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October 14, 2005

***VIA HAND DELIVERY***

Alessandro A. Iuppa, Superintendent  
Attn: Vanessa J. Leon  
Docket No. INS-05-700  
Maine Bureau of Insurance  
34 State House Station  
Gardiner, Maine 04333-0034

In Re: Review of Aggregate Measurable Cost Savings Determined By Dirigo Health  
For the First Assessment Year


Dear Superintendent Iuppa:

Enclosed for filing please find two hard copies of the following:

SUBMITTED BY: Christopher T. Roach  
DATE: October 14, 2005  
DOCUMENT TITLE: Anthem Health Plans of Maine, Inc.'s Designation of Witnesses  
and Summary of Testimony  
DOCUMENT TYPE: Designation  
CONFIDENTIAL: No

Thank you for your assistance in this matter.

Very truly yours,



Christopher T. Roach

cc: John Kelly  
Thomas C. Sturtevant, Jr.

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

IN RE:	)	
	)	
REVIEW OF AGGREGATE	)	
MEASURABLE COST SAVINGS	)	<b>ANTHEM HEALTH PLANS</b>
DETERMINED BY DIRIGO HEALTH	)	<b>OF MAINE, INC.'s</b>
FOR THE FIRST ASSESSMENT YEAR	)	<b>DESIGNATION OF</b>
	)	<b>WITNESSES AND</b>
	)	<b>SUMMARY OF TESTIMONY</b>
	)	
	)	
	)	
Docket No. INS-05-700	)	

Pursuant to the Superintendent's Second Procedural Order dated October 11, 2005, Anthem Health Plans of Maine, Inc. d/b/a Anthem Blue Cross and Blue Shield ("Anthem BCBS") files this designation of witnesses identifying each person that it will call as a witness at the hearing, together with a summary of the expected testimony of each witness. Pursuant to the Superintendent's Order Granting Intervention, Anthem BCBS will determine, prior to the deadline for filing prefiled testimony, whether and to what extent the Maine Association of Health Plans will join in the prefiled testimonies summarized herein.

Reserving its right to add to this list based upon responses to informational requests that remain outstanding, at this point, Anthem BCBS designates the following witnesses:

1. Sharon Roberts

Sharon Roberts is the Director of Stakeholder Relations with Anthem BCBS in its Maine Office. Ms. Roberts testimony will include an explanation of Anthem BCBS's interest in this proceeding and the reasons for its intervention, an explanation of the purpose of the Dirigo Health Act and its implication on Anthem BCBS and its members, an explanation of the

principles and standards by which Anthem BCBS suggests the aggregate measurable savings attributable to the operation of Dirigo Health should be measured, and an explanation as to whether the recommendations of the Dirigo Health Board meets those principles and standards.

2. Jack C. Keane

Jack Keane is a consultant for Anthem BCBS, with substantial experience in the areas of health care finance, data analysis and provider contracting. Mr. Keane's testimony will provide analyses and commentary on various aspects of the methodology proposed by the Dirigo Board for determining the aggregate measured savings attributable to the operation of Dirigo Health, including discussion of several significant flaws in that methodology and the impact of those flaws on the savings suggested by the DHA methodology.

3. Daniel McCormack

Daniel McCormack is the Executive Director of Provider Network Management with Anthem BCBS in its Maine office. He has significant expertise in contract negotiations with hospitals and physicians in Maine. Mr. McCormack's testimony will explain the practical difficulties of contractual negotiations with hospitals in the absence of significant competition in the market, , will explain the calculation flaws associated with inconsistencies between hospitals' fiscal years and the state fiscal years, will discuss how costs captured by CMAD and COM are not reasonable measures of the amounts insurers pay for the healthcare of their members, and will discuss why measuring payment amounts more accurately reflects savings from hospitals associated with Dirigo Health, and related issues. Mr. McCormack's testimony will also explain the inappropriateness of the inclusion of Medicaid payment increases to physicians in the calculation of the savings offset payment.

4. William Whitmore

William Whitmore is an actuary working in the Actuarial Research area in Anthem BCBS's Maine office. Mr. Whitmore's testimony will provide an analysis of certain flaws in the Dirigo Board's analysis of the savings in the healthcare system that they claim are attributable to the presence of the Dirigo law, focusing in particular on the estimate of savings due to the voluntary cap on hospital cost increases as measured by the case mix adjusted discharge rate (CMAD). Mr. Whitmore's testimony will also discuss whether or not Anthem BCBS data could be employed to generate a more accurate representation of any savings in the system due to the presence of Dirigo and the result of various calculations performed by Anthem BCBS using its own data. Mr. Whitmore's testimony will also present certain data comparing cost trends in Maine, New Hampshire and Connecticut and discuss Dirigo funding levels based on projected enrollment.

5. David S. Wakelin

David S. Wakelin is an attorney licensed to practice law in the State of Maine, with substantial experience in the field of employee benefit plans and benefit design. Mr. Wakelin represents the Maine Education Association Benefits Trust ("MEA Benefits Trust"). Mr. Wakelin testimony will describe the financial impact on MEA Benefits Trust members in the event that a savings offset payment is imposed that does not reflect actual, proven net savings that have been realized due to Dirigo Health initiatives.

DATED October 14, 2005



Christopher T. Roach, Esq.

PIERCE ATWOOD LLP  
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*Attorney for Anthem Health Plans of Maine, Inc.*

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 14, 2005, a copy Anthem Health Plans of Maine, Inc.'s Designation of Witnesses and Summary of Testimony was served via electronic and US mail on each of the persons listed below:

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Department of the Attorney General  
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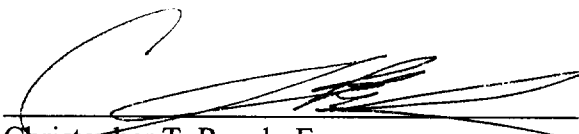
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DATED: October 14, 2005



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