



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

Dear Director Cameron:

The Cystic Fibrosis Foundation appreciates the opportunity to submit comments on Idaho's "Coverage Choice Waiver Application."

Cystic fibrosis (CF) is a life-threatening genetic disease that affects 30,000 children and adults in the United States. CF causes the body to produce thick, sticky mucus that clogs the lungs and digestive system, which can lead to life-threatening infections. As a complex, multi-system condition, CF requires targeted, specialized treatment and medications. Medicaid is a crucial source of coverage for patients with serious and chronic health care needs, including those with CF—often serving as a payer of last resort, filling important gaps in coverage left by private health plans. Specifically, Medicaid helps people living with CF to afford the increasingly costly co-pays and co-insurance rates for prescription medications and inpatient and outpatient care, ensuring access to life-saving services and helping them to maintain their health and well-being.

The Cystic Fibrosis Foundation believes everyone should have access to quality and affordable health coverage. While we are not opposed to efforts to increase plan choice for Idahoans, we want to ensure this policy does not disrupt access to affordable, adequate coverage for people with CF. Should this waiver be approved, we urge you to ensure the proposed policies do not create additional confusion resulting in lower income individuals and families enrolling in more expensive and potentially less-comprehensive coverage. We also ask the state to not promote less-comprehensive coverage through this waiver, which could bifurcate the individual market and drive up prices for people with serious health care needs.

#### Affordability and comprehensiveness of coverage

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.

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 do not 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 healthcare services.<sup>i</sup>

While both Medicaid expansion plans and private insurance sold on the exchange are required to cover the ten essential health benefits, there are some additional services Medicaid is required to cover, but private insurance is 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 that private insurance is not required to cover.

#### Detailed plan information and cost comparisons

To ensure enrollees fully understand the differences in their coverage options, robust and unbiased enrollment assistance will be crucial. 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 be presented if they decline private coverage through the exchange? The latter scenario does not lead to true consumer choice. To ensure enrollees have the ultimate freedom to choose Medicaid or an exchange plan that best meets their health care needs, state-sponsored enrollment assistance must be upfront and neutral about the risks and benefits of all available options.

We request the state provide clear, detailed, and unbiased plan information and cost comparisons so enrollees can make an informed choice on which plan is best for them and their families.

#### Limitations on APTCs for ACA-compliant plans

We greatly appreciate the state's decision to continue requiring enrollees use APTCs to purchase Affordable Care Act (ACA)-compliant plans. This provision should remain in place no matter what types of plans are offered on the Your Health Idaho state-based exchange. APTCs or cost-sharing reduction subsidies should not be offered for the purchase of non-compliant plans. Promoting enrollment in non-compliant plans could bifurcate the individual market between younger, healthier people and people with serious health conditions who need comprehensive coverage, driving up the cost of coverage for the later.

#### Budget Neutrality

Additionally, while the proposed Coverage Choice Waiver claims to meet the budget neutrality guardrail for a 1332 waiver, this does not appear to be accurate based on the information provided. 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.

Moreover, 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>ii</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. We recommend you revisit the budget neutrality and analysis section of this waiver so that you and third-party organizations, including the Cystic Fibrosis Foundation, can have a more accurate understanding of how this proposal will impact the state and federal budgets.

The Cystic Fibrosis Foundation believes healthcare should be affordable, accessible, and adequate and appreciates your attention to these important issues. As the health care landscape continues to evolve, we look forward to working with the state of Idaho to improve the lives of all people with cystic fibrosis. Please consider us a resource moving forward.

Sincerely,



Mary B. Dwight  
Senior Vice President of Policy & Advocacy



Lisa Feng, DrPH  
Senior Director of Policy & Advocacy

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<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> 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>