



EXHIBIT 2
DATE 4-6-05
HT 37

Consumers for Affordable Health Care

Coalition

Dirigo Health Will Provide Accessible, Affordable, Quality Health Care to Businesses and Individuals

Last updated on 6/1/03

HOME
MISSION
WHO WE ARE
NEWS
HEALTH COVERAGE
LEGAL ASSISTANCE
BECOME A MEMBER
STAY INFORMED
TAKE ACTION!
VOLUNTEER
TIPS FOR LOBBYING
LINKS
CONTACT US
DIRIGO HEALTH

- Dirigo Health aims to provide comprehensive health coverage including prescription drugs to 31,000 individuals during its first year of operations and ensure universal access to coverage for the 189,500 currently uninsured individuals during its first five years. Coverage will be available to individuals, businesses and municipalities with 50 or fewer employees, and the self-employed.
- Dirigo Health will contract with private health insurance carriers to provide a comprehensive package of benefits and pay providers at private market rates.
- Dirigo Health will offer affordable premiums and will provide subsidies to individuals and families with low incomes.
- Adults (age 20 through 64) without children will be eligible for MaineCare if their incomes are less than 125% FPL; also persons with disabilities with household incomes below 125% FPL will be eligible for MaineCare; and parents and children will be eligible for MaineCare if their incomes are less than 200% FPL.
- The Maine Quality Forum will provide information concerning costs and quality to consumers so that they can make good decisions about where to obtain their health care.
- Hospitals will be required to maintain price lists and provide them to patients upon request. Health care practitioners will be required to notify patients in writing of their charges for common services.
- Health insurance carriers will be permitted to offer their enrollees financial incentives to travel further to undergo non-emergency surgical procedures if the carriers can demonstrate that the quality of care is better in the more distant locations.

- The Maine Quality Forum and the premium subsidies will be funded by a maximum 4% "savings offset payment" on health insurance premiums. No payment will be required in the first year because Federal Medicaid dollars will be used.
- After the first year of operation, the "savings offset payment" on health insurance carriers and others will be in proportion to cost savings. If there are no savings, there will be no payment. Since the payments are proportional to the savings there will be no net increase in costs to those who pay the bills.
- Savings will result from cost controls such as the CON moratorium, the voluntary price controls and decreases in bad debt and charity care costs. There will also be savings from the reduction in bad debt and charity care costs as a result of increased enrollment due to the expansion of MaineCare eligibility.
- Health insurance carriers and health care providers will be required to demonstrate that they have made reasonable efforts to recover the "savings offset payments" by negotiating reimbursement rates that take into account decreases in bad debt and charity care costs and other aggregate savings.
- Health insurance premiums must reflect cost savings attributable to decreases in bad debt and charity care costs.
- The Governor will be required to issue a biennial State Health Plan that will address the development of health care facilities in Maine based on statewide access, cost and quality goals.
- Ambulatory surgical facilities will need approval under the Certificate of Need review process if they want to buy equipment that costs \$1.2 million or more. They will also need approval for buildings that exceed \$2.4 million. This will level the playing field between hospitals and ASFs and reduce duplication of services that tend to make each procedure more costly.
- 12.5% of the Capital Investment Fund will be available to non-hospital services like ambulatory surgical facilities for three years.
- Rate filings in the individual health insurance market are already subject to hearing. Rate filings in the small group market will be subject to hearing under some circumstances.

- Health insurance carriers choosing to file rates without a hearing will be required to refund excess premiums to policyholders if their payout for medical claims falls below 78% of premiums paid.
- Large group rates will become subject to a filing requirement in which health insurance carriers will be required to certify that they have taken into account reductions in payments to health care providers due to cost savings attributable to Dirigo Health.
- The Superintendent of Insurance will be required to study medical malpractice cases and malpractice insurance rates in Maine.
- Health care practitioners will be asked to limit net revenues to 3% for the first year.
- Hospitals will be asked to limit cost increases to 3.5% for the first year.
- Health insurance carriers will be asked to limit underwriting gains to 3% for the first year.
- If average premiums and the rate of uninsured in Maine exceed average premium rates and the average rate of uninsured among 31 states with high risk pools, legislation will be introduced for a high-risk insurance pool in Maine.
- The Commission to Study Maine's Community Hospitals will examine the roles of community hospitals in the 21st century and explore the opportunity for hospitals to cooperate in a variety of areas.
- The Task Force on Veterans' Health Services will assess the needs of Maine's veterans for health care services and the availability, accessibility and quality of public and private health care services for veterans.

Return to Coalition News

