

October 19, 2005

Via mail & email

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

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

Dear Superintendent Iuppa:

Please find enclosed the following:

1. Filing Cover Sheet.
2. Two hard copies of Dirigo Health Response to Third Information Request of Superintendent.

Thank you for your assistance with this matter.

Yours very truly,

/s/William H. Laubenstein, III

William H. Laubenstein, III
Assistant Attorney General

WHL/elf

cc: (Via mail and email)
William H. Stiles, Esq.
Thomas C. Sturtevant, Jr., AAG
Roy T. Pierce, Esq.
Christopher T. Roach, Esq.
Rufus E. Brown, Esq.
D. Michael Frink, Esq.
John Kelly, Esq.
Karynlee Harrington
Trish Riley

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

Date Filed: October 19, 2005

Name of Party: Dirigo Health Board of Directors

Document Title: Dirigo Health Response to Third Information Request of
Superintendent.

Document Type: Response to Information Request

Confidential: No

Dated: October 19, 2005

Respectfully submitted,

/s/William H. Laubenstein, III

William H. Laubenstein, III
Assistant Attorney General

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

IN RE: REVIEW OF AGGREGATE)
MEASURABLE COST) **DIRIGO HEALTH RESPONSE**
SAVINGS DETERMINED BY) **THIRD INFORMATION**
DIRIGO HEALTH FOR THE) **REQUEST**
FIRST ASSESSMENT YEAR) **OF THE SUPERINTENDENT**
)
Docket No. INS-05-700)

The Board of Directors of Dirigo Health responds to the Third Information Request of the Superintendent as follows:

1. Please provide the exact URL at which one can find the “PPS Input Price Index Market Basket” index numbers provided in response to the Superintendent’s First Information Request number 2(c) to Dirigo, and indicate whether these index numbers are publicly available or not, and if not why not. Please explain why the quarterly numbers provided in response to the Superintendent’s inquiry number 2(c) are different than the quarterly numbers produced by Global Insight and posted on the CMS website at: <http://www.cms.hhs.gov/statistics/market-basket/mktbskt-pps-hospital.pdf>.

Response No. 1:

Here is the URL where the PPS Input Price Index Market Basket can be found. <http://www.globalinsight.com/MyInsight/getFileById.cfm/105099/HCC2Q2005.pdf>
This information was published in the Second Quarter 2005 edition of *Health Care Cost Review*. Note that subsequent editions are likely to have index values for the projected time periods that will be different from those in the Second Quarter 2005 edition.

This information is also available on the Web to subscribers to Global Insight's service. Mercer is a subscriber. The same information may be available from CMS or another public source at another URL.

Forecasts for several health related national market basket indices are published by *Health Care Cost Review*. Among them are single indices for physicians and home health agencies. There are two indices for nursing homes and three indices for hospitals. One of the hospital market basket indices is labeled the "PPS Input Price Index Market Basket." It is also called the "Old CMS Hospital Prospective Reimbursement Market Basket" and abbreviated as "PPS". The second hospital market basket index is labeled "Market Basket, CMS Hospital Prospective Reimbursement". It is also called the "New CMS Hospital Prospective Reimbursement Market Basket" and abbreviated as "PPS02". See the Second Quarter 2002 edition of *Health Care Cost Review* for a technical description of the difference between the two indices. The third hospital market basket index is labeled "DRI Input Price Index Market Basket". It is also called the "Global Insight Hospital Market Basket" and abbreviated as "HOSPITAL@DRI".

The numbers found on the website named in the Third Information Request of the Superintendent are from PPS02, so they are different from the PPS numbers which the Dirigo Health Agency used.

DATED: October 19, 2005

Respectfully submitted,

/s/William H. Laubenstein, III

William H. Laubenstein, III
Assistant Attorney General