Recommendation to Dirigo Health Board of Directors regarding the amount of the Savings Offset Payment to be applied beginning July 1, 2009.

- September 23, 2008 the Superintendent of Insurance approved $48.7 million of Aggregate Measurable Cost Savings for the fourth assessment year.

Agency recommendation based on two factors:

1) Recoverability of savings
2) Subsidies and the Maine Quality Forum

Recoverability

Agency recommends not including the $6.6 million of savings due to the medical loss ratio (MLR) initiative because these savings have already been returned to policy holders.

Subsidies and the Maine Quality Forum

1) Legislative action will address cash flow situation
2) Maintain enrollment (DirigoChoice and MaineCare Expansion Parents)
3) Continue to support the Quality Forum

Agency Recommendation for SOP 4: $42.1 million

A $42.1 million assessment translates into a 2.14% assessment on paid claims.

Based on the information above it is the Agency’s recommendation that the fourth savings offset payment be:

- For health insurance carriers, 2.14% of annual paid claims for health care policies as provided in 24-A M.R.S.A § 6913 (3)(B)(1).
- For 3rd party administrators, 2.14% of annual paid claims for health care for residents of this State as provided in 24-A M.R.S.A § 6913 (3)(B)(2).
- For employee benefit excess insurance carriers, 2.14% of annual paid claims on employee benefit excess insurance carriers as provided in 24-A M.R.S.A § 6913 (3)(B)(3).