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October 7, 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

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 First Information Request to Maine State Chamber of Commerce.

Thank you for your assistance with this matter.

Yours very truly,

A handwritten signature in black ink, appearing to read '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.
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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 7, 2005

Name of Party: Dirigo Health Board of Directors

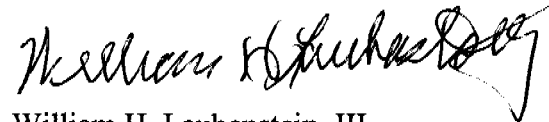
Document Title: Dirigo Health First Information Request to Maine State Chamber
of Commerce

Document Type: First Request for Interrogatories

Confidential: No

Dated: October 7, 2005

Respectfully submitted,



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
MEASURABLE COST SAVINGS)	FIRST INFORMATION
DETERMINED BY DIRIGO)	REQUEST TO MAINE
HEALTH FOR THE FIRST)	STATE CHAMBER OF
ASSESSMENT YEAR)	COMMERCE
)	
Docket No. INS-05-700)	

The Board of Directors of Dirigo Health (the "Board"), pursuant to Bureau of Insurance Rules Chapter 350 (10) and the Superintendent's Procedural Order dated September 19, 2005 requests the Maine State Chamber of Commerce respond to the following Information Requests.

1. Please provide with regard to Attachment 7 to the Dirigo filing (Lewin Group presentation of September 13, 2005) the following information by hospital and hospital fiscal year for the years 1999-2004:

- a. Gross Patient Service Revenue (GPSR)
- b. Net Patient Revenue
- c. Total operating revenue
- d. Total operating expense
- e. Total operating income
- f. Total non-operating income
- g. Operating margin
- h. Case mix factors
- i. Discharges
- j. Cost per case mix adjusted discharges

k. Annual growth inflation rates, indicating time periods and source

2. With regard to your response to Request No. 1, please state:

- a. What populations (Medicare, MaineCare, Private payors, charity care) are included in the data used
- b. The exact formula utilized for the calculation of cost per case mix adjusted discharge (CMAD)
- c. The exact formula utilized for the calculation of consolidated operating margin (COM)
- d. The exact formula utilized for the calculation of average annual growth inflation adjusted CMAD
- e. Any other factors not included in Requests No. 1 and No. 2 used in the calculations

3. With regard to your responses to Requests No. 1 and No. 2, please identify the sources of all data used.

4. Please provide with regard to Attachment 7 to the Dirigo filing (Lewin Group presentation of September 13, 2005) the following information by hospital and hospital fiscal year for the years 1999-2004:

- a. All components used to calculate COM
- b. All components used to calculate CMAD
- c. The formula used to calculate savings
- d. The formula used to calculate increases
- e. Include in your response any constraints such as the inclusion of only hospitals whose average margin is above 3% in COM

5. To the extent not already provided in response to Requests No. 1-4, please provide all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in developing GPSR, COM and CMAD.

6. With regard to your responses to Requests No. 3 and No. 4, please identify the sources of all data used.

7. Please provide with regard to Attachment 7 to the Dirigo filing (Lewin Group presentation of September 13, 2005) (case-mix adjusted charges per adjusted discharge) the following information by hospital and hospital fiscal year for the years 1999-2004:

- a. Total inpatient charges
- b. Total outpatient charges
- c. Total charges
- d. Total discharges
- e. Adjusted discharges
- f. Total inpatient payments
- g. Total outpatient payments
- h. Total payments
- i. Total discounts
- j. Discount factor

8. With regard to your response to Request No. 7, please state:

- a. What populations are included in the data and calculations.
- b. The exact formula used for the CHGD calculation
- c. When public, private or both types of data is used

- d. Any other factors not included in Requests No. 6 and No. 7 used in the calculations
9. To the extent not already provided in response to Requests No. 7 and 8, please provide all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in CHGD.
10. With regard to your responses to Requests No. 7 and No. 8, please identify the sources of all data used.
11. Please provide with regard to Attachment 7 to the Dirigo filing (Lewin Group presentation of September 13, 2005) (Estimation Error for Savings Formulas as a Percent of Hospital Revenues) the following information:
 - a. All backup data used to calculate the “Estimation Error for Savings Formulas as a Percent of Hospital Revenues.”
 - b. A description of the methodology used for this calculation
12. To the extent not already provided in response to Request 11, please provide all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in developing the Estimation Error for Savings Formulas as a Percent of Hospital Revenues.
13. With regard to your responses to Requests No. 11, please identify the sources of all data used.
14. Please provide with regard to Attachment 7 to the Dirigo filing (Lewin Group presentation of September 13, 2005) (Model Verification Exercise) the data underlying the calculations used on this page, including that used for New Hampshire.

15. To the extent not already provided in response to Requests No. 14, please provide all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in developing Hospital Uncompensated Care for 2004.

16. With regard to your responses to Requests No. 14, please identify the sources of all data used.

17. Please provide with regard to Attachment 7 to the Dirigo filing (Lewin Group presentation of September 13, 2005) (Hospital Uncompensated Care Measure Should be on a "Cost" Basis) a detailed description of the components that were used in developing the uncompensated care figure of \$61.5 million.

18. To the extent not already provided in response to Requests No. 17, please provide all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in developing Hospital Uncompensated Care for 2004.

19. With regard to your responses to Requests No. 17, please identify the sources of all data used.

20. If you contend that there have been increased costs in the health care system as a result of the operation of Dirigo Health, please:

- a. Identify each cost
- b. State the amount of each cost identified
- c. State how each cost identified is the result of the operation of Dirigo Health
- d. Provide all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in developing each cost identified.

21. If you contend there are savings in the health care system not the result of the operation of Dirigo Health, please:

- a. Identify each savings
- b. State the amount of each savings identified
- c. State how each savings identified was achieved
- d. Provide all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in developing each savings identified.

22. Please identify the persons, organizations, groups or other entities that developed or contributed to development of the methodology presented by the payor group to the Board on August 29, 2005, which is Attachment 4 to the Dirigo filing. Include in your answer the contribution made by each person, organization, group or entity.

23. Please state in detail the role, if any, the Lewin Group played in the development of the methodology presented by the payor group to the Board on August 29, 2005, which is Attachment 4 to the Dirigo filing.

24. Please state the purpose for which the Lewin Group was retained. Include in your answer a detailed description of the work performed by the Lewin Group.

25. Please explain the reasons that the methodology presented by the Lewin Group to the Board on September 13 and 14, 2005 (Attachments 7 and 10 to the Dirigo filing) was different from the methodology presented by the payor group on August 29, 2005 (Attachment 4).

26. Please identify the persons, organizations, groups or other entities that developed or contributed to development of the methodology presented by the Lewin Group to the Board on

September 13 and 14, 2005. Include in your answer the contribution made by each person, organization, group or entity.

27. Please provide with regard to Attachment 7 to the Dirigo filing (Lewin Group presentation of September 13, 2005) all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in developing savings from:

- a. COM
- b. CMAD
- c. CHGD

28. Please provide with regard to Attachment 10 to the Dirigo filing (Lewin Group presentation of September 14, 2005) all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in developing increases from:

- a. COM
- b. CMAD
- c. CHGD

29. With regard to your responses to Requests No. 27 and 28, please identify the sources of all data used.

30. With regard to Attachment 4 to the Dirigo filing, please identify which of the 11 savings initiatives list in Attachment 11 to the Dirigo filing are included in the GPSR calculation.

31. With regard to Attachment 7 to the Dirigo filing, please identify which of the 11 savings initiatives list in Attachment 11 to the Dirigo filing are included in the CHGDs calculation.

32. With regard to Attachment 10 to the Dirigo filing, please identify which of the 11 savings initiatives list in Attachment 11 to the Dirigo filing are included in the CHGDs calculation.
33. With regard to Attachment 10 to the Dirigo filing, if you have not already done so, please provide the source data AHRQ, Medical Expenditure Panel Survey-Insurance Component, 2001, 2002 and 2003 data.
34. Please state the date on which the Maine State Chamber and/or other members of the payor group retained or otherwise engaged the Lewin Group.
35. Please provide copies of any agreement pursuant to which the Lewin Group has provided services to the Maine State Chamber and/or other members of the payor group.
36. Please state the amount that the Maine State Chamber and/or other members of the payor group have paid to the Lewin Group to date.
37. Please state the rate at which the Maine State Chamber and/or other members of the payor group have agreed to pay the Lewin Group for services in connection with this proceeding.
38. Please provide copies of all consultant or expert reports you intend to submit as evidence or otherwise use for this proceeding.

Dated: October 7, 2005

Respectfully submitted,



William H. Laubenstein, III
Assistant Attorney General

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:

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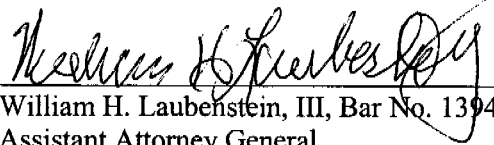
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Dated: October 7, 2005



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