



BRAD LITTLE
GOVERNOR

July 9, 2020

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Ave., SW
Washington, D.C. 20201

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
7500 Security Blvd.
Baltimore, MD 21244

Dear Secretary Azar and Administrator Verma,

On December 13, 2019, Senators Patty Murray and Ron Wyden and Representatives Frank Pallone and Richard Neal wrote to you, claiming Idaho's state-based marketplace, Your Health Idaho, seeks to offer "subpar, short-term health plans" to consumers seeking comprehensive coverage.

With all due respect to these Members of Congress, they are incorrect and do not understand Idaho's insurance marketplace and the challenges Idaho citizens face to obtain good, quality health coverage at affordable rates.

The State of Idaho has worked diligently to provide more affordable coverage to its citizens while lowering the costs of ACA plans. The State of Idaho follows and enforces federal laws and rules, along with Idaho State law, to ensure its citizens have access to health plans that offer substantial coverage at affordable rates. Our Enhanced Short-term Plans (ESTPs) extend that affordability and coverage to those Idahoans not able to buy Qualified Health Plans. Idaho's ESTPs comply with federal and state laws, and with the CMS guidance initiated by Administrator Verma (Letter of March 8, 2018 to then-Idaho Governor C.L. "Butch" Otter and Director of Insurance Dean Cameron).

There were several erroneous claims made in the December 13, 2019 letter. We believe the erroneous claims made in that letter by these Members of Congress are the result of the authors' misunderstanding of Idaho's ESTPs and the process to make them available to Idahoans. The following clarifies those misunderstandings.

- 1. Claim: Idaho is planning to make available "subpar, short-term health plans" to consumers who come to the Your Health Idaho ("YHI" – Idaho's state health exchange) website seeking comprehensive health coverage, that could result in harm to people with*

preexisting conditions and violate federal statutory requirements that an exchange market only health benefit plans.

- a. Fact: Your Health Idaho is not selling or making available Enhanced Short-term Plans or traditional short-term plans. Moreover, Idaho waited to make a public announcement of the availability of the ESTPs until **after** the open enrollment period was closed, to avoid consumer confusion with ACA plans. The Idaho Department of Insurance approved the ESTPs to be offered year-round by two carriers effective January 1, 2020 or later. No announcement referenced any (nonexistent) ESTP availability through Your Health Idaho.
 - b. Fact: Idaho Enhanced Short-term Plans provide the same or similar preexisting condition protection to consumers compared to ACA plans. ESTPs sold exclusively during open enrollment cannot have a preexisting condition limitation. Further, no preexisting condition limitation is permitted if a consumer has no break in coverage. Like the ACA, consumers who purchase ESTPs outside of the open enrollment period may be limited on preexisting conditions until the next open enrollment period. The difference is that ESTPs cover other medical issues during that period, while the ACA denies individuals without a “qualifying life event” from enrolling until the next open enrollment. In that way, ESTPs provide greater and more immediately available and continuous coverage than ACA plans during that interim period.
 - c. Fact: YHI intends to comply with federal and state law and will not offer ESTPs in any Marketplace without obtaining the advice and direction of HHS and CMS. The exploration by YHI as to whether ESTPs could be included was initiated by YHI and was not state mandated or carrier directed. YHI was simply doing its due diligence. Ironically, we and the authors of the December 13th letter would be remiss if we did not acknowledge that consumers may be better protected and informed if they are allowed to compare ESTPs alongside QHPs.
2. *Claim: The ESTPs “can deny claims and charge higher premiums to people with pre-existing conditions, avoid covering all essential health benefits such as prescription drugs or maternity care, impose an “age tax” on older enrollees, and impose annual dollar limits on benefits, among other actions that are inconsistent with ACA market reforms[;]” that fall short of meeting the QHP standards.*
- a. Fact: Idaho’s Enhanced Short-term Plans are comprehensive plans that cover the same essential health benefits as QHPs. In fact, some of the plans provide a **higher** actuarial value than ACA bronze plans. Three of the ESTPs offer a **zero** co-pay for children’s doctor visits, a benefit rarely available on any ACA plan. Those who are ineligible for the premium tax credit and/or priced out of QHPs may view these plans as offering similar coverage at a better value than ACA plans.

- b. Fact: The State of Idaho carefully studied and listened to the needs and concerns of its constituents and responded with ESTP requirements that provide substantial coverage at more affordable rates for those priced out of ACA plans. In addition, the ESTPs are guaranteed issue and follow CMS's rule, guaranteeing renewal up to 36 months. At the end of the 36-month period or at the next open enrollment, consumers can convert their ESTP to an ACA plan.
- c. Fact: Short-term limited duration health insurance, such as the ESTPs, are carved out of the ACA market reforms, and accordingly can differ from the QHP standards. Short-term health insurance has a long history of being sold alongside health benefit plans, generally with much fewer regulatory requirements. Idaho is well-within its regulatory authority to establish new requirements for such plans that meet the unique needs of its citizens.

Idaho is committed to ESTPs not diverting consumers from QHP plans. Consumers that qualify for Advanced Premium Tax Credits (APTCs) have the financial incentive to and will stay with ACA plans. ESTPs do not qualify anyone for APTC; and, Idaho's exchange consists almost exclusively of consumers that qualify for APTC.

Moreover, we ensured that our state insurance code's consumer protections apply to all ESTPs. This protects Idaho consumers who purchase ESTPs. Thus, the claim that Idaho's ESTPs do not offer the same consumer protections as other health plans is false.

Finally, and most importantly, we remind these Members of Congress that ESTPs offer several opportunities to help more people get early diagnoses, addressing medical illnesses before they worsen or preventing such illnesses in the first place. Not only does this help more Idahoans to be healthier, it also eases the cost and other resource stress on the health care system.

Idaho's approach: (1) Gives consumers without an APTC benefit a more affordable option; (2) Improves the combined risk pool and rates for all Idahoans by covering more healthy lives; (3) Lowers costs by early intervention of serious illness; and, (4) Stabilizes the market.

We are committed to continuing to find ways to provide affordable access to quality health care for all of Idaho's citizens. We believe this model aligns with CMS's goals and is legally sound. We look forward to continuing to work with you as we seek to provide affordable and comprehensive insurance plans in Idaho.

Signed,



BRAD LITTLE
Governor, State of Idaho



MIKE CRAPO
U.S. Senator, Idaho



JAMES E. RISCH
U.S. Senator, Idaho



MICHAEL SIMPSON
Member of Congress, Idaho



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