



Idaho's State Innovation Waiver Extension and Amendment (Section 1332 of the ACA)

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About the Idaho Department of Insurance (DOI)

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About the Idaho Department of Insurance (DOI)

- The Department of Insurance is a regulatory agency created to regulate the business of insurance in Idaho.
- The mission of the Department of Insurance is to serve and protect Idahoans by equitably, effectively and efficiently administering the Idaho Insurance Code and the International Fire Code.



Welcome

Plan for today

- Review Idaho's Current State Innovation Waiver Reinsurance Program
- Discuss “Covered Choice,” Idaho's Proposed Amendment to its State Innovation Waiver
- Next Steps
- Accept Comments



What is a State Innovation Waiver?

- A **Section 1332 State Innovation Waiver** allows a state greater **flexibility** in how it provides its residents access to high-quality, affordable health coverage, by waiving one or more provisions of the Affordable Care Act.
- HHS can only approve a waiver if that health coverage:
 - Is at least as **comprehensive** (covered services)
 - Is at least as **affordable** (premiums and cost-sharing)
 - **Covers** at least as many state residents
 - Does not increase the **federal deficit**



Idaho's Reinsurance Program

- Idaho's current 1332 waiver reduces Idaho's individual-market health insurance premiums through a **reinsurance program**.
- The waiver's original goal in 2022 was to reduce premiums by **at least 7%** in 2023 onward, compared to premiums w/o the program.
- The waiver has reduced premiums **more than originally estimated**: 12% in 2023, 16% in 2024, 20% in 2025, and 18% in 2026.



What is Reinsurance?

- Insurance for insurance companies
- Insurance company transfers (“cedes”) risk to the reinsurance entity and pays a reinsurance premium
- Reinsurance entity - assumes all or part of the ceded risk and pays any reinsured claims to the insurance company



How does Idaho's Reinsurance Program Work?

- It is administered by the Idaho High Risk Reinsurance Pool, overseen by its Board and Idaho Dept. of Insurance
- Individual health insurance enrollees with certain high-cost medical conditions are ceded to the Pool by the insurer, without impacting the ceded individuals.
- The Pool pays a percentage of the ceded claims greater than the attachment point to the insurer.



How does Idaho's Reinsurance Program Work?

- The Pool reduces the insurers' costs for certain high-risk medical conditions.
- In order to participate, all insurers must lower their individual-market premiums and pay a reinsurance premium to the Pool.
- Lower individual-market premiums means the federal government pays less in Premium Tax Credits (PTC).



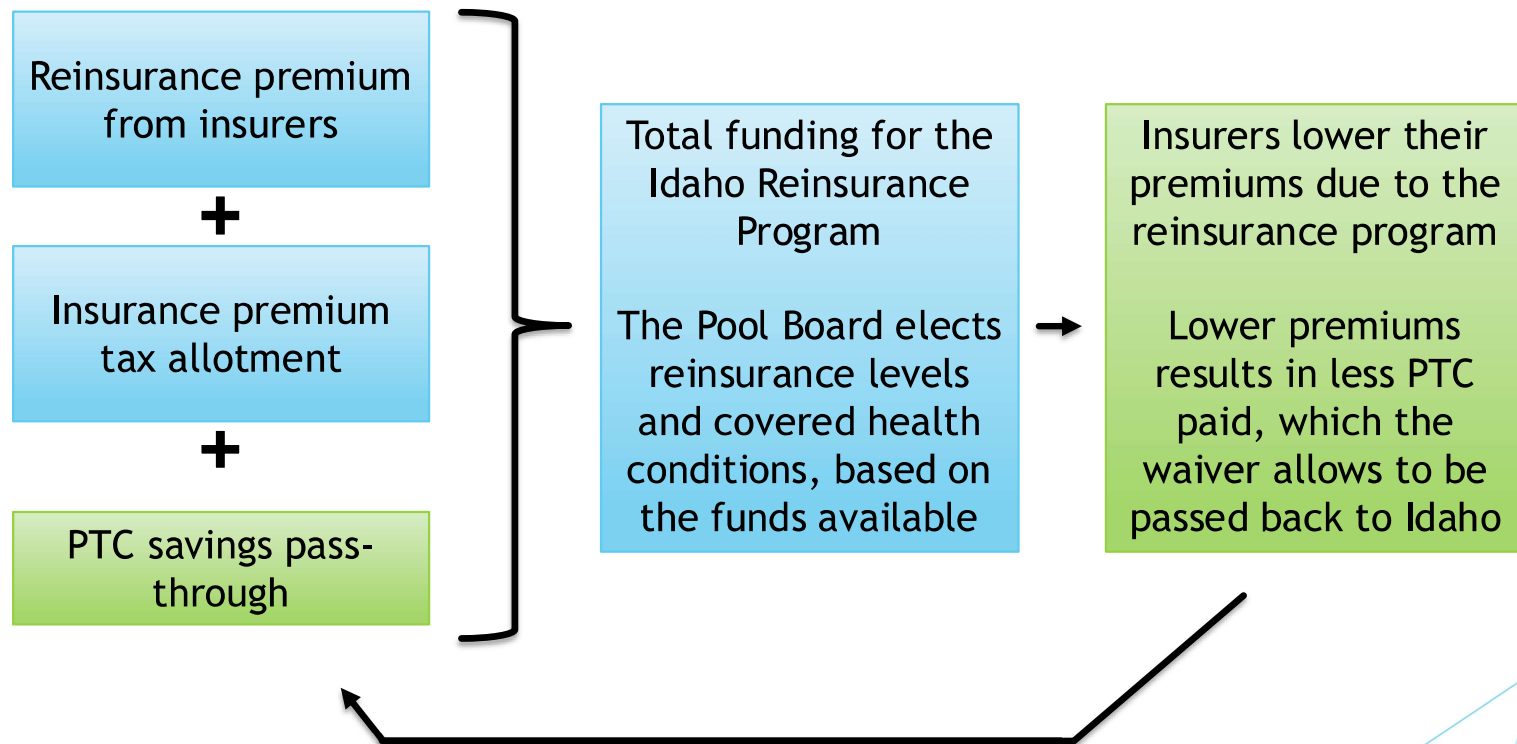
How does Idaho's Reinsurance Program Work?

- The waiver requests the federal government to send Idaho the PTC savings.
- The Pool uses the federal savings to further reduce individual-market premiums.
- That federal transfer is called “pass-through funding,” which keeps overall federal spending neutral while allowing Idaho to improve affordability.



Idaho Waiver Reinsurance Program

(No Changes are Being Proposed in the Amendment)



Why is Idaho Amending the Waiver?

- **Application to Extend Current Waiver** - 1332 waivers are approved for five years and need an extension application to continue. Proposing ***no changes*** to existing reinsurance program.
- **Need amendment to add a new program to Waiver:** House Bill 345 (2025) authorized a new waiver program, called “Covered Choice”:
 - to allow Medicaid-expansion eligible Idahoans
 - that have household income of at least 100% FPL
 - to enroll in commercial health insurance
 - with the federal advance premium tax credit, “APTC”
- “Covered Choice” gives these Medicaid-eligibles more choice, either:
 - Stay enrolled in Medicaid, or
 - Enroll in a QHP through Your Health Idaho, with APTC
- Actuarial and economic analyses project ***federal and state savings***



What are the Benefits?

- Idaho's reinsurance program reduces premium for everyone who buys health insurance through Your Health Idaho
- Reinsurance program helps reduce uncompensated care costs for providers by helping more people afford health insurance coverage
- "Covered Choice" Amendment allows any Medicaid-expansion eligibles with incomes of at least 100% FPL the ***option*** to receive APTC and buy insurance through Your Health Idaho, rather than Medicaid.
- The amendment ***does not*** force anyone off Medicaid
- Actuarial and economic analyses project ***federal and state savings***



How Does Idaho Apply for a Waiver Extension and Amendment?

1. The state's waiver application must include:
 - Descriptions of the proposed state programs
 - ACA provisions to be waived
 - Legislation authorizing the state to implement the waiver
 - Actuarial and economic analyses supporting federal deficit neutrality
 - Feedback from a public comment period and public hearings
 - ***Comment period ends December 22, 2025***
2. After submission, CMS reviews for completeness, and approves or denies.
3. If approved, Covered Choice will be effective starting January 1, 2027



Questions?

For more information about Idaho's State Innovation Waiver Application visit <https://doi.idaho.gov/information/public/reinsurance-waiver/>

For more information about the Section 1332 State Innovation Waiver process visit https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section_1332_State_Innovation_Waivers-

Request hard copies of the waiver packet or submit comments via email or traditional USPS mail to:

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