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May 21, 2009

VIA ELECTRONIC MAIL AND HAND DELIVERY

Dirigo Health Agency
Attn: Ruth Ann Burke
211 Water Street
Augusta, Maine 04333-0053

Re: *Determination of Aggregate Measurable Cost Saving for the Fifth Assessment Year (2010)*

Dear Ms. Burke:

Enclosed for filing please find the following:

SUBMITTED BY: Christopher T. Roach
DATE: May 21, 2009
DOCUMENT TITLE: Anthem Health Plans of Maine, Inc.'s Application for Intervention
DOCUMENT TYPE: Intervention Application
CONFIDENTIAL: NO

Thank you for your assistance in this matter.

Very truly yours,



Christopher T. Roach

cc: William H. Laubenstein, III, AAG (electronic mail only)
Bruce Gerrity, Esquire (electronic mail only)

STATE OF MAINE
DIRIGO HEALTH AGENCY

IN RE:)

)
DETERMINATION OF AGGREGATE)
MEASURABLE COST SAVINGS FOR)
THE FIFTH ASSESSMENT YEAR (2010))

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**APPLICATION FOR
INTERVENTION**

Pursuant to 5 M.R.S.A. § 9054(1) and Section 3 of the Notice of Pending Proceeding and Hearing dated March 20, 2009, Anthem Health Plans of Maine, Inc. d/b/a/ Anthem Blue Cross and Blue Shield (“Anthem BCBS”), by and through its attorneys, hereby moves for intervention as a matter of right in the above-captioned matter.

**ANTHEM BCBS AND ITS MEMBERS WILL BE SUBSTANTIALLY AND
DIRECTLY AFFECTED BY THIS PROCEEDING**

Applications to intervene are governed by Section 9054 of the Maine Administrative Procedures Act. The relevant provision of Section 9054 provides:

1. Intervention. On timely application made pursuant to agency rules, the agency conducting the proceedings shall allow any person showing that he is [or] may be, or is a member of a class which is or may be, substantially and directly affected by the proceeding, or any other agency of federal, state or local government, to intervene as a party to the proceeding.

5 M.R.S.A. § 9054.

Anthem BCBS clearly meets the statutory standards for intervention as a matter of right in this proceeding as a full party. As the State of Maine’s largest health insurance carrier, Anthem BCBS will be substantially and directly affected in several ways by the Board’s decision determining the amount of aggregate measurable cost savings.

The aggregate measurable cost savings to be preliminarily determined by the Board in this proceeding, and thereafter reviewed by the Bureau of Insurance, establishes one cap on the amount of the savings offset payment ("SOP"). The SOP must be paid in the first instance by, among others, health insurance carriers. In turn, health insurance carriers may include the amount of the SOP in the calculation of the rates charged by the carrier to its members. *See, e.g.,* 24-A M.R.S.A. § 2736-C.

In addition to the substantial and direct effect of having to pay the SOP, Anthem BCBS member premium rates will be impacted by the amount of the SOP as the SOP is used in calculating Anthem BCBS member rates. Anthem BCBS insures more Maine residents than any other carrier and has a substantial interest in ensuring that the methodology used to calculate the aggregate measurable cost savings includes only those savings that are as a result of the operation of Dirigo Health and within the parameters of the Dirigo Health Act.

Anthem BCBS is also one of the State's largest employers and will bear the burden of paying the SOP in its own premium rates for its employee group and be forced, as are other Maine employers, to make the determination whether and to what extent employee health rates must be increased to cover the cost of the SOP. Anthem BCBS has a substantial interest in ensuring that the SOP does not exceed the actual savings that have flowed from providers, to Anthem BCBS, and ultimately to members and employees in the form of lower premium rates.

Finally, for the reasons outlined above, Anthem BCBS has been granted individual intervenor status in prior savings offset proceedings. The Board should do the same in this proceeding.

For the reasons set forth above, Anthem BCBS will be substantially and directly affected by this proceeding and, accordingly, requests that the Board grant its application to intervene as a full party to this proceeding as a matter of right.

DATED: May 21, 2009



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