

Verrill Dana_{LLP}

Attorneys at Law

WILLIAM H. STILES
PARTNER
wstiles@verrilldana.com
Direct: 207-253-4966

ONE PORTLAND SQUARE
PORTLAND, MAINE 04112-0586
207-774-4000 • FAX 207-774-7499
www.verrilldana.com

October 21, 2005

By E-mail and U.S. Mail

Alessandro A. Iuppa, Superintendent
Attn: Vanessa J. Leon, Docket No. INS-05-700
Bureau of Insurance
Maine Department of Professional & Financial Regulation
124 Northern Avenue
Gardiner, Maine 04345

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

Dear Superintendent Iuppa:

Enclosed for filing in the above-referenced matter please find the original and one (1) copy of the following documents:

1. Filing Cover Sheet; and
2. Maine State Chamber of Commerce Hearing Exhibits.

Thank you for your attention to this matter.

Very truly yours,



William H. Stiles

WHS/rdl

Enclosure

cc: Service List (*by e-mail*)
John Kelly (*by e-mail and U.S. Mail*)
Kristine Ossenfort

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

Dated Filed: October 21, 2005

Name of Party: Maine State Chamber of Commerce

Document Title: Maine State Chamber of Commerce Hearing Exhibits

Document Type: Exhibits

Confidential: No

Respectfully submitted,



William H. Stiles, Bar No. 8123

VERRILL DANA, LLP
P.O. Box 586
One Portland Square
Portland, Maine 04112-0586
William H. Stiles Direct: (207) 253-4658
Email: wstiles@verrilldana.com
cc: rlefay@verrilldana.com

Phone: (207) 774-4000
Fax: (207) 774-7499

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 FIRST)
 ASSESSMENT YEAR)

Docket No. INS-05-700

CERTIFICATE OF SERVICE

I, William H. Stiles, attorney for the Maine State Chamber of Commerce, hereby certify that on this day the foregoing document was served on the following parties via first-class mail and electronic mail:

Alessandro A. Iuppa, Superintendent
Attn: Vanessa J. Leon, Docket No. INS-05-700
Bureau of Insurance
Maine Department of Professional & Financial Regulation
34 State House Station
Augusta, Maine 04333-0034
Vanessaj.Leon@maine.gov

William H. Laubenstein, III, Esq. Office of the Attorney General
6 State House Station
Augusta, ME 04333-0006
bill.laubenstein@maine.gov
Counsel for Dirigo Health Agency

Thomas C. Sturtevant, Jr.
Assistant Attorney General
Office of the Attorney General
6 State House Station
Augusta, Maine 04333-0006
Tom.Sturtevant@maine.gov

Compass Health Analytics, Inc.
Attn: John Kelly
465 Congress Street, 7th Floor
Portland, Maine 04101
jck@compass-inc.com

I, William H. Stiles, attorney for the Maine State Chamber of Commerce, hereby certify that on this day the foregoing document was served on the following parties via and electronic mail only, as follows:

Christopher T. Roach, Esq.
Pierce Atwood, LLP
One Monument Square
Portland, ME 04101
croach@pierceatwood.com
Counsel for Anthem Health Plans of Maine, Inc.

Rufus E. Brown, Esq.
Brown & Burke 85 Exchange Street,
Suite 201
P.O. Box 7530
Portland, ME 04112
rbrown@brownburkelaw.com
Counsel for Consumers for Affordable Health Care

D. Michael Frink, Esq.
Curtis, Thaxter, Stevens, Broder & Micoleau, LLC
One Canal Plaza
P.O. Box 7320
Portland, ME 04112-7320
dfrink@curtisthaxter.com
Counsel for Maine Association of Health Plans

Roy T. Pierce, Esq.
Preti Flaherty Beliveau Pachios & Haley, LLP
45 Memorial Circle
PO Box 1058
Augusta, Maine 04332-1058
rpierce@preti.com

Dated: *October 21, 2005*



William H. Stiles, Bar No. 8123

ATTACHMENT C TO JOINT INFORMATION REQUEST OF ANTHEM
HEALTH PLANS AND MAHP

**Cost Per Case-Mix Adjusted Discharge Formula
Proposed by the Maine Hospital Association
October 7, 2003**

Total Expenses – Bad Debt – State Hospital Tax

Inpatient Discharges x Case-Mix Index

+

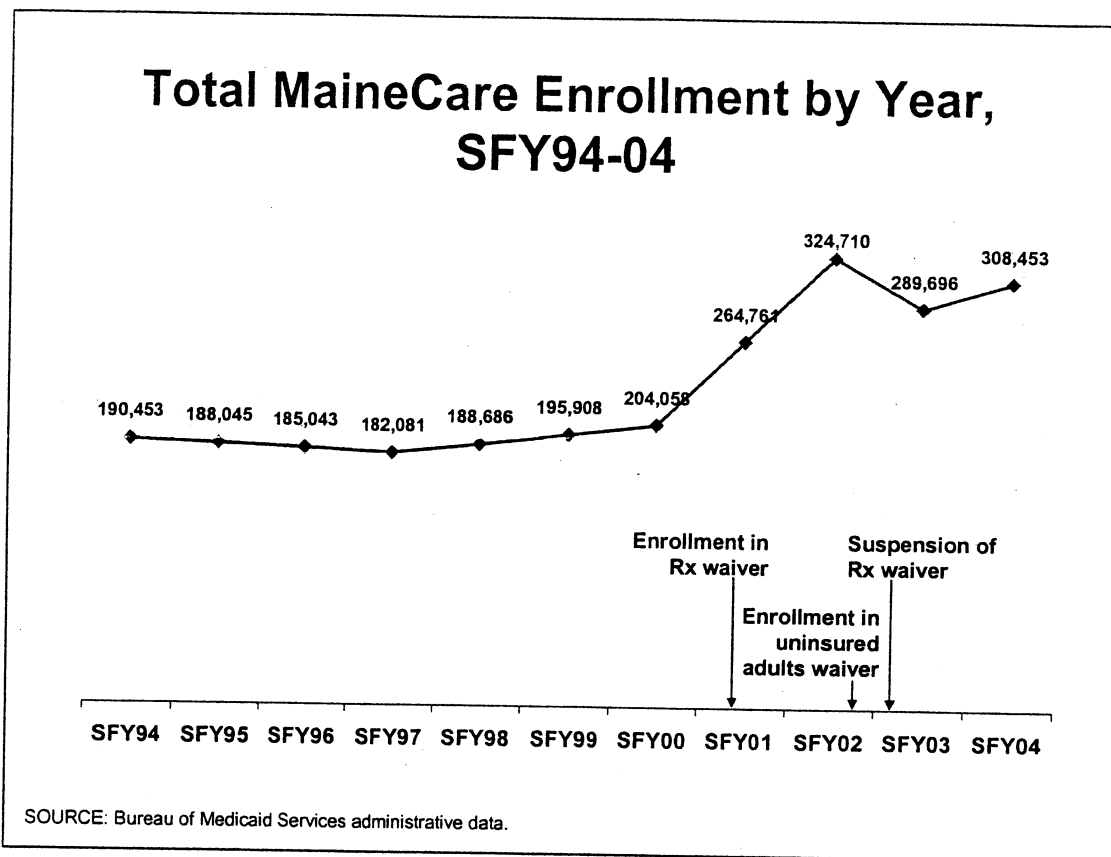
(Outpatient Revenue / (Inpatient Revenue / Inpatient Discharges))

NOTES:

**All data is taken from the hospital's Medicare cost report.*

- Total Expenses is defined as hospital only expenses. This includes any item that is listed on the cost report as a sub-provider, such as a Psychiatric or Rehab Unit. This does not include non-hospital cost centers shown on the cost report, such as Home Health Agencies, Nursing Facilities, Swing Beds, Skilled Nursing Facilities, and Hospital-owned Physician Practices.
- Bad Debt is defined in the Medicare Cost Report and taken directly from the cost report.
- The State Hospital tax was a one-time assessment paid in 2003. This is removed because it was a one-time expense making it not conducive for comparison from year to year.
- Inpatient Discharges are taken directly from the Medicare Cost Report.
- The CMS Medicare Case Mix Index is used to adjust the formula for acuity. The CMS Medicare Case Mix Index was chosen because it is a measure that was already calculated for the base year and is currently used by all Maine Hospitals. It also has the advantage of being used by other States and allows for regional and national comparisons.
- There is no such thing as an outpatient discharge, so therefore a formula is needed to establish "revenue per outpatient discharge". This uses a standard industry formula that divides inpatient discharges into inpatient revenue and establishes a factor. This factor is then divided into outpatient revenue to get revenue per "outpatient discharge".

This page appears in a GOHPF report issued January 2005 and entitled:
"Understanding MaineCare: A Chartbook about Maine's Medicaid Program"



This chart shows the total number of individuals served by MaineCare over the course of time. This total is different (and larger) than the number of individuals who are served by the program at any single point in time.

MaineCare enrollment was fairly steady until 1998, when there was an increase in enrollment following the implementation of the Healthy Maine Prescription waiver in 2001. As this program was suspended, enrollment dropped slightly, but the implementation of the non-categorical adult coverage waiver occurred at the same time, as did Maine's economic downturn, keeping overall enrollment above previous levels.

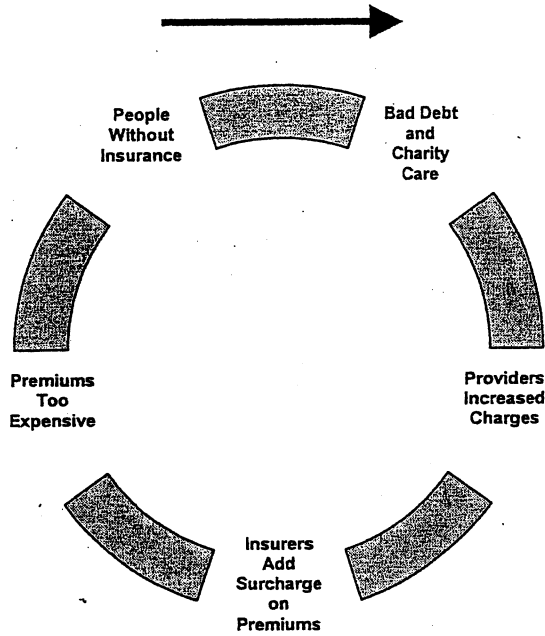


STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE

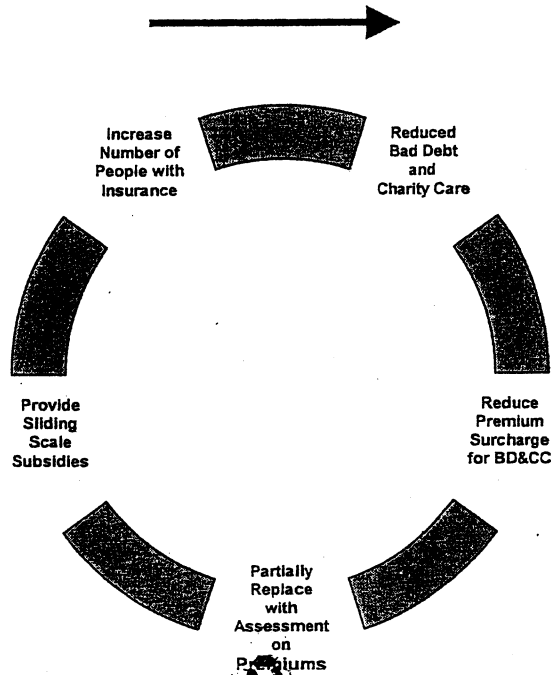
HOW BAD DEBT/CHARITY CARE RECOVERY WORKS

JOHN ELIAS BALDACCI
GOVERNOR

Effect of Uninsured on Current Premium Prices



Bad Debt and Charity Care Recovery with Dirigo Health



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