



September 22, 2025

Idaho Department of Health & Welfare
Division of Medicaid
Attn: Policy Team
PO Box 83720
Boise, ID 83720

Dear Members of the Medicaid Policy Team,

On behalf of the Idaho Medical Association (IMA) Board of Trustees and our 3,500+ physician members, I am writing to express our serious concern and opposition to the 4% Medicaid provider rate reduction enacted September 1st.

Idaho physicians are facing an existential crisis. While many view caring for Medicaid patients as both a privilege and an obligation, these same physicians are now confronted with an untenable choice: continue providing care at an even greater financial loss or consider closing their doors altogether.

Medicaid physician reimbursement rates in Idaho already lag behind other states when compared nationally, leaving many medical practices struggling to cover the basic costs of providing care. A further reduction will accelerate physician attrition, particularly in rural and underserved communities, where access is already fragile. This is especially alarming for primary care, where Idaho faces persistent workforce shortages and consistently ranks near the bottom nationally in physicians per capita.

With Idaho physicians already facing devastating cuts to Medicaid payments contained in HB 345 which terminates the Healthy Connections program, this rate reduction comes at the worst possible time. An additional 4% reduction compounds these challenges and is pushing many practices to a tipping point. Several are actively re-evaluating whether they can continue seeing Medicaid patients at all – a decision that would have direct, devastating consequences for access to care.

IMA fears that the existential crisis quickly turns into an access to care crisis. Ultimately, these cuts will not just strain physician practices – they will erode patient access to timely, local, and high-quality healthcare across Idaho. Once access is lost, it will be extraordinarily difficult to rebuild, causing further strain as the State of Idaho transitions to managed care.

For these reasons, we strongly urge the Department to reconsider the 4% reduction. Protecting Medicaid reimbursement is not only critical to preserving Idaho's physician workforce but also to safeguarding the health of the more than 350,000 Idahoans who depend on this program. We stand ready to work with you on solutions that address budget realities without undermining access to care for our most vulnerable patients.

Sincerely,

A handwritten signature in purple ink that reads "Susie Keller". The signature is fluid and cursive, with the first name "Susie" and last name "Keller" clearly distinguishable.

Susie Keller
Chief Executive Officer