Insurance.

For our first quarter of activity, DirigoChoice has 334 small businesses participating: 128 in January; 107 in February; and 99 in March.

(6) The number of employers ceasing to offer coverage through Dirigo Health Insurance.

There were approximately 11 small employers that enrolled in the first quarter but subsequently terminated for various reasons, including non-payment.



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(7) The duration of employers participating in Dirigo Health Insurance.

The Dirigo Health Agency Participation Agreement has a coverage period of one year.

(8) A comparison of actual enrollees in Dirigo Health Insurance to the projected enrollees.

Month	Actual Enrollment	Projected Enrollment
January	1,706	1,495
February	954	345
March	1,052	460
<b>Totals</b>	<b>3,712</b>	<b>2,300</b>

Additionally, due to the indefinite postponement of the non-categorical expansion, the projected enrollment of DirigoChoice/MaineCare direct has changed from 13,800 to 9,800 for calendar year 2006.

Upon your review, please do not hesitate to contact me with questions or comments.

Sincerely,

Karynlee Harrington  
Executive Director



JOHN ELIAS BALDACCI  
GOVERNOR

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EXECUTIVE DIRECTOR

TO: Joint Committee on Appropriations and Financial Affairs  
Joint Committee on Health and Human Services  
Joint Committee on Insurance and Financial Services  
Al Iuppa, Superintendent, Bureau of Insurance

FROM: Karynlee Harrington, Executive Director, Dirigo Health Agency

CC: Trish Riley, Director of Governor's Office of Health Policy and Finance  
Dr. Robert McAfee, Chair of the Dirigo Health Agency Board of Directors

DATE: September 23, 2005

RE: Quarterly report of DirigoChoice activity, per Public Law 2003, chapter 469, section 6913, 8.A.

I am pleased to present this report to the Committees on the status of DirigoChoice as required by Chapter 469 of the Public Laws of 2003, Section 6913, 8, A. The report is a summary detailing the activity of DirigoChoice through its second quarter of activity, January 2005 through June 2005, and represents information provided to and discussed with the Dirigo Health Agency Board of Directors.

(1) The total enrollment in Dirigo Health Insurance, including the number of enrollees previously underinsured or uninsured, the number of enrollees previously insured, the number of individual enrollees, and the number of enrollees enrolled through small employers.

As of June 30, 2005, total enrollment in DirigoChoice was 7,311 members: 1,706 for January; 954 for February; 1,052 for March; 1,528 for April; 1,126 for May; and 945 for June. This represents 545 small business contracts (2,925 members), 1,338 self-employed employer contracts (2,525 members), and 1,393 individual contracts (1,861 members). The earliest effective date of enrollment for eligible individuals was April 1, 2005. Additionally, as of June 30, 2005, total DirigoChoice/MaineCare direct enrollment was 1,611: 611 for May and 1,000 for June.

The Dirigo Health Agency has contracted with the Muskie School of Public Service to survey the DirigoChoice membership to determine the insured, uninsured and underinsured status prior to their enrollment in DirigoChoice. Although we attempt to collect this data currently via the application for subscribers, we must also collect this data for their dependents.

The following are highlights of the Quarter 1, Muskie membership survey:

- Approximately 40% of enrollees were uninsured, had been uninsured during the year or had temporary coverage through COBRA.



JOHN ELIAS BALDACCI  
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- Approximately 40% of enrollees with previous coverage had deductibles over \$2500, many in excess of \$5,000.
- Individuals with the lowest income were most likely to have deductibles in excess of \$2500. For many in this category the cost of health insurance consumed 25% or more of gross income.
- Majority of enrollees learned of DirigoChoice from newspapers, radio or television.
- Early perception of DirigoChoice is favorable both cost and coverage being cited. Many expressed concerns about the sustainability of the program.

We expect compiled survey results for the second quarter will be available by the end of calendar year 2005. Effective with our September 1 members, our collateral will include numerous survey questions in hopes of collecting and compiling this information in-house.

(2) The total number of enrollees covered in health plans through large employers and self-insured employers.

Per the Bureau of Insurance, as of December 31, 2004, there were 554,059 enrollees in Maine covered in health plans through large employers and self-insured employers.

(3) The number of employers, both small employers and large employers, who have ceased offering health insurance or contributing to the cost of health insurance for employees or who have begun offering coverage on a self-insured basis.

This data is not currently collected or reported. The Agency will coordinate with the Bureau of Insurance as to the feasibility and best way of collecting this data.

(4) The number of employers, both small employers and large employers, who have begun to offer health insurance or contribute to the cost of health insurance premiums for their employees.

This data is not currently collected or reported in the aggregate. The Agency will coordinate with the Bureau of Insurance as to the feasibility and best way of collecting this data.

However, the Dirigo Health Agency does track this information for its DirigoChoice small employers (2-50 employees). To date, 38% of our small employers have begun to offer health insurance.

(5) The number of new participating employers in Dirigo Health Insurance.

Through our second quarter of activity, DirigoChoice has 545 small businesses participating: 128 effective in January; 107 effective in February; 99 effective in March; 71 effective in April; 78 effective in May; and 62 effective in June.



JOHN ELIAS BALDACCI  
GOVERNOR

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KARYNLEE HARRINGTON  
EXECUTIVE DIRECTOR

(6) The number of employers ceasing to offer coverage through Dirigo Health Insurance.

As of today, there are approximately 26 small employers that were enrolled in the first and second quarters but have since terminated, for various reasons including non-payment.

(7) The duration of employers participating in Dirigo Health Insurance.

The Dirigo Health Agency Participation Agreement has a coverage period of one year.

(8) A comparison of actual enrollees in Dirigo Health Insurance to the projected enrollees.

Month	Actual Enrollment	Projected Enrollment
January	1,706	1,495
February	954	345
March	1,052	460
April	1,528	3,450
May	1,126	1,150
June	945	1,150
<b>Totals</b>	<b>7,311</b>	<b>8,050</b>

Additionally, due to the indefinite postponement of the non-categorical expansion, the projected enrollment of DirigoChoice/MaineCare direct has changed from 13,800 to 9,800 for calendar year 2006.

Upon your review, please do not hesitate to contact me with questions or comments.

Sincerely,

Karynlee Harrington  
Executive Director

## CERTIFICATE OF SERVICE

I, William H. Laubenstein, III, Assistant Attorney General for DIRIGO Health, do hereby certify that on this date the foregoing document was served on all counsel of record via U.S. first class mail, postage prepaid, and electronic mail as follows:

Roy T. Pierce, Esq.  
Preti Flaherty Beliveau Pachios & Haley  
45 Memorial Circle  
P.O. Box 1058  
Augusta, ME 04332-1058  
[rpierce@preti.com](mailto:rpierce@preti.com)

John Kelly, Esq.  
Compass Health Analytics, Inc.  
465 Congress St., 7<sup>th</sup> Fl.  
Portland, ME 04101  
[jck@compass-inc.com](mailto:jck@compass-inc.com)

William H. Stiles, Esq.  
Verrill Dana, LLP  
One Portland Square  
P.O. Box 586  
Portland, ME 04112-0586  
[wstiles@verrilldana.com](mailto:wstiles@verrilldana.com)

Thomas C. Sturtevant, Jr., AAG  
Office of Attorney General  
6 State House Station  
Augusta, ME 04333-0006  
[tom.sturtevant@maine.gov](mailto:tom.sturtevant@maine.gov)

Christopher T. Roach, Esq.  
Pierce Atwood, LLP  
One Monument Square  
Portland, ME 04101  
[croach@pierceatwood.com](mailto:croach@pierceatwood.com)

Rufus E. Brown, Esq.  
Brown & Burke  
85 Exchange Street, Suite 201  
P.O. Box 7530  
Portland, ME 04112  
[rbrown@brownburkelaw.com](mailto:rbrown@brownburkelaw.com)

D. Michael Frink, Esq.  
Curtis, Thaxter, Stevens, Broder & Micoleau, LLC  
One Canal Plaza  
P.O. Box 7320  
Portland, ME 04112-7320  
[dfrink@curtisthaxter.com](mailto:dfrink@curtisthaxter.com)

Dated: October 14, 2005

/s/William H. Laubenstein, III  
William H. Laubenstein, III, Bar No. 1394  
Assistant Attorney General  
Office of Attorney General  
6 State House Station  
Augusta, ME 04333-0006  
(207) 626-8800