



# IDAHO DEPARTMENT OF HEALTH & WELFARE

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## **Idaho Department of Health and Welfare Coverage Choice Demonstration Waiver Notice of Public Hearing and Public Comment Period**

### **Program Description and Affected Beneficiaries**

Pursuant to 42 CFR §431.408, the Idaho Department of Welfare (IDHW) gives notice of its intent to apply on or after **August 12, 2019**, to the Centers for Medicare and Medicaid Services (CMS) for approval of a Section 1115 demonstration waiver. The *Idaho Coverage Choice Waiver* is being submitted in conjunction with a Section 1332 waiver sought by the Department of Insurance (DOI). The purpose of the two waivers is to seek any and all necessary federal waivers in order to provide Idahoans with income between 100% and 138% of the federal poverty level (FPL) the option to choose the healthcare coverage that is right for them – whether through a plan available through the state-based exchange, Your Health Idaho, or coverage through the Medicaid program. The proposed effective date for the Idaho Coverage Choice Waiver is January 1, 2020.

Today, 18,000 Idahoans with incomes between 100% and 138% FPL are enrolled in a qualified health plan and receive federal subsidies, including advance premium tax credits (APTC) and/or cost-sharing reductions (CSRs). The loss of these federal subsidies, particularly the premium assistance component, will effectively price such individuals out of their Your Health Idaho plan, removing their only affordable option for private coverage and defaulting them into Medicaid coverage. Recognizing this conflict, the Idaho state legislature passed Senate Bill 1204, to provide these individuals with a choice to maintain their enrollment in private insurance, while also supporting the state's Medicaid expansion efforts.

The Idaho Coverage Choice Waiver simply seeks to allow individuals with income between 100% and 138% FPL the choice of coverage. The IDHW will ensure all Idahoans in this income bracket, including new eligible applicants, have access to detailed information showing comparisons between Medicaid and Your Health Idaho plan benefits, features and costs to allow for informed decision making. Through this demonstration waiver, Idaho will be able to honor Idahoans informed selection of either private health insurance through Your Health Idaho or Medicaid.

## **Goals**

As stated in its demonstration waiver application, the goals of the Section 1115 demonstration waiver are to:

- 1) Support choice and continuity of care for individuals between 100% and 138% FPL;
- 2) Reduce churn between Medicaid and ACA-compliant Qualified Health Plans;
- 3) Promote sustainable Medicaid spending growth; and
- 4) Increase member engagement with their health plan.

## **Hypotheses and Evaluation**

The IDHW will test the following hypotheses for this demonstration:

- By giving individuals a choice of remaining on their Your Health Idaho health plan, the Idaho Coverage Choice Waiver will reduce churn between Medicaid and Your Health Idaho exchange plans as income fluctuates.
- A portion of current enrollees will choose to maintain their Your Health Idaho health plans after Medicaid expansion becomes available in Idaho.
- The Idaho Coverage Choice Waiver will reduce spending in the Medicaid program over the 5-year demonstration period.
- The Idaho Coverage Choice Waiver will increase member satisfaction and engagement with their selected health plan.

The proposed evaluation of the above hypotheses will focus on closely monitoring eligibility and enrollment data, particularly churn between eligibility thresholds, as well as monitoring the fiscal impact and budget neutrality projections over the course of the demonstration. In addition, the evaluation may also include member satisfaction surveys to assess individual experiences with the Idaho Coverage Choice Waiver.

## **Enrollment and Annual Expenditures**

- Annual Medicaid Expenditures. The Idaho Coverage Choice Waiver is estimated to reduce Medicaid expenditures each year of the 5 year demonstration period, including a reduction of approximately \$73.7 million for the plan year of January 1, 2020 – December 31, 2020.
- Estimated Medicaid Enrollment. The Idaho Coverage Choice Waiver offers an alternative coverage choice to Medicaid. Therefore, it is anticipated that total Medicaid enrollment with this Section 1115 Waiver will be less than the projected total Medicaid enrollment without the waiver, as detailed in Table 1 below. However, these individuals will not be without health insurance coverage, as they will have chosen participation in a Your Health Idaho plan under this waiver.

**Table 1: Estimated Medicaid Enrollment Projections**

Waiver Year	Medicaid Enrollment Without Waiver	Medicaid Enrollment With Waiver	Difference
Year 1 (2020)	286,286	269,184	17,102
Year 2 (2021)	289,149	272,291	16,858
Year 3 (2022)	292,041	275,425	16,616
Year 4 (2023)	294,961	278,586	16,375
Year 5 (2024)	297,911	281,774	16,137

**Program Features**

The purpose of this demonstration waiver is to provide eligible Idahoans the option to choose to enroll in Medicaid or to maintain their private insurance coverage through Your Health Idaho. Other than eligibility, this demonstration waiver does not propose any changes to existing program features of either Medicaid or Your Health Idaho health plans, and individuals will be subject to the existing program features applicable to the specific program they choose, including healthcare delivery system, benefit coverage, and cost sharing requirements.

To support individual choice, the Idaho Coverage Choice Waiver will slightly modify Medicaid eligibility rules. Individuals otherwise eligible for the new adult expansion group with incomes between 100% and 138% FPL will be required to affirmatively opt out of their APTC and CSR eligibility as a condition of Medicaid participation. This simple additional requirement in the eligibility process allows an individual who chooses to keep their Your Health Idaho health plan to be affirmatively determined ineligible for Medicaid, which, in turn allows continued eligibility for federal subsidies for qualified health plans.

**Waiver Authorities**

IDHW is requesting waivers of the following authorities to support the demonstration project:

- 1) Comparability. Section 1902(a)(7) to the extent necessary to allow for the option to offer the Medicaid eligibility opt-out with choice of alternative coverage solely to individuals with income over 100% FPL in the expansion adult eligibility group.
- 2) Eligibility. Section 1902(a)(10) to the extent necessary to enable Idaho to make a determination of ineligibility for individuals with income over 100% FPL who choose to purchase health insurance using financial assistance, including premium tax credits.

## **Public Hearings**

The IDHW is seeking public comment through public hearings, via email or traditional mail as indicated below. Public hearings will be held on the following dates and locations:

<b><u>Boise Public Hearing</u></b> July 11, 2019, 3:00 PM IDHW Westgate Office 1720 Westgate Drive Room 131 Boise, Idaho Or call in to 1-877-820-7831, 301388#	<b><u>Public Meeting – Medical Care Advisory Committee</u></b> July 17, 2019, 1:30 PM Medicaid Division Office 3232 Elder St Boise, Idaho 83705
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## **Written Comments**

The 1115 Idaho Coverage Choice Waiver coincides with the 1332 Idaho Coverage Choice Waiver that was released for public comment on May 31, 2019. Although these are two separate waiver applications, the intent and goals of the waivers are the same. IDHW will carefully review and consider all public comments received related to the coverage choice policy, whether formally submitted through the Section 1332 waiver application process or this Section 1115 waiver application prior to submitting the full application for review and approval.

Interested parties may request hard copies of the waiver packet, or may view it online by visiting our website at <https://medicaidexpansion.idaho.gov/>. In addition to the full waiver application, the website also contains a copy of the IDHW's abbreviated notice, all tribal communications, and other information supporting the waiver. This website will be periodically updated throughout the comment and review process.

Interested parties may also submit written comments via email or traditional USPS mail to:

Attention: Cindy Brock  
Medicaid Program Policy Analyst  
Division of Medicaid  
P.O. Box 83720; Boise, Idaho 83720-0009  
E-mail to: [1115CW@dhw.idaho.gov](mailto:1115CW@dhw.idaho.gov)

**Public comments will be accepted until Friday, August 9, 2019.**