



June 30, 2019

Dean L. Cameron  
Director  
Idaho Department of Insurance  
700 West State Street, 3rd Floor  
P.O. Box 83720  
Boise, ID 83720-0043

**Re: NORD Opposition to Idaho's 1332 Waiver Application**

Dear Director Cameron:

On behalf of the 1-in-10 Idaho residents with one of the over 7,000 known rare diseases, the National Organization for Rare Disorders (NORD) appreciates the opportunity to submit comments on Idaho's Coverage Choice Waiver Application.

NORD is a unique federation of voluntary health organizations dedicated to helping people with rare "orphan" diseases and assisting the organizations that serve them. Since 1983, we have been committed to the identification, treatment, and cure of rare disorders through programs of education, advocacy, research, and patient services.

NORD believes everyone should have access to quality and affordable health coverage. Unfortunately, this waiver will create additional confusion resulting in lower income individuals and families enrolling in more expensive and potentially less-comprehensive coverage. To ensure all low-income rare disease patients have access to and enroll in quality and affordable health care, Idaho should oppose the Coverage Choice Waiver Application.

Affordability

Most low-income Idahoans have lacked quality and affordable health care due to the state's previous refusal to expand eligibility for its Medicaid program to 138 percent of the federal poverty level, or about \$2,390 a month for a family of three. In November 2018, voters in Idaho approved full expansion of the Medicaid program, but the Idaho legislature defied this decision and approved additional restrictions on coverage including a work reporting requirement. The Coverage Choice Waiver, also resulting from this legislation, will not improve these families' access to quality and affordable health care.

The Coverage Choice Waiver would allow individuals between 100 and 138 percent of the federal poverty level to choose to enroll in either Medicaid or private insurance through the Idaho State Exchange. However, private health insurance, even with Advanced Premium Tax Credits (APTCs) and cost-sharing reductions (CSRs), is more expensive than Medicaid. By law,



Medicaid cost-sharing cannot exceed more than five percent of an enrollee's income. Typically, Medicaid enrollees don't pay premiums and have minimal cost-sharing. Those enrolled in private insurance are required to pay premiums and are subject to additional cost-sharing in the forms of co-pays, co-insurance and deductibles. Research shows that even limited cost-sharing can deter low-income individuals from accessing necessary health care services.<sup>i</sup> Additionally, when Oregon implemented a premium in its Medicaid program, with a maximum premium of \$20 per month, almost half of enrollees lost coverage.<sup>ii</sup> The proposed waiver does not include the actuarial analysis to demonstrate coverage under this waiver would be as affordable as without it. Based on the information available and previous experiences with similar population, it appears the Coverage Choice Waiver does not meet the statutory requirement that coverage under a 1332 waiver be as affordable as it would be absent the waiver.

Further, the Cover Choice Waiver application does not provide specific information on how individuals between 100 and 138 percent of the federal poverty level will be informed about their healthcare choices. Will these individuals be presented the option to enroll in Medicaid when they start the open enrollment process, or will that option only exist if they decline private coverage through the exchange? If it is the later, that is not a true choice. To further ensure enrollees would have a choice between exchange and Medicaid coverage, any enrollment assistance must be neutral and not biased towards one option or the other. Additionally, if a Medicaid-eligible individual enrolled in private insurance wishes to enroll in Medicaid during the middle of a plan year, can they change their coverage? For rare disease patients, any gap in coverage can be detrimental to their prognosis and health. It is imperative that there is a clear and simple way for individuals to enrollee in Medicaid if they become eligible during a time other than open enrollment.

#### Adequacy

While both Medicaid expansion plans and private insurance sold in the exchange are required to cover the ten essential health benefits, there are some additional services Medicaid is required to cover, but plans on the Idaho State Exchange are not. For example, Medicaid expansion plans provide non-emergency transportation services, a benefit private insurance does not provide. Additionally, Medicaid covers certain home health services and other services, including things like case management, that private insurance is not required to cover. Again, to ensure that enrollees fully understand the differences in their coverage options, robust and unbiased enrollment assistance would be crucial.

#### Budget Neutrality

The proposed Coverage Choice Waiver claims to meet the budget neutrality guardrail for a 1332 waiver. However, based on the information provided, this does not appear to be accurate. The waiver incorrectly calculates the budget neutrality assuming Medicaid expansion does not exist and the individuals between 100 and 138 percent of the federal poverty level enrolled in exchange coverage would otherwise be uninsured. This is incorrect, as they would be otherwise



enrolled in Medicaid expansion. On top of that it is more expensive for the federal government for individuals between 100 and 138 percent FPL to enroll in exchange coverage than Medicaid expansion.

A previous Idaho 1332 waiver analysis found that APTC and cost-sharing reductions for individuals between 100 and 138 percent of FPL would cost the federal government \$7,700 per person. The same analysis found Medicaid expansion would cost the federal government \$3,878 per person.<sup>iii</sup> The proposed waiver application does not include the actuarial analysis needed to understand costs and coverage implications of this waiver. This information is needed as part of a complete application. Absent the official actuarial analysis, previous estimates imply the Coverage Choice Waiver does not meet the budget neutrality guardrail.

NORD believes health care should be affordable, accessible, and adequate. The Idaho Coverage Choice Waiver compromises the affordability of health care coverage for some of Idaho's most vulnerable residents. NORD opposes this waiver. Thank you again for the opportunity to comment. For further questions, please feel free to contact me at [tboyd@rarediseases.org](mailto:tboyd@rarediseases.org).

Sincerely,

Tim Boyd, MPH  
Director of State Policy

---

<sup>i</sup> Artiga, Samantha, Petry Ubri and Julia Zur. The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings. Kaiser Family Foundation. June 1, 2017. Accessed at: <https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/>

<sup>ii</sup> Artiga, Samantha, Petry Ubri and Julia Zur. The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings. Kaiser Family Foundation. June 1, 2017. Accessed at: <https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/>

<sup>iii</sup> Idaho Department of Insurance. DRAFT Fair Access to Health Coverage Waiver Application Pursuant to Section 1332 of the Patient Protection & Affordable Care Act, Encouraging State Innovation. February 12, 2018. Accessed at: <https://doi.idaho.gov/DisplayPDF?id=Draft1332Application&cat=publicinformation>