



May 22, 2007

Center for Medicare & Medicaid Services  
Office of Strategic Operations and Regulatory Affairs,  
Division of Regulations Development--A,  
Attention: Melissa Musotto  
Room C4-26-05  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

**RE: Agency Information Collection Activities: Proposed Collection;  
Comment Request: Alternative Benefits State Plan Amendment  
Health Opportunity Accounts (HOA) Demonstration Program**  
72 Federal Register 13793, March 23, 2007

Ms. Musotto:

Thank you for the opportunity to comment on reauthorization of Form Number: CMS-10216, the Alternative Benefits State Plan Amendment Health Opportunity Accounts (HOA) Demonstration Program. The form is intended to help states use authority under the Deficit Reduction Act to conduct up to 10 demonstrations in which Medicaid beneficiaries could volunteer to participate in an HOA.

AARP is interested in this issue because HOAs are closely modeled after Health Savings Accounts (HSAs), which have been the subject of much controversy. The HOA demonstrations provide an opportunity to obtain factual information on whether either potential benefits suggested by HSA proponents – or potential harm suggested by HSA opponents – result when HOAs are used by low-income Medicaid beneficiaries.

While beneficiaries over age 65 are exempt from participation in these demonstrations, many AARP members under age 65 may choose to participate, including grandparents raising grandchildren who may be enrolled in Medicaid. In addition, Medicaid HOA's could be expanded at a later date to older populations.

AARP is concerned that the current draft of Form CMS-10216 fails to ask states how they will evaluate these demonstrations to obtain factual information as to whether and how HOAs are beneficial or not.