State of Idaho

DEPARTMENT OF INSURANCE

BRAD LITTLE
Governor

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DEAN L. CAMERON
Director

October 1, 2025

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

The Honorable Scott Bessent
Secretary of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Re: Idaho 1332 State Innovation Waiver Extension and Amendment

Dear Secretary Kennedy and Secretary Bessent:

The State of Idaho hereby submits this Letter of Intent to apply for a four-year extension of its Section 1332 State Innovation Waiver. Idaho's current waiver of Section 1312(c)(1) of the Affordable Care Act (ACA) was approved on August 16, 2022, for calendar years 2023 through 2027 to support a reinsurance program. Idaho seeks to extend this waiver for calendar years 2028 through 2031.

In addition to the extension, Idaho intends to submit an amendment to use a portion of the pass-through savings from the reinsurance program to further expand access to high-quality, affordable coverage. The proposed "Covered Choice" program would begin January 1, 2027, and function alongside the reinsurance program.

Our enhanced waiver will continue to comply with Section 1332 guardrails and CMS guidance, and it will not affect other provisions of the ACA.

Thank you in advance for considering our application. We look forward to engaging further in the coming months.

Sincerely,

Director Dean L. Cameron
Idaho Department of Insurance

Cc: Director Charron, Idaho Department of Health and Welfare
Deputy Director Weston Trexler, Idaho Department of Insurance

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

December 19, 2025

VIA ELECTRONIC MAIL: dean.cameron@doi.idaho.gov
Dean Cameron
Director
Idaho Department of Insurance
700 West State Street, 3rd Floor
Boise, ID 83720

Dear Director Cameron:

Thank you for your October 1, 2025, letter of intent (LOI) to apply for an amendment to Idaho's State Innovation Waiver (section 1332 waiver) under Section 1332 of the Affordable Care Act (ACA).[1] I am sending this letter from the Center for Consumer Information and Insurance Oversight (CCIIO) within the Centers for Medicare & Medicaid Services (CMS) under the Department of Health and Human Services (HHS), as well as on behalf of the Department of the Treasury (collectively, "the Departments").

The Departments acknowledge that Idaho (also referred to as the "State") informed the Departments of its intent to apply for an amendment to the waiver at least fifteen months prior to the waiver amendment's proposed implementation date. The Departments confirm that the State's anticipated section 1332 waiver application, as described below, may be submitted and will be reviewed as a waiver amendment request. The requirements for the state's application are enclosed with this letter. If the application for an amendment is approved, the Departments may determine that the waiver amendment will be subject to additional or revised requirements, which will be provided in the amendment STCs.

The State's currently approved waiver of the ACA requirement for the single risk pool contained in ACA section 1312(c)(1) allows the State to operate a state-based reinsurance program for the individual health insurance market from January 1, 2023, through December 31, 2027. As described in the October 1, 2025, LOI, the State seeks to waive ACA section 1312(c)(1) for an additional waiver period of four years from January 1, 2028, through December 31, 2031, to continue implementing the Idaho Individual High Risk Reinsurance Program. The State seeks to amend its currently approved section 1332 waiver to operate the "Covered Choice" program alongside its reinsurance program from January 1, 2027, to December 31, 2031.

[1] Idaho intends to apply for an amendment that would include an extension of its existing reinsurance program throughout the amendment waiver period.

A waiver amendment is a change to the existing waiver plan that is not otherwise allowable under the State's STCs, or that the Departments determine could impact any of the section 1332 statutory guardrails or program design for an approved waiver. Such changes include, but are not limited to, changes to eligibility, coverage, benefits, premiums, out-of-pocket spending, and cost sharing. Given that the State will need to waive additional statutory provisions in order to add its proposed "Covered Choice" program to its approved waiver plan, the Departments have determined that this is a substantive change in program design and is not otherwise allowable under the State's existing STCs. As such, the Departments confirm that the State must proceed with submitting an application for a waiver amendment if the State wishes to pursue making this change.

The enclosed document further outlines the application requirements for the State's waiver amendment. Once the Departments receive the State's waiver amendment application, the Departments will conduct a preliminary review to determine if the application is complete and, if necessary, will identify the elements that are missing from the application by written notice. Please note, the State is not authorized to implement any aspect of the proposed waiver amendment without prior written approval by the Departments. This letter does not constitute any pre-determination or intent to approve or disapprove the State's proposed amendment request.

Please send your acknowledgement of this letter and any communications and questions regarding program matters or official correspondence concerning the waiver to Meril Pothen at Meril.Pothen@cms.hhs.gov or stateinnovationwaivers@cms.hhs.gov.

We look forward to working with you and your staff. Please do not hesitate to contact us if you have any questions.

Sincerely,

Peter Nelson

Peter Nelson
Deputy Administrator and Director, Center for Consumer Information & Insurance Oversight
Centers for Medicare & Medicaid Services

CC: Kenneth Kies, Assistant Secretary, Tax Policy, U.S. Department of the Treasury
The Honorable Brad Little, Governor, State of Idaho
Juliet Charron, Director, Idaho Department of Health and Welfare
Weston Trexler, Deputy Director, Idaho Department of Insurance

Enclosure

Specific Requirements for Idaho's Waiver Amendment Application

The Departments will conduct a preliminary review Idaho's (the "State") waiver amendment application and make a preliminary determination as to whether it is complete within 45 days after it is submitted to stateinnovationwaivers@cms.hhs.gov. If the Departments determine that the application is complete, the application will be made public through the HHS website, and a 30-day federal public comment period will commence while the application is under review. A final decision regarding the waiver will be issued no later than 180 days after the preliminary determination of a complete application. If the Departments determine that the application is not complete, the Departments will send the State a written notice of the elements missing from the application. The state's waiver amendment application must include the following:

(1) A detailed description of the amendment request, including:
   a. The desired time period for the amendment;
   b. A description of the changes to the waiver plan, including whether the State seeks to waive any new provisions and the rationale for the waiver;
   c. The impact on the guardrails (as clarified in (4) below);
   d. An implementation timeline;
   e. Any activities at the state level that are outside of the waiver, but that impact the baseline; and
   f. Sufficient supporting documentation.

(2) An explanation and evidence that the State has conducted the state public notice process specified for new applications at 31 C.F.R. § 33.112 and 45 C.F.R. § 155.1312, which includes:
   a. For a state with one or more Federally-recognized Indian tribes within its borders, providing a separate process for meaningful consultation with such tribes, and providing written evidence of the state's compliance with this requirement;
   b. Publicly posting the submitted LOI on the State's website in order to ensure that the public is aware that the state is contemplating a waiver amendment request;
   c. Providing a public notice and comment period of no less than 30 days that includes a comprehensive description of the waiver amendment application, information about where the application is available for public review, and where the written comments may be submitted;
   d. Publishing the date, time, and location of the public hearings that will be convened by the State to seek public input on the waiver amendment application in a prominent location on the State's public website. The State may use its annual public forum for the dual purpose of seeking public input on the application;
   e. Providing a description of issues raised and comments received during the entire public notice and comment period, and how the State considered comments when developing the waiver amendment application; and
   f. Publicly posting the waiver amendment application on the State's website upon its submission of the application to the Departments.

(3) Evidence of sufficient authority under state law(s) in order to meet the ACA section 1332(b)(2)(A) requirement for purposes of pursuing the requested amendment;

(4) Updated actuarial and economic analyses and certifications for the amendment period demonstrating how the proposed amended waiver will meet section 1332 statutory guardrails.

Such analyses should address any changes that have occurred since approval of the State's current waiver plan in state or federal law, regulations, or sub-regulatory guidance, the state insurance market, or to the waiver program that are allowable under the STCs and impact waiver assumptions and projections. The narrative should also explain any proposed technical changes the State has not previously shared with the Departments via its reporting requirements.

Such analyses must also separately identify, in the "with-waiver" scenario, the impact of the requested amendment on the statutory guardrails. Such analyses must include a "with-waiver" and "without-waiver" status on both a summary and detailed level through the proposed approval period using data from recent experience, as well as a summary of and detailed projections of the change in the "with-waiver" scenario attributable to the waiver amendment;

a. For all waiver proposals, the State should use a baseline in which there is no waiver plan in effect, and should compare affordability, comprehensiveness, and coverage under the baseline for each year to those projected under the currently approved waiver program (assuming it continues throughout the proposed amendment period) and under the proposed amended waiver (to allow the Departments to separately evaluate the impact of the amendment on the existing 'with-waiver' scenario). For waivers that impact the individual market, data used to produce these projections might include overall premiums (e.g., for analysis of affordability) and Second Lowest Cost Silver Plan (SLCSP) premiums (e.g., for analysis of deficit neutrality).

    i. A projection of the following items separately under the 'without-waiver' scenario, the 'with-waiver' scenario reflecting the currently approved reinsurance program (assuming its continuation), and the amended 'with-waiver' scenario reflecting both the reinsurance program and the proposed Covered Choice program:[1]

        A. Number of non-group market enrollees by income as a share of the Federal Poverty Level (FPL) (0% to 99%, ≥100% to ≤133%, >133% to ≤ 150%, >150% to ≤200%, >200% to

[1] Specifically, the without-waiver scenario refers to the baseline, the currently approved with-waiver scenario refers to the reinsurance-only scenario, and the amended with-waiver scenario refers to a combined reinsurance and amendment scenario.

≤250%, >250% to ≤300%, >300% to ≤400%, and greater than 400% of FPL), by PTC-eligibility, and by plan metal level;

B. Number of enrollees in Medicaid by income as a share of the FPL (0% to 99% and ≥ 100% to ≤ 133% of FPL);C. Overall average non-group market premium rate (i.e., total individual market premiums divided by total member months of all enrollees);

D. SLCSP rate for a representative consumer (e.g., a 21-year old nonsmoker), by rating area and issuer-specific service area. The state needs to identify where issuers have service areas that are smaller than rating areas;

E. The state's age rating curve (or a statement that the federal default is used);

F. Aggregate non-group market premiums and PTC; and

G. Aggregate Medicaid spending, broken out by state and federal spending as well as by income as a share of the FPL (0% to 99% and ≥100% to ≤133% of FPL).

ii. Documentation of all assumptions and methodology used to develop the projections and growth of health care spending.
iii. For waivers that include a reinsurance program, the economic and actuarial analyses should include, at a minimum, for both the with-waiver and without-waiver baseline scenarios, 5-year projections for:
   1. Total Exchange enrollment including:
      A. Subsidized (i.e., advanced premium tax credit (APTC)) enrollment on the Exchange;
      B. Unsubsidized enrollment on the Exchange;
   2. Enrollment off the Exchange, to the extent available;
   3. Statewide average SLCSP premiums (aggregate and per member per month (PMPM)) (note: rating area-level premium data is not required for waiver extension applications);
   4. Statewide average gross and net premiums (aggregate and PMPM).
      A. Gross and net premiums should be shown separately for the Medicaid population (those with incomes 0% to 133% of FPL), Covered Choice population (those with incomes 100% to 133% of FPL), and the Exchange population;
   5. APTC (aggregate and PMPM);
   6. State funding for the waiver plan;
   7. State reinsurance reimbursements, if applicable; and

8. Pass-through funding (e.g., federal PTC savings net any offsets, such as increased user fees), if applicable.

(5) An explanation of the expected impact, if any, of the proposed amendment on pass-through funding, as well as any new proposed uses for pass-through funding; and

(6) The Departments may request additional information and/or analysis to evaluate and reach a decision on the requested amendment.