



STATE OF NEW YORK  
DEPARTMENT OF HEALTH  
P.O. Box 11729  
Albany, NY 12211

## Notice of Decision

NY State of Health Number: [REDACTED]  
Appeal Identification Number: AP000000000316

Decision Date: July 10, 2014

[REDACTED]  
[REDACTED]  
[REDACTED]

Dear [REDACTED],

On May 21, 2014, you appeared by telephone at a hearing on your appeal of NY State of Health Marketplace's December 31, 2013, eligibility determination.

The attached Decision, rendered after that hearing, is issued by the Appeals Unit of the NY State of Health.

If you have questions about your Decision, you can contact us by:

- Calling the Customer Service Center at 1-855-355-5777
- Sending Mail to:  
NY State of Health Appeals  
P.O. Box 11729  
Albany, NY 12211
- Sending a Fax to 1-855-900-5557

When contacting the NY State of Health about your appeal and/or the Decision, please refer to the Appeal Identification Number at the top of this letter.

### Legal Authority

We are sending you this notice in accordance with Federal regulation 45 CFR § 155.545(b).

If you need this information in a language other than English or you need assistance reading this notice, we can help you. Call 1-855-355-5777 (TTY - English: 1-800-662-1220) (TTY - Spanish: 1-877-662-4886).

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## Decision

NY State of Health Number: [REDACTED]  
Appeal Identification Number: AP000000000316

Decision Date: July 10, 2014

[REDACTED]  
[REDACTED]  
[REDACTED]

## Issue

The issues presented for review by the Appeals Unit of the NY State of Health are:

Did the Marketplace properly determine that [REDACTED] was eligible for an advance premium tax credit (APTC) in the amount of \$300.00 as of December 31, 2013?

Did the Marketplace properly determine that [REDACTED] was eligible for cost sharing reductions (CSR), if the appellant was enrolled in a silver-level qualified health plan (QHP)?

## Procedural History

On December 31, 2013, [REDACTED], the Appellant, filed an application for health insurance through the Marketplace for himself only.

On December 31, 2013, the Marketplace issued a preliminary eligibility determination stating that the Appellant is eligible to receive up to \$300.00 monthly of APTC and cost-sharing reductions if a silver-level qualified health plan is selected.

On December 31, 2013, the Appellant appealed the Marketplace's December 31, 2013 preliminary eligibility determination.

On January 1, 2014, the Marketplace issued an eligibility determination notice stating that based on the Appellant's household income of \$20,000.00, the

Appellant is eligible to receive up to \$300.00 monthly of APTC, and receive cost-sharing reductions if a silver-level qualified health plan is selected.

On January 27, 2014, the Appellant changed the expected household income from \$20,000.00 to \$5,400.00 in the Marketplace portal.

On February 12, 2014, the Marketplace issued an eligibility determination notice stating that the Appellant may be eligible for health insurance through the NY State of Health but more information is needed to make a determination. In order for your eligibility to be determined you must submit income documentation.

On May 21, 2014, the Appellant had a telephone hearing. Testimony was taken at the hearing. The record is now complete and closed.

## **Findings of Fact**

A review of the record supports the following finding of fact:

1. The Appellant applied for health insurance through the NY State of Health Marketplace on December 31, 2013, for himself only.
2. The Appellant plans to file a 2014 federal income tax return.
3. The Appellant plans to file with the tax status of single and claim no dependents on his 2014 federal income tax return.
4. The Appellant's expected Modified Adjusted Gross Income (MAGI) as of December 31, 2013, was \$20,000.00.
5. The Appellant testified that as of May 20, 2014, he has been unemployed and earning \$0.00.
6. The Appellant resides in Richmond County, New York.

Conflicting evidence, if any, was considered and rejected in favor of the evidence noted above.

## **Applicable Law and Regulations**

An advance premium tax credit (APTC) is available to a tax filer whose household income is not expected to be more than 400% of the Federal Poverty Level (FPL) for the benefit year in which coverage is requested (45 CFR § 155.305(f)(1)(i)).

A tax filer's household income includes the modified adjusted gross income (MAGI) of all the individuals in the taxpayer's family who are required to file a federal tax return for the taxable year (26 CFR § 1-36B-1(e)(1)).

Modified adjusted gross income means the adjusted gross income under section 62 of the Internal Revenue Code increased by foreign earned income that has been excluded from gross income under IRC § 911 and social security benefits that were not included in gross income under IRC § 86 for everyone who resides in the taxpayer's household (26 CFR § 1-36B-1(e)(2)).

A household of one person is eligible for APTC if the household's income is from 138% to 400% of the FPL. As of December 31, 2013, the FPL for a household of one was \$11,490.00 (100%), so a household of one person can qualify for APTC if their household income is between \$15,857.00 (138%) and \$45,960.00 (400%).

The amount of APTC that can be authorized equals

1) the cost of the health insurance premium for the taxpayer's coverage family in the second lowest cost silver plan offered through the NY State of Health in the geographic area where the taxpayer resides

minus

2) the taxpayer's expected contribution amount (IRC § 36B, 26 CFR § 1.36B-3).

The taxpayer's expected contribution amount is the amount that the family is expected to spend on health insurance premiums. A family's expected contribution towards the cost of health insurance premiums is set by Federal regulation at 2% to 9.5% of income, depending on the household's income. For household income in the range of at least 150% of the 2013 federal poverty level (FPL) but less than 200% of the 2013 FPL, the expected contribution is from 4.00% to 6.30% of the household income (26 CFR § 1.36B-3(g)(2)).

Cost-sharing reductions (CSR) are available only to a person who (1) is eligible to enroll in a QHP through the Marketplace, (2) meets the requirements to receive advanced premium tax credits, (3) is expected to have a household income that does not exceed 250 percent of the FPL for the plan year coverage is requested and (4) is enrolled in a silver-level QHP (45 CFR § 155.305(g)(1)).

A person is eligible for CSR if the household's income is from 138% to 250% of the 2013 FPL.

## Legal Analysis

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The issue on appeal is whether the Marketplace properly determined that, as of December 31, 2013, you were eligible for an advance premium tax credit (APTC) of up to \$300.00 per month and eligible for cost sharing reductions (CSR).

For an APTC and CSR analysis, you are in a one-person household because you expect to file single and claim no dependents on your 2014 federal income tax return.

You reside in Richmond County, where the second lowest cost silver plan available through the Marketplace costs \$385.19 per month.

On December 31, 2013, your expected income for 2014 was \$20,000.00, which is 174.06% of the 2013 FPL for a one-person household. At 174.06% of the FPL, the expected contribution to the cost of the health insurance premium is 5.11% of household income, or \$85.12 per month.

The maximum amount of APTC that can be awarded equals the cost of the second lowest cost silver plan in your county (\$385.19 per month) minus your expected contribution (\$85.12 per month), which equals \$300.07 per month.

Therefore the Marketplace correctly computed your APTC to be \$300.00 per month.

Cost sharing reductions are available to a person who has a household income no greater than 250% of the FPL. Since your household income on December 31, 2013 was 174.06%, of the FPL, you were eligible for cost sharing reductions if you enrolled in a silver-level plan through the Marketplace.

However, after you submitted your original Marketplace application and appealed the Marketplace's determination you changed your expected household income from \$20,000.00 to \$5,400.00 in the Marketplace portal and testified that you became unemployed during 2014.

On February 12, 2014, the Marketplace issued a notice stating that more income information is needed before a determination can be made on this new information. Since the changes were made after December 31, 2013, this decision cannot reach those later changes.

## **Decision**

The December 31, 2013 eligibility determination is **AFFIRMED**.

Since the Appellant testified at the May 21, 2014 hearing that he became unemployed as of May 20, 2014, this matter is returned to the Marketplace to redetermine the Appellant's eligibility as of May 20, 2014.

**Effective Date of this Decision:** July 10, 2014

### **How this Decision Affects Eligibility**

The December 31, 2013 eligibility determination is AFFIRMED.

As of December 31, 2013, the Appellant is eligible to for an advance premium tax credit of up to \$300.00 per month and eligible for cost sharing reductions if enrolled in a silver-level QHP.

Since the Appellant testified at the May 21, 2014 hearing that he became unemployed as of May 20, 2014, this matter is returned to the Marketplace to redetermine the Appellant's eligibility as of May 20, 2014.

### **If You Disagree with this Decision (Appeal Rights)**

This Decision is final unless you submit an appeal request to U.S. Department of Health and Human Services or bring a lawsuit under New York Civil Practice Law and Rules, Article 78.

If you do not agree with this Decision, you have the right to appeal outside the Marketplace and may:

- Submit an appeal request to the U.S. Department of Health and Human Services appeals entity within 30 days of the date of the Decision Date, which appears on the first page of this Decision (45 CFR § 155.520(c))

AND/OR

- Bring a lawsuit in state court in accordance with Article 78 of the New York Civil Practice Law and Rules within four months after the date of the Decision Date, which appears on the first page of this Decision.

If you wish to be represented by an attorney in bringing an outside appeal and do not know how to go about getting one, you may contact legal resources available to you. You may, for example, contact the local County Bar Association, Legal Aid, or Legal Services.

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## **If You Have Questions about this Decision (Customer Service Resources):**

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Albany, NY 12211
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## **Summary**

The Marketplace's December 31, 2013 eligibility determination is AFFIRMED.

As of December 31, 2013, the Appellant was eligible to for an advance premium tax credit (APTC) of up to \$300.00 and eligible for cost sharing reductions (CSR) if enrolled in a silver level qualified health plan through the Marketplace.

Since the Appellant testified at the May 21, 2014 hearing that he became unemployed as of May 20, 2014, this matter is returned to the Marketplace to redetermine the Appellant's eligibility as of May 20, 2014.

## **Legal Authority**

We are sending you this notice in accordance with Federal regulation 45 CFR § 155.545(a).



**A Copy of this Decision Has Been Provided To:**

[REDACTED]  
[REDACTED]  
[REDACTED]