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October 13, 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*

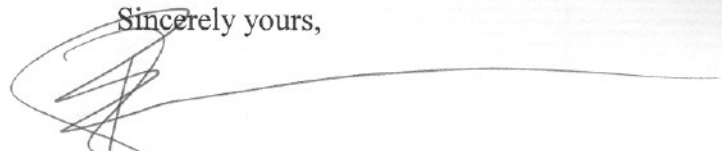
Dear Superintendent Iuppa:

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

1. Filing Cover Sheet; and
2. Responses of Consumers for Affordable Health Care to Objections of the Maine Automotive Dealers Association Trust to Information Requests.

Thank you for your attention to this matter.

Sincerely yours,



Rufus E. Brown

REB/new
Enclosures
cc: Service List (by e-mail and U.S. Mail)

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

IN RE:)
)
REVIEW OF AGGREGATE) FILING COVER SHEET
MEASURABLE COST SAVINGS)
DETERMINED BY DIRIGO HEALTH)
FOR THE FIRST ASSESSMENT YEAR)

DOCKET NO. INS-05-700

To: Alessandro Iuppa, Superintendent of Insurance
Attn: Vanessa J. Leon

Dated Filed: October 13, 2005

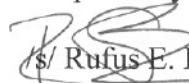
Name of Party: Consumers for Affordable Health Care

Document Title: Responses of Consumers for Affordable Health Care to Objections
Of The Maine Automotive Dealers Association Trust to
Information Requests.

Document Type: Responses

Confidential: No

Respectfully submitted.


/s/ Rufus E. Brown

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

IN RE:)
) **RESPONSES OF**
) **CONSUMERS FOR AFFORDABLE**
 • REVIEW OF AGGREGATE) **HEALTH CARE TO OBJECTIONS**
 MEASURABLE COST SAVINGS) **OF THE MAINE AUTOMOTIVE**
 DETERMINED BY DIRIGO HEALTH) **DEALERS ASSOCIATION TRUST**
 FOR THE FIRST ASSESSMENT YEAR) **TO INFORMATION REQUESTS**
 Docket No. INS-05-700)

Consumers for Affordable Health Care (“CAHC”) responds to the Objection of the Maine Automobile Dealers Association Insurance Trust and the Bankers Health Trust (the “Trusts”), dated October 12, 2005, as follows:

Objections to Requests Nos. 9 and 10: The Trusts object to CAHC Requests Nos. 9 and 10 on grounds of burden. These requests ask:

9. *If the Trusts contend that there have been increased costs in the health care system as a result of the operation of Dirigo Health, please:*
 - a. *Identify each cost*
 - b. *State the amount of each cost identified*
 - c. *State how each cost identified is the result of the operation of Dirigo Health*
 - d. *Provide all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in developing each cost identified.*

10. *If the Trusts contend that there are savings in the health care system not the result of the operation of Dirigo Health, please:*
 - a. *Identify each savings*
 - b. *State the amount of each saving identified*
 - c. *State how each savings identified was achieved*

- d. *Provide all data, calculations, information, work papers, documents and other materials of whatever kind and nature used in developing each savings identified.*

Response: If the Trusts are going to contend that Dirigo resulted in added costs or there were savings other than from Dirigo, they should be able to give the information requested or as much of the information requested that forms the basis of their contentions. If they do not plan to make these contentions, they can easily say so. What is inappropriate is for the Trusts to make the contentions at issue and then say it is too burdensome to back up the contentions with facts.

Objections to Requests No. 11:

Response: CAHC withdraws Request No. 11.

Objections to Requests No 12: The Trust objects to Request No. 12 on grounds of burden. Request No. 12 asks:

12. *Please describe how the private sector contracting process for health care services with hospitals works. Include in your answer:*
- a. *How far in advance of the first year of the operation of Dirigo health rates for services were negotiated*
 - b. *The basis upon which the rates were negotiated*
 - c. *Whether the rates negotiated for the first year of the operation of Dirigo Health can be changed based on information about hospital costs and profits that is not known until the third year of the operation of Dirigo Health.*
 - d. *How frequently private insurers negotiate charge reductions with hospitals rather than discounts off those charges.*

Response: CAHC agrees to limit the request to how the process works as a general matter for the larger private sector payors negotiating with the larger hospitals.

Objections to Request No. 14: The Trusts object to Request No. 14 on grounds that it is unclear what questions CAHC is asking about the position of the Trusts.

Request No. 14 asks:

14. *If the Trusts contend that changes in volume account for increases or decreases in Cost per Case Mixed Adjusted Discharge ("CMAD") please provide all data, calculations, information, work papers, documents and other materials of whatever kind and nature that relate to this contention.*

Response: CAHC does not understand the objection. All CAHC wants is for the Trusts to provide "all [their] data, calculations, information, work papers, documents and other materials of whatever kind and nature that relate to" their contention concerning how volume affects CMAD, whatever that contention is. If they are making no contention, they do not need to answer. If they are making a contention on this subject, we want the factual basis for that contention.

Objections to Request No. 16: The Trusts objects to Request No. 16 on grounds that it asks questions that are not relevant. Request No. 16 asks:

16. *Apart from whether or not attributable to Dirigo, do the Trusts agree that the historical settlements reduced hospital costs resulting in savings by \$96.4 million as calculated by Mercer as set forth in its September 19, 2005 Report (Tab 11 of the Board's Filing) and if not, explain in detail:*

- A. *Why the Trusts disagree; and*
- B. *How the hospitals accounted for the settlements.*

Response: CAHC disagrees with the position of the Trusts that the Superintendent has no power to rule on the issue of the reasonableness of the Dirigo Board's determination not to include savings resulting from the hospital settlement as Dirigo related.

Objections to Request No. 17: The Trusts object to Request No. 17 on the grounds that the request is unclear. Request No. 17 asks:

17. *Assuming the methodology is accepted, do the Trusts agree with the analysis of the other Dirigo Initiatives by Mercer as set forth in its September 19, 2005 Report (Tab 11 of the Board's Filing) and if not, why not.*

Response: CAHC believes the objection is disingenuous.

Dated: October 13, 2005

Respectfully submitted,



/s/ Rufus E. Brown

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 13, 2005, a copy of Responses of Consumers for Affordable Health Care to Objections of the Maine Automotive Dealers Association Trust to Information Requests was served electronic and US mail on each of the persons listed below:

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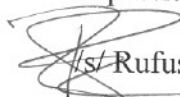
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DATED: October 13, 2005

Respectfully submitted,


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