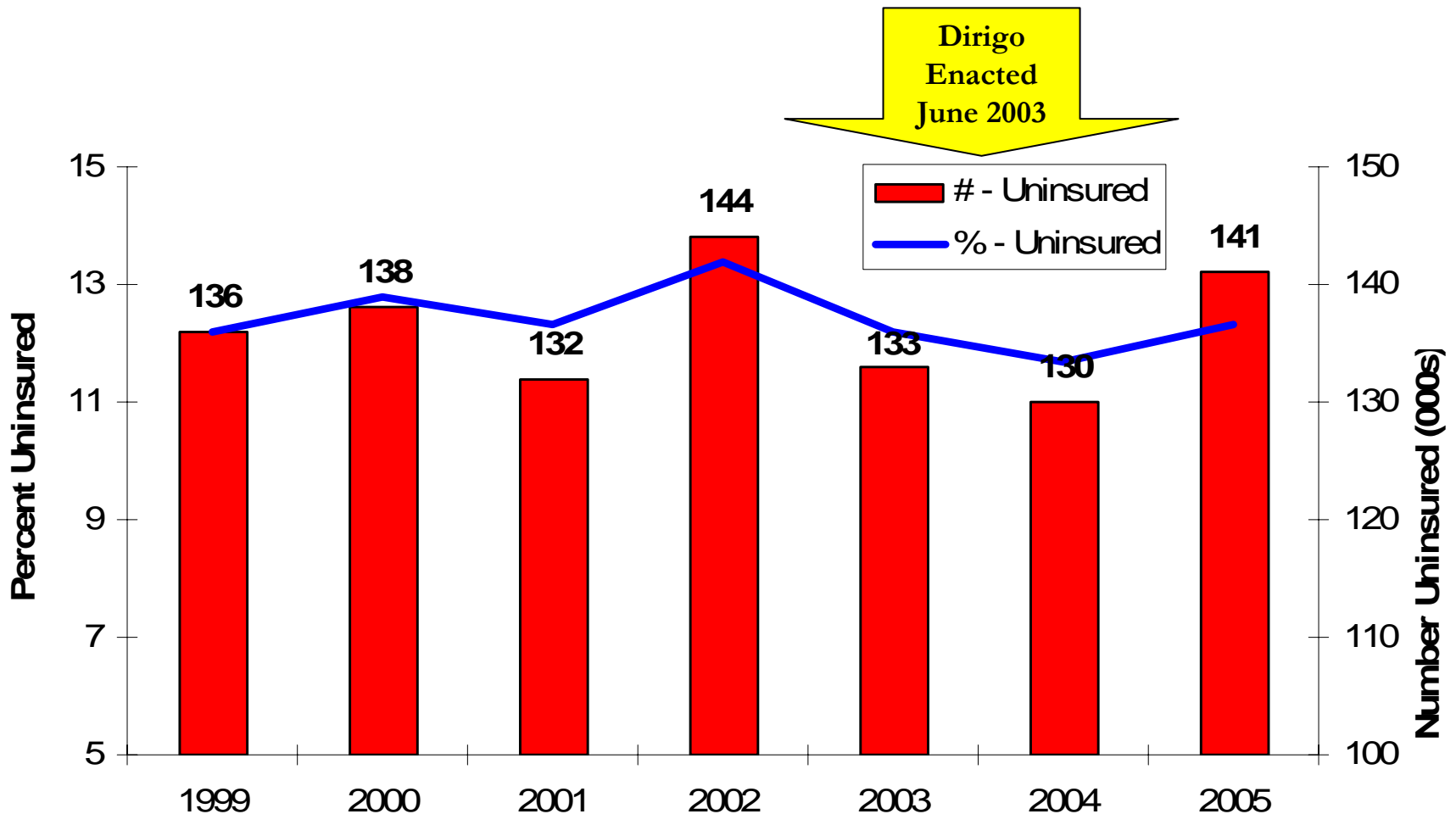

Maine's Costly, Ineffective Dirigo Health Reform

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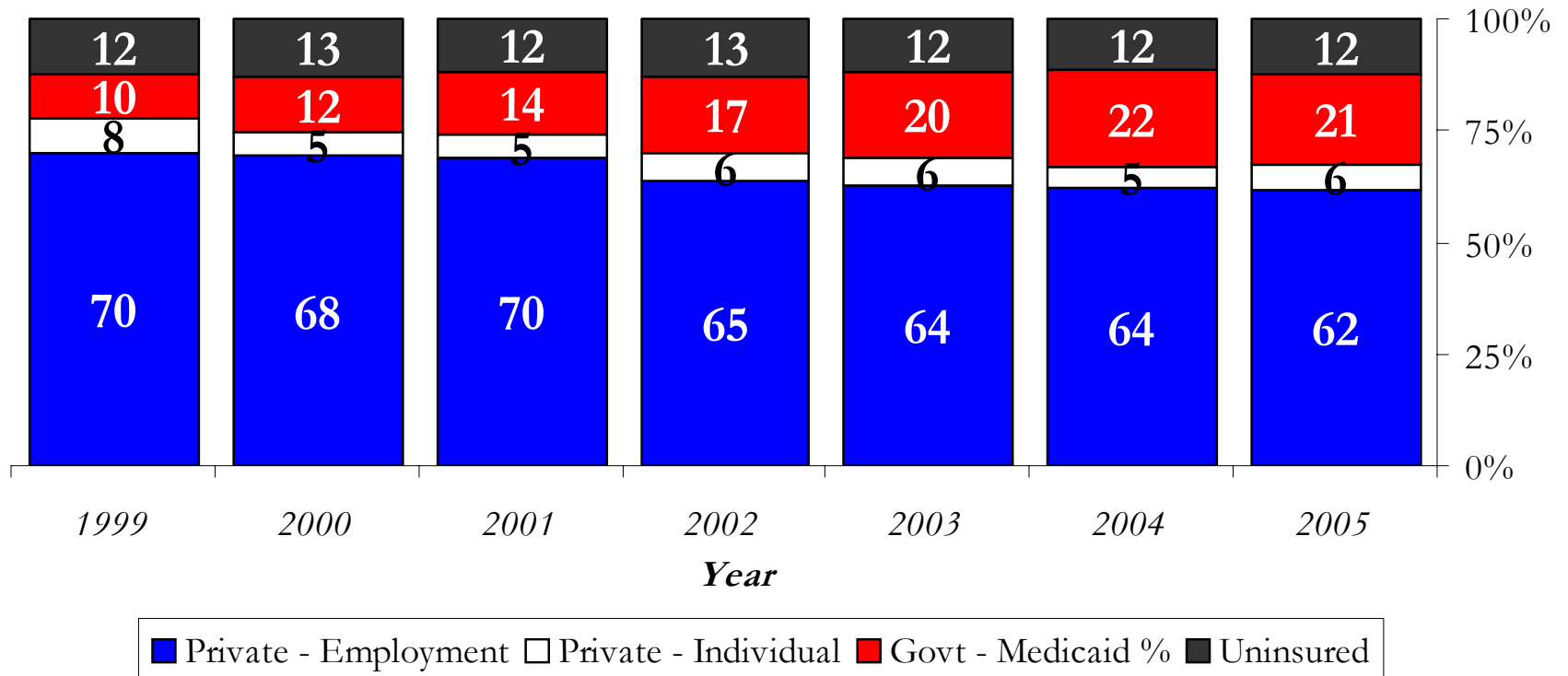
Maine's Uninsured: 1999-2005



Source: US Census Bureau

Maine's Uninsured: 1999-2005

Insurance Coverage for Mainers under 65 years old



Source: US Census Bureau, may not add to 100% due to rounding

Dirigo Health's Three Promises

- **Eliminate all 135,000 uninsured within 5 years**
 - **Be self-supporting with no new taxes or state funds (beyond first year)**
 - **Stabilize health insurance premiums and healthcare cost increases**
-

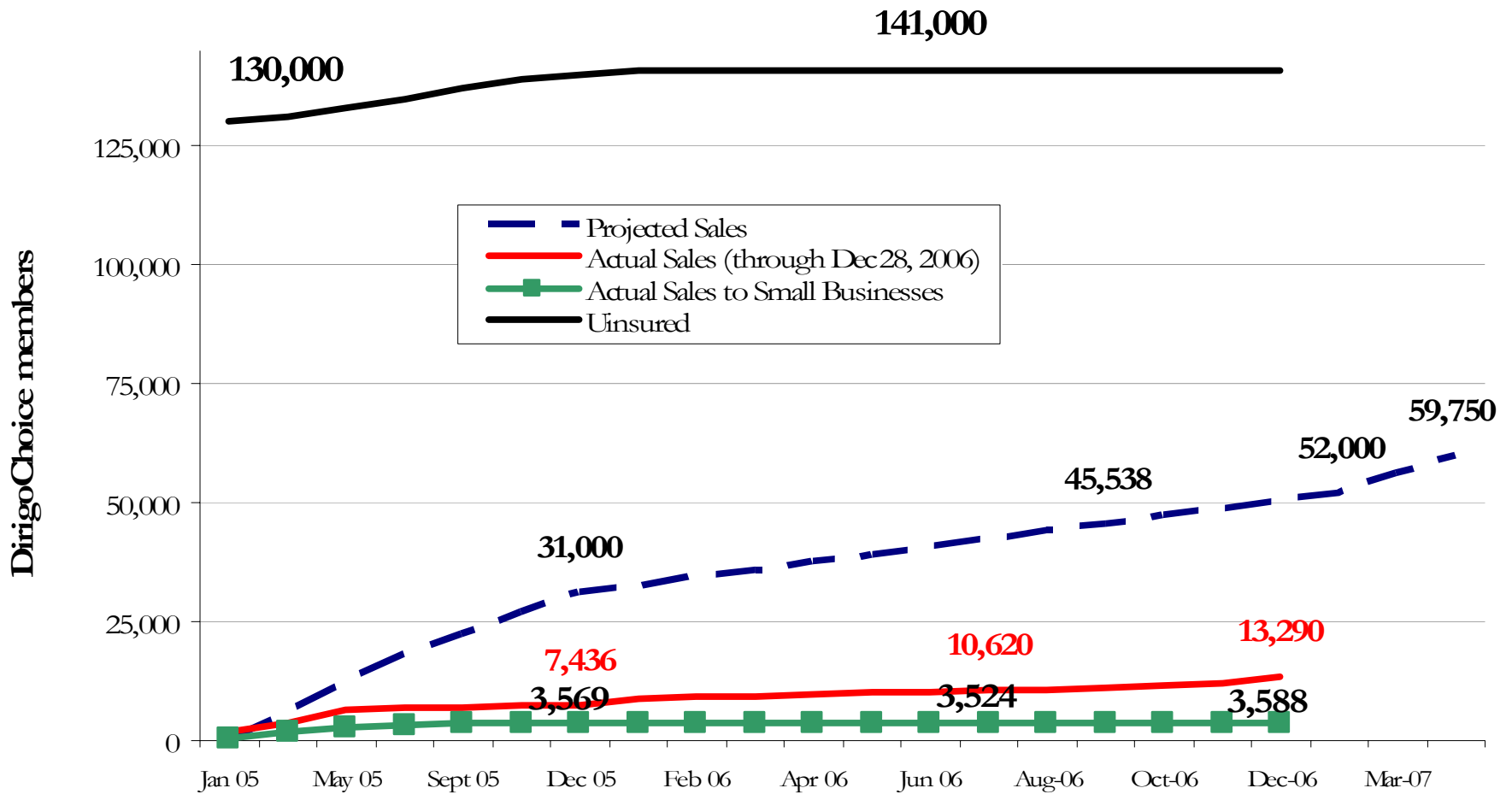
Dirigo Health's Three Parts

- **Medicaid expansion**
 - **DirigoChoice – subsidized insurance product for individuals and small businesses**
 - **New State healthcare and health insurance regulations and controls**
-

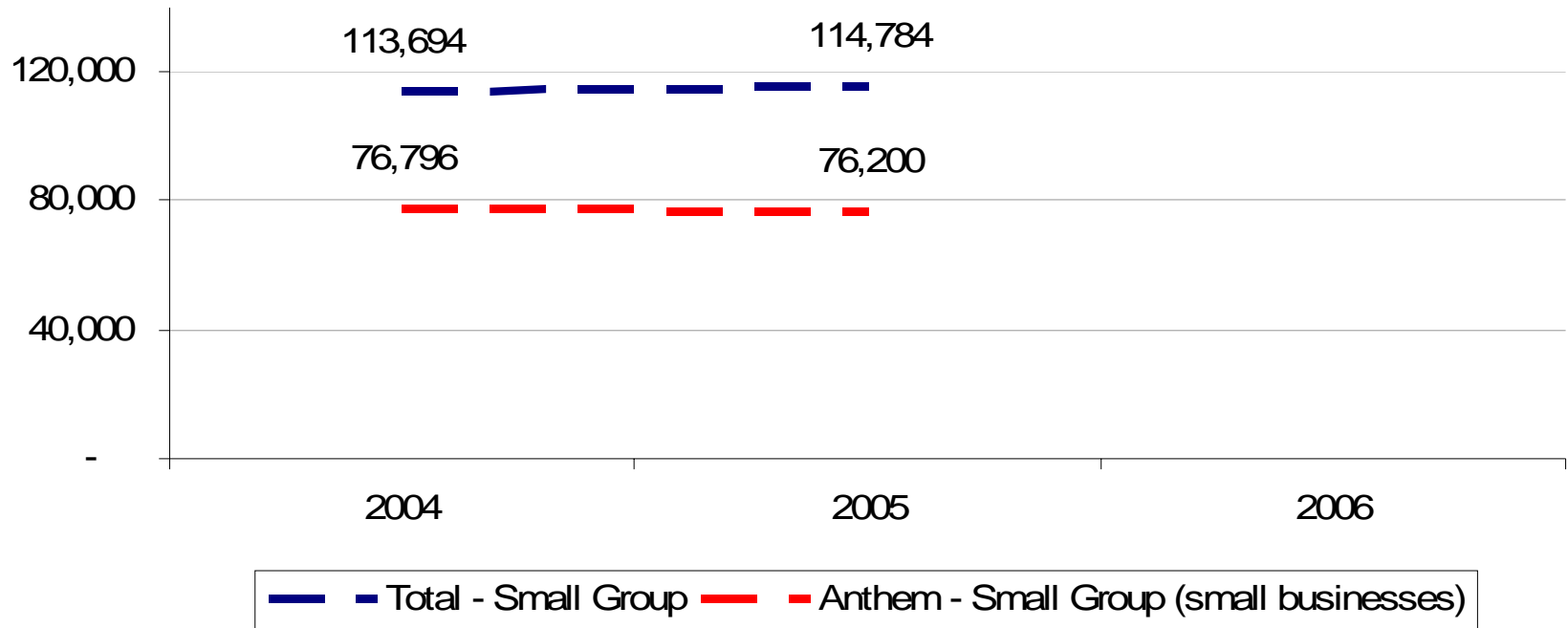
DirigoChoice – Premium Subsidy Structure

Family Income (% of FPL)	Employee Premium Subsidy Deductible – Ind./Family	Percent of Total Enrollment
Medicaid Eligible <200% families, <100% childless adults	100% \$0/\$0	1%
<150%	80% \$250/\$500	51%
150-200%	60% \$500/\$1,000	16%
200-250% (\$40,000 family of four)	40% \$750/\$1,500	9%
250-300%	20% \$1,000/\$2,000	4%
>300% (\$60,000 family of four)	0% \$1,250/\$2,500	19%

DirigoChoice Sales to Date— 74% Below Projections

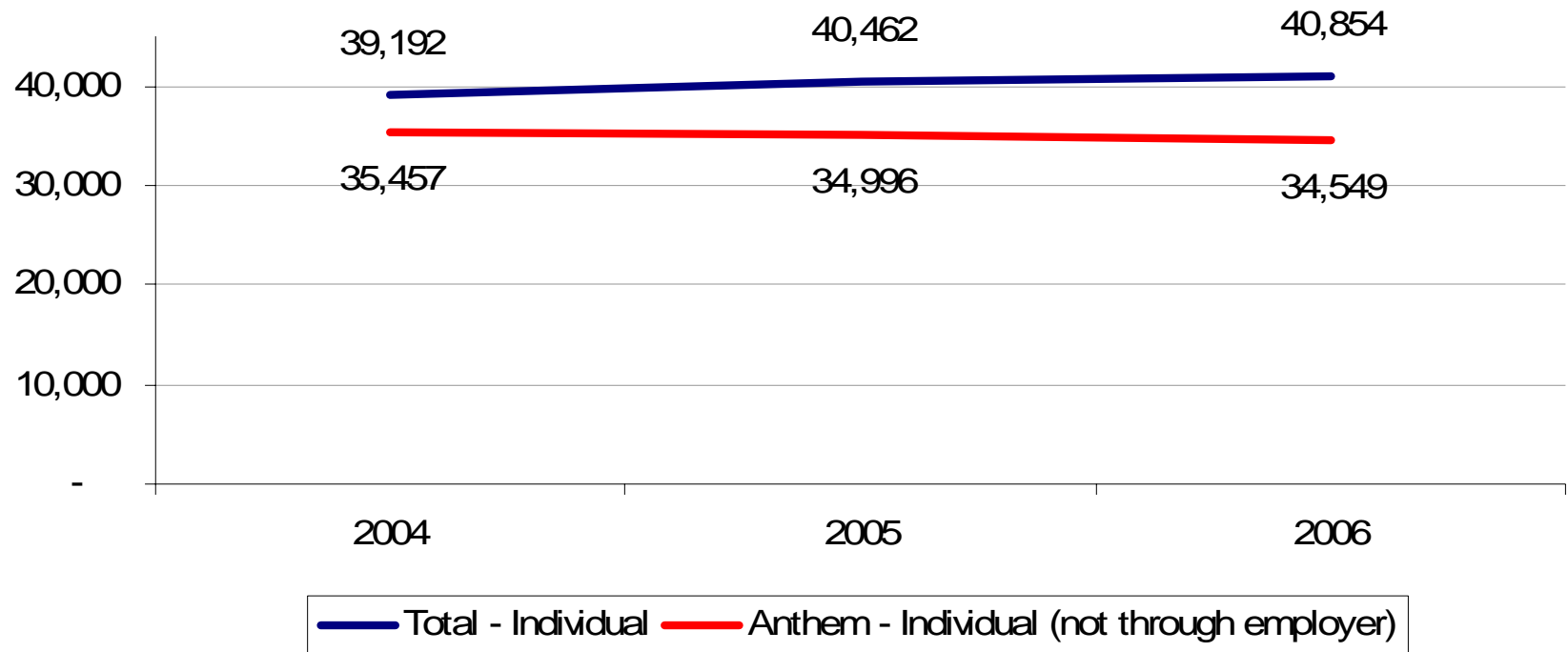


Evidence of Dirigo Not Working – Anthem's shrinking market share (includes DirigoChoice sales) – Small Group



Source: Maine Bureau of Insurance

Evidence of Dirigo Not Working – Anthem's shrinking market share (includes DirigoChoice sales) - Individual

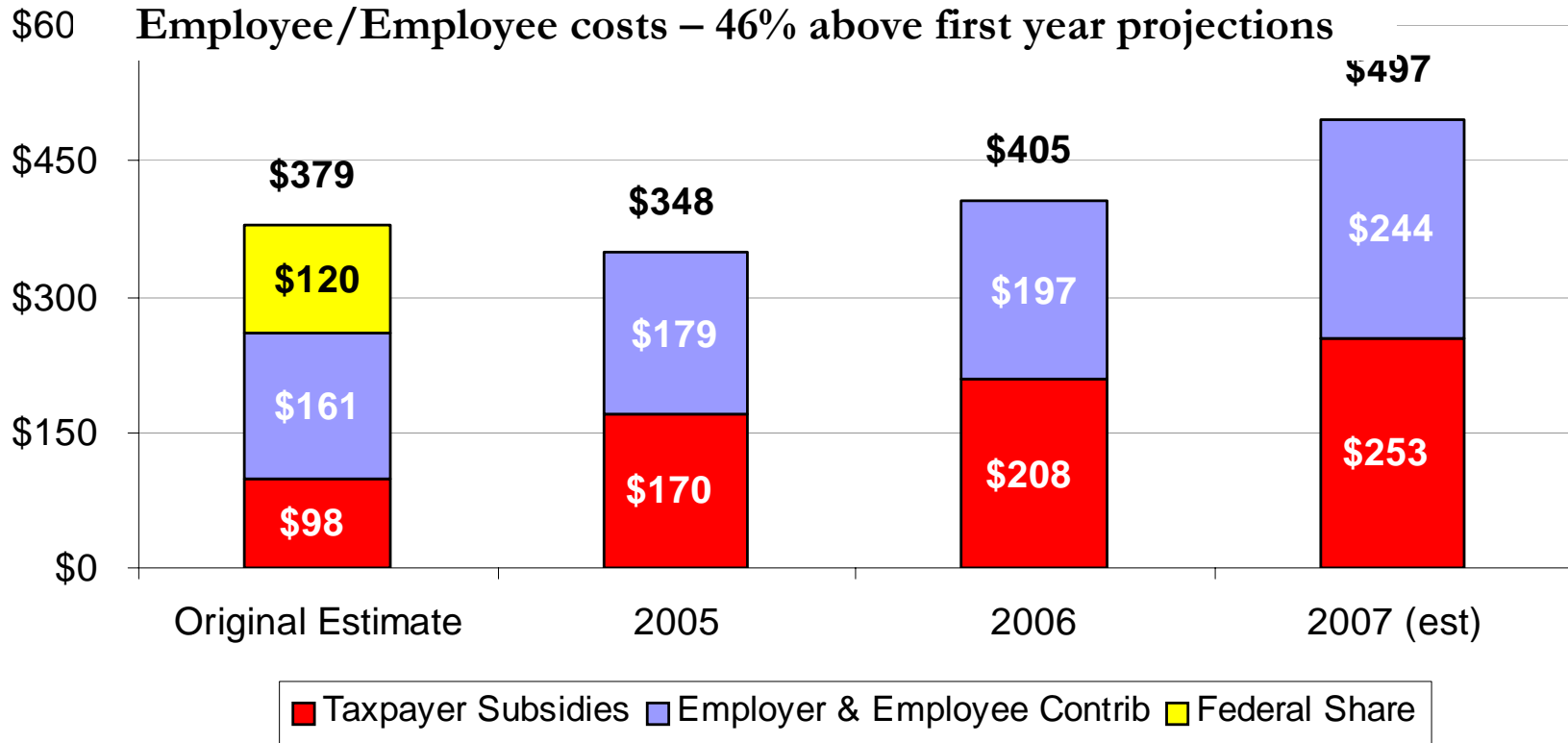


Comparison of Monthly Individual Costs (PMPM)

2007 Costs

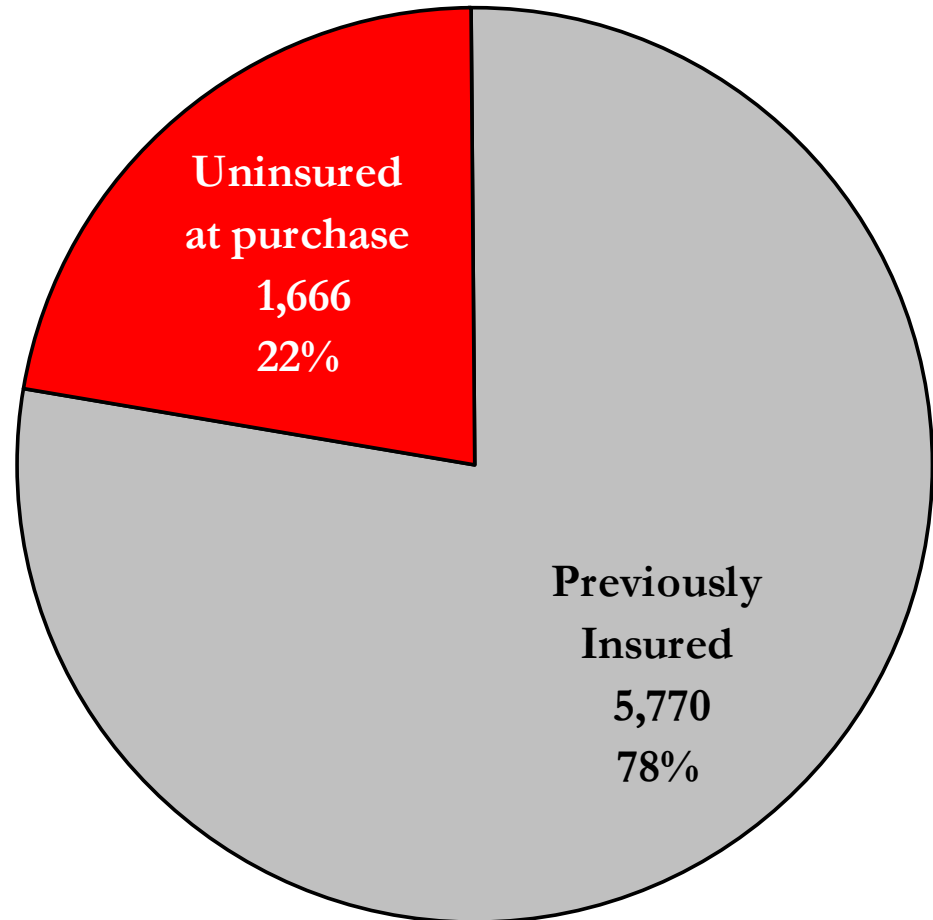
Taxpayer costs – 158% above first year projections

Employee/Employee costs – 46% above first year projections



Uninsured Not Buying DirigoChoice

- Only 22.4% of those enrolled in DirigoChoice were uninsured at time of enrollment. There was no control group for other insurance plans.



Source: Dirigo Health Agency, Muskie Survey

Chart based on 10/1/05 enrollment

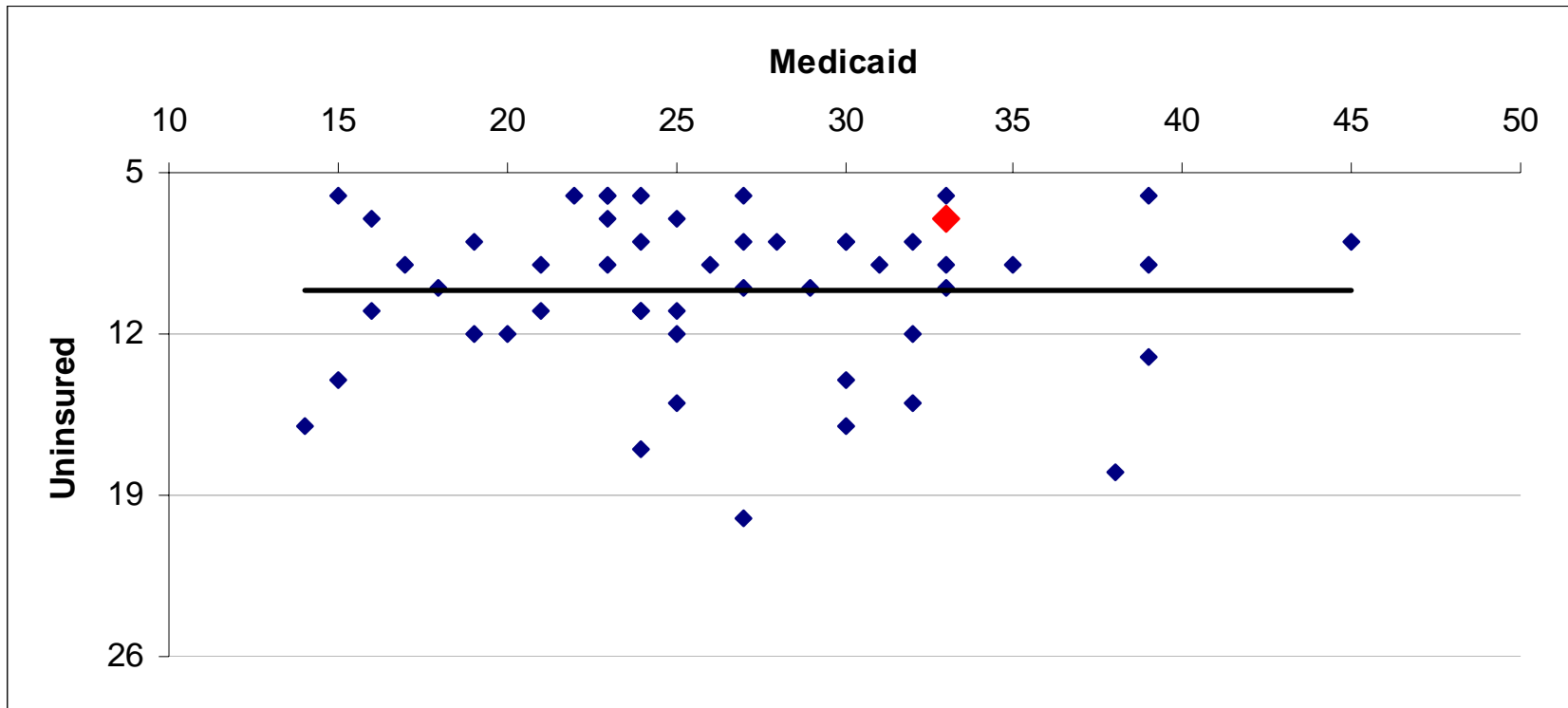
DirigoChoice by the Numbers

- Cost per enrollee per year \$4,856
- Paid by individual and employer \$2,366 (49%)
- Taxpayer cost per enrollee \$2,490 (51%)
- Taxpayer cost per uninsured \$11,116
(only 22.4% of enrollees)
(if 40% of enrollees, still \$6,225)

DirigoChoice by the Numbers

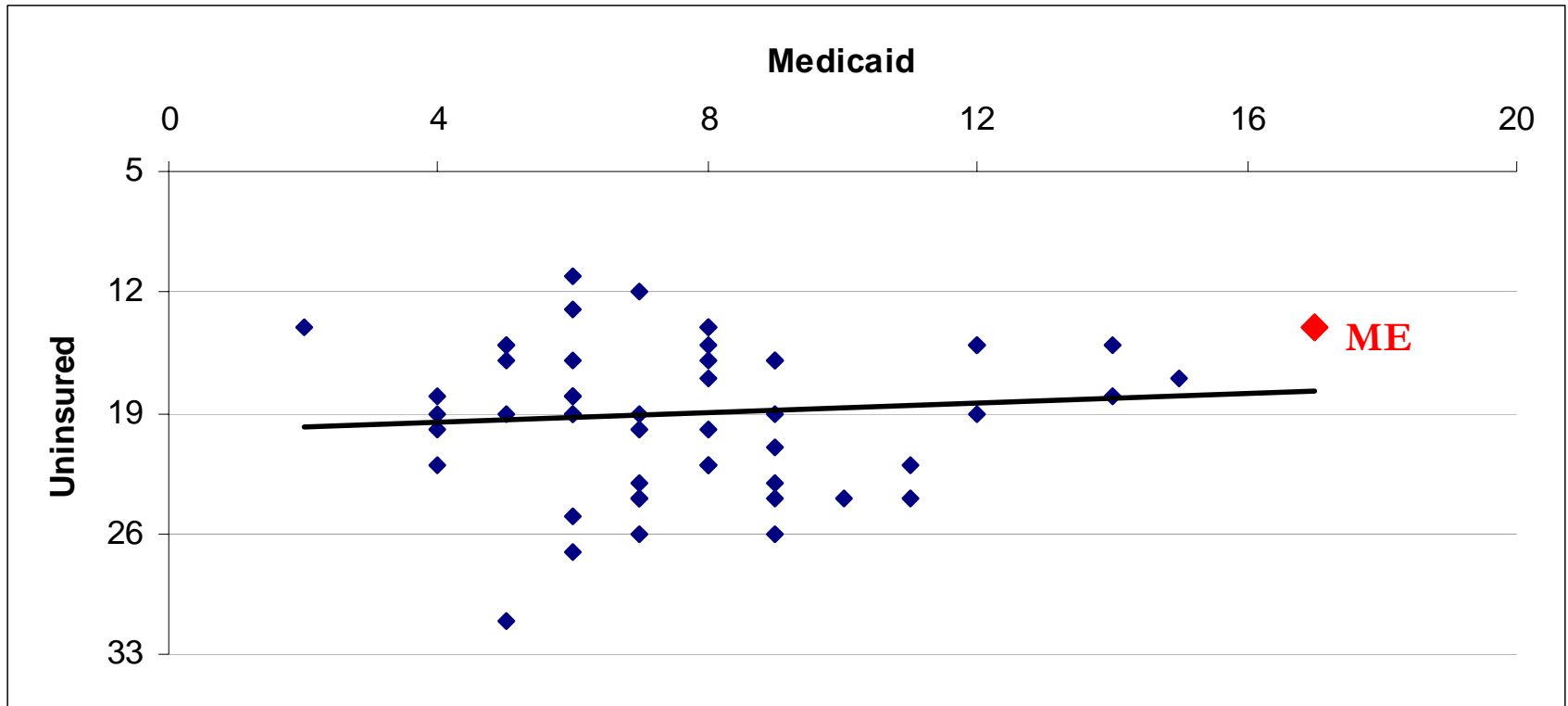
- At current rate, to reach all 135,000 uninsured in Maine
 - Take 108 years
(at current rate of 2,500 uninsured every two years. Or if 40% DirigoChoice enrollees are uninsured, it would still take 60 years)
 - Cost \$1.5 Billion
(30% more total annual Maine income tax collections. Or \$840 million if 40% uninsured)

Myth – Medicaid Expansions Reduce the Uninsured - Children



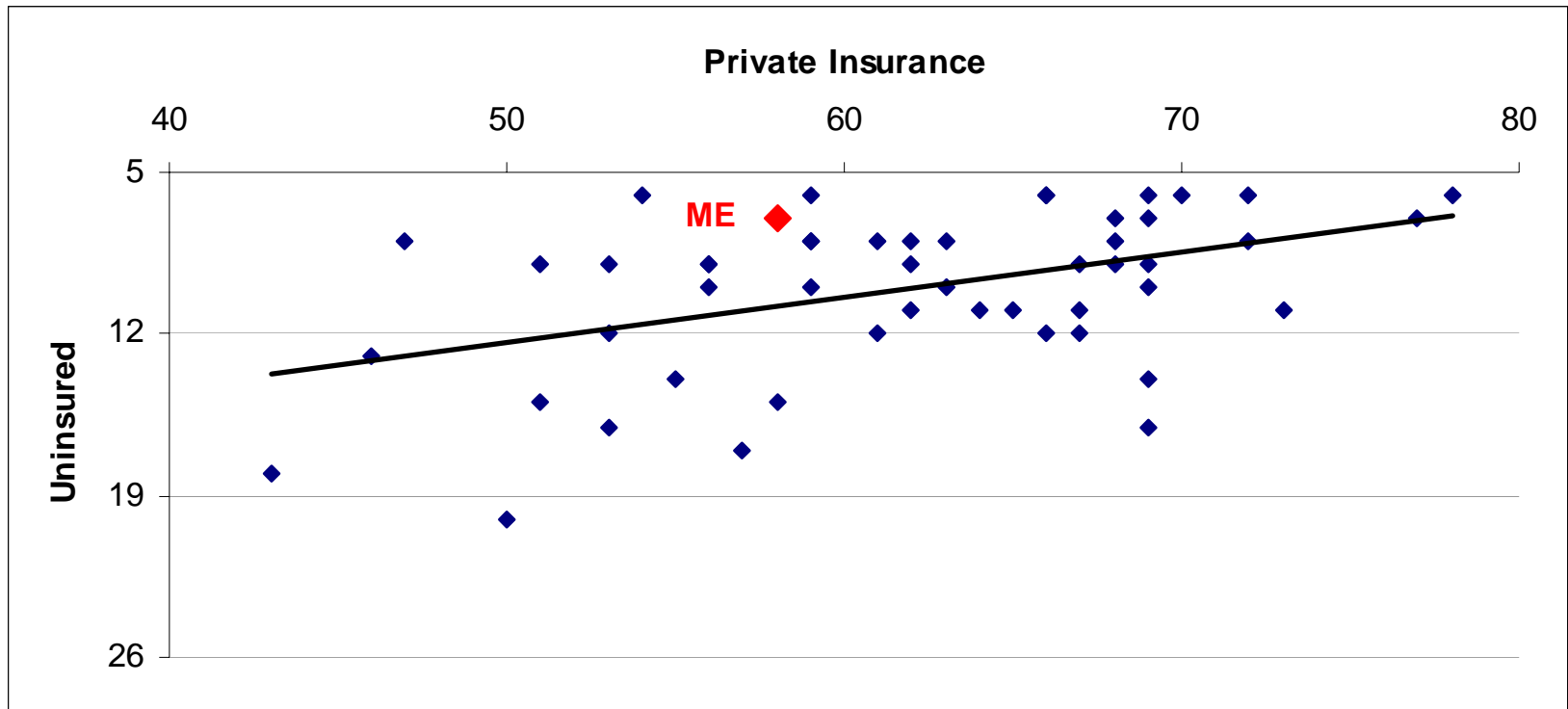
Source: US Census Bureau, 2004-2005

Myth – Medicaid Expansions Reduce the Uninsured - Adults



Source: US Census Bureau, 2004-2005

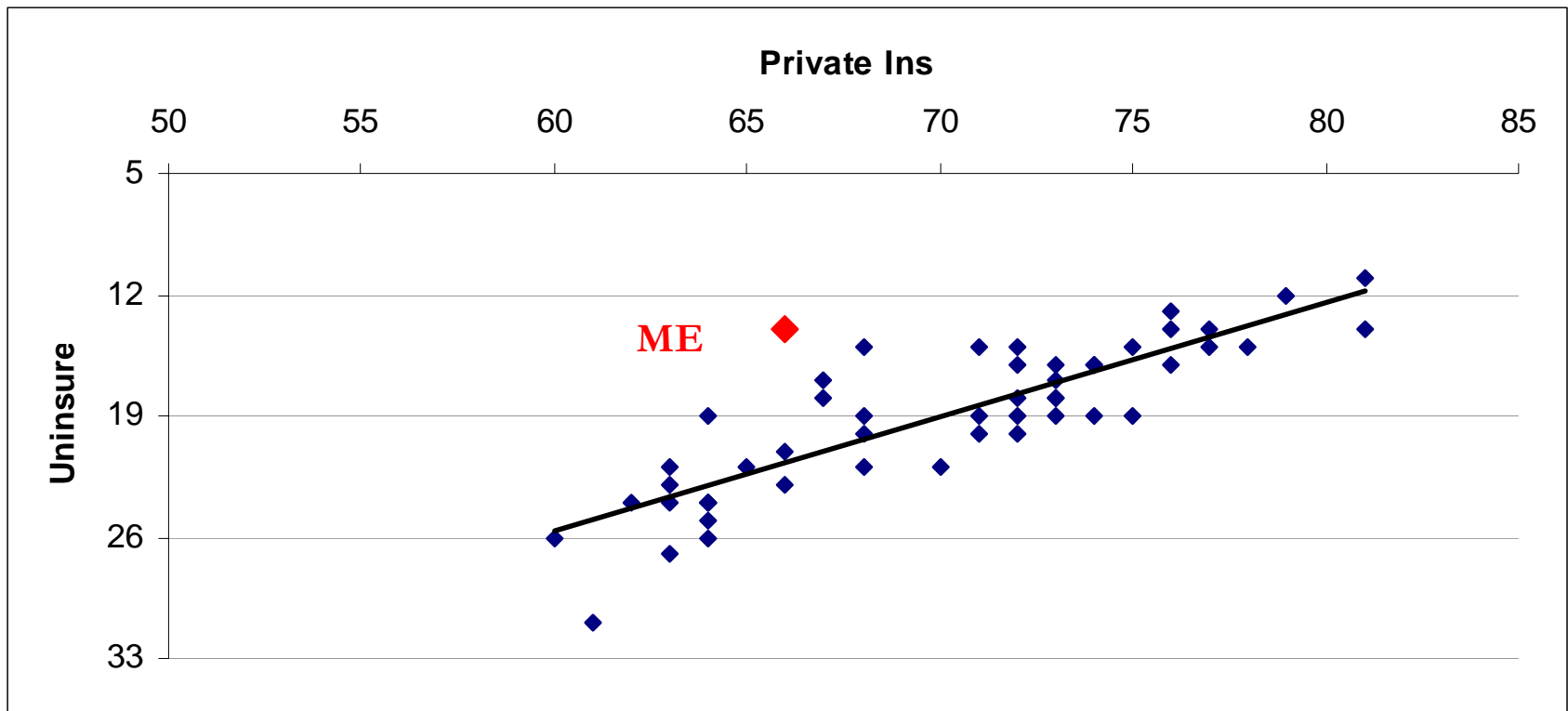
Fact – More Private Ins Coverage Reduces the Uninsured - Children



Only 8 states have a rate lower than Maine of uninsured kids, 7 have Medicaid programs smaller than Maine's (average 30% smaller)

Source: US Census Bureau, 2004-2005

Fact – More Private Ins Coverage Reduces the Uninsured - Adults



Only 3 states have a rate lower than Maine of uninsured adults, all 3 have Medicaid programs less than half the size of Maine's

Source: US Census Bureau, 2004-2005

Solutions

- Allow businesses and families to have the same lower cost health insurance options available in other states
 - Help people directly – not just particular plans or providers
 - Provide incentives for small businesses to offer health coverage (regardless of what portion of the premium they pay)
-