May 13, 2026

The Honorable Scott Bessent
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Robert F. Kennedy, Jr
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: Idaho 1332 Waiver Application

Dear Secretary Bessent and Secretary Kennedy:

Thank you for the opportunity to provide feedback on the Idaho 1332 State Innovation Waiver Covered Choice Amendment and Extension of Reinsurance Program.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource regarding any decisions affecting the Affordable Care Act and the people that it serves. We urge the Department of the Treasury and the Department of Health and Human Services (the Departments) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Idaho's waiver application seeks to extend Idaho's 1332 reinsurance waiver and to implement a new "Covered Choice" program, which would allow some Idaho residents eligible for Medicaid to opt out of the Medicaid program and into a Silver Qualified Health Plan (QHP). Eligible residents, those who make between 100% and 138% of the federal poverty level, would be able to enroll in a QHP with premium tax credits (PTC) through Your Health Idaho, the state exchange. Our organizations are concerned that this proposal would leave Medicaid-eligible Idahoans vulnerable to less comprehensive coverage, confusion, unexpected costs and loss of PTC eligibility. Our organizations offer the following comments on the Idaho 1332 Waiver Application:

While Idaho's proposal is intended to give consumers more coverage options, our organizations are concerned that the Covered Choice Program is less comprehensive and more costly to patients than Medicaid. The state estimates that total out-of-pocket spending for a Medicaid enrollee in 2027 would range from $68 to $120. In contrast, out-of-pocket spending for someone enrolled in the Covered Choice Program is estimated to range from about $292 to $1112. Total spending for Covered Choice enrollees, including both cost sharing and premiums, is estimated to range from $776 to $1596, significantly more than Medicaid enrollees would be expected to pay.

In addition, patients who forgo Medicaid coverage in favor of a QHP would not have access to other Medicaid benefits, including wraparound services. Wraparound services covered by Idaho's Medicaid program include nursing facility care, home health care, non-emergency medical transportation,[1] vision services[2] and dental care.[3] Individuals with chronic and serious disease rely on these benefits to manage their conditions, maintain quality of life, and keep up with their care. Medicaid-eligible individuals who enroll in a QHP may not have access to these necessary services, though they will likely be expected to pay more for their care. Coverage in a QHP would be both costlier and less comprehensive for most enrollees. Idaho does not include an estimate of the costs to consumers resulting from the loss of these benefits in its application.

Our organizations are further concerned that the Covered Choice program would cause avoidable coverage disruptions and jeopardize continuity of care. A Medicaid-eligible individual who enrolls in a Covered Choice QHP but who does not keep up with premium payments would lose their coverage. While the state says it will inform such individuals that they can still enroll in Medicaid, it should do more. It should ensure residents are not left worse off than they would be without the waiver by automatically re-enrolling Covered Choice individuals who are disenrolled from a QHP in Medicaid.

Covered Choice also complicates access to coverage and care over the longer term. Individuals who enroll in a QHP via Covered Choice but who are subsequently disenrolled due to nonpayment will have incurred a premium debt to their insurer that they would not have had in the absence of the waiver. Regulations promulgated by this administration allow marketplace insurers to deny coverage to a person with such a debt.[4] Accordingly, an individual who, in the absence of the waiver, would have remained in Medicaid and been free to obtain a marketplace plan if their income later increased, could instead be refused coverage until they paid the old premium from their Covered Choice enrollment.

Our organizations are also concerned that this proposal will lead to patient confusion about the costs and benefits of both coverage options. Patients may be misled as to which plan is the best fit for their needs, leaving them vulnerable to enrollment in a costlier QHP with less benefits and a greater risk of taking on premium debt. This population may also be targeted by insurance brokers, who work on commission and thus have a financial incentive to encourage enrollment in private plans. Additionally, individuals who choose to enroll in the Covered Choice program would still need to fulfill the Medicaid

work reporting requirement and the biannual redetermination, introducing additional opportunities for confusion. If this proposal is approved, our organizations urge the Departments to work with Idaho to ensure that all costs and services associated with QHP coverage are clearly presented and to eliminate broker and agent commissions from enrolling and renewing enrollments in the Covered Choice program.

Finally, our organizations have questions on the use of the 1332 waiver authority for this program. In light of the fact that the Covered Choice program is only available to individuals eligible for Medicaid, who must also comply with the work reporting requirements and biannual re-determinations, this program is, at least in part, an extension of the Medicaid program. Idaho should be required to provide its reasoning as to why the state does not need 1115 waiver authority to implement a program that directly affects coverage for Medicaid-eligible individuals.

Our organizations are concerned that this proposal would lead to confusion, premium debt, and less benefits for patients. We urge the Departments to not move forward with the proposal for the Covered Choice program.

Thank you for the opportunity to provide comments.

Sincerely,

AiArthritis
American Cancer Society Cancer Action Network
American Heart Association
American Lung Association
Autoimmune Association
Blood Cancer United
Cystic Fibrosis Foundation
Diabetes Patient Advocacy Coalition
Epilepsy Foundation of America
Hemophilia Federation of America
Hypertrophic Cardiomyopathy Association
Legal Action Center
Lutheran Services in America
National Bleeding Disorders Foundation
National Kidney Foundation
National Multiple Sclerosis Society
National Patient Advocate Foundation
The AIDS Institute
The Coalition for Hemophilia B
ZERO Prostate Cancer

[1] Peña, Maria T et al. How Does Use of Medicaid Wraparound Services by Dual-Eligible Individuals Vary by Service, State, and Enrollees' Demographics? KFF, January 31, 2024. Available at: https://www.kff.org/medicaid/how-does-use-of-medicaid-wraparound-services-by-dual-eligible-individuals-vary-by-service-state-and-enrollees-demographics/

[2] National Academies of Sciences, Engineering, and Medicine; Health and Medicine Division; Board on Population Health and Public Health Practice; Committee on Public Health Approaches to Reduce Vision Impairment and Promote Eye Health; Welp A, Woodbury RB, McCoy MA, et al., editors. Making Eye Health a Population Health Imperative: Vision for Tomorrow. Washington (DC): National Academies Press (US); 2016 Sep 15. G, Medicaid Vision Coverage by State. Available from: https://www.ncbi.nlm.nih.gov/books/NBK402364/

[3] Medicaid Adult Dental Benefits: An Overview. Center for Healthcare Strategies, September 2019. Available at: https://www.chcs.org/media/Adult-Oral-Health-Fact-Sheet_091519.pdf

[4] 45 C.F.R. § 147.104(i)