



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: AP000000000600

Decision Date: July 28, 2014

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED],

On May 23, 2014, you appeared by telephone at a hearing on your appeal of NY State of Health Marketplace's March 7, 2014 eligibility determination.

The enclosed 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 notice.

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).

THIS PAGE INTENTIONALLY LEFT BLANK



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

Decision

NY State of Health Number: [REDACTED]
Appeal Identification Number: AP000000000600

Decision Date: July 28, 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 \$358.00 per month as of March 7, 2014?

Did the Marketplace properly determine that as of March 7, 2014, [REDACTED] was eligible for Cost Sharing Reductions (CSR), provided you are enrolled in a silver level qualified health plan (QHP)?

Procedural History

On March 3, 2014, you filed an application for health insurance through the Marketplace for yourself, your spouse, and three dependents.

On March 4, 2014, the Marketplace issued an eligibility determination that, on a household income of \$50,000.00, you were eligible for up to \$434.00 of APTC per month and eligible for CSR provided you are enrolled in a silver level QHP through the Marketplace.

On March 6, 2014, you submitted to the Marketplace pay stubs from January 27, 2014, to February 23, 2014.

On March 7, 2014, the Marketplace issued an eligibility redetermination that, with a household income of \$56,378.27, you were eligible for up to \$358.00 of APTC per month and eligible for CSR provided you are enrolled in a silver level QHP through the Marketplace.

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).

On April 23, 2014, you appealed the Marketplace's March 7, 2014, eligibility determination.

On April 29, 2014, the Marketplace issued multiple notices of eligibility redetermination. Some of the notices found you eligible for APTC of \$434.00 per month on a household income of \$50,000.00, and others found you eligible for APTC of \$358.00 per month on a household income of \$56,378.27.

On May 27, 2014, you had a telephone hearing with a Hearing Officer from the Marketplace's Appeals Unit. Testimony was taken at the hearing. The record was developed during the hearing and is now complete and closed.

Findings of Fact

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

1. You applied for health insurance through the NY State of Health Marketplace on March 3, 2014, for yourself, your spouse, and your three children.
2. Your three children are covered by other insurance plans in the Marketplace, and you need a policy for yourself and your spouse.
3. You plan to file a 2014 federal income tax return.
4. You plan to file with the tax status married filing jointly and claim three dependents on your 2014 federal income tax return.
5. You testified that your 2013 income was approximately \$50,000.00 and that you expect a similar income for 2014.
6. You testified that your income varies depending on the season.
7. The paystubs that you provided to the Marketplace document wages for four one-week pay periods, from January 27, 2014 through February 23, 2014. They indicate gross wages of \$7,498.00 during that period and year-to-date gross earnings of \$9,238.80.
8. Your spouse and dependents expect to earn \$0.00 during 2014.
9. According to your Marketplace application, you live in Putnam County.

Conflicting evidence, if any, was considered and found to be less credible than the evidence noted above.

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).

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 taxpayer is eligible for APTC if the household's income is from 138% to 400% of the 2013 FPL. The 2013 FPL for a household of five people is \$27,570.00 (100%), so a household of five people can qualify for APTC if their household income is between \$38,516.00 (138%) and \$110,280.00 (400%).

The maximum 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 county where the taxpayer resides

minus

2) the taxpayer's expected contribution amount

(see 26 USC § 36B, 26 CFR § 1.36B-3).

The taxpayer's expected contribution amount is the amount that the taxpayer is expected to spend on health insurance premiums. The expected contribution towards the cost of health insurance premiums is set by Federal regulation at 2% to 9.5% of income, depending on 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 6.3% to 4.0% of the household income (26 CFR § 1.36B-3(g)(2)).

At the end of a tax year, a person who elects to take the APTC to help pay for the cost of insurance premiums must file a tax return to reconcile any differences between the amount of income the person reported to the Marketplace and their actual modified adjusted gross income for that year. A person who received less tax credit than the maximum they are entitled to, based on their modified adjusted gross income, may receive an income tax refund. A person who receives more APTC than they were entitled to, based on their modified adjusted gross income, will owe the excess as an additional income tax liability (26 CFR 1.36B-4).

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

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).

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 household is eligible for CSR if its income is from 138% to 250% of the 2013 FPL. For a five-person household, this would be from \$38,516.00 (138%) up to \$68,925.00 (250%).

Legal Analysis

You indicated that you expect to file your 2014 federal income tax return jointly with your spouse and claim three dependents. Therefore, you are in a five-person household for purposes of determining APTC and CSR.

You testified that your expected household income for 2014 is approximately \$50,000.00 and that, due to the nature of your occupation, your income varies depending on the season. You provided four paycheck stubs with income information for the last week of January 2014 and three weeks of February 2014. The paycheck stubs support a projected annual income of \$56,378.27, which is higher than your estimate. Since the paycheck information does not cover a long enough period of time to reflect the seasonal variation to which you credibly testified, we will rely upon your sworn testimony and base your APTC and CSR analysis on a \$50,000.00 expected income.

It is important to note that you are not required to use the entire APTC that the Marketplace approves. Also, the APTC is no more than an advance on a tax credit that you can claim when you file your 2014 federal tax return. If your 2014 earnings will be higher than \$50,000.00, you can take a smaller credit against your health insurance premium to avoid increasing your tax liability when you file your 2014 income tax return.

You reside in Putnam County, where the second lowest cost silver plan available through the Marketplace for a couple costs \$660.82 per month.

Your expected income for 2014 is \$50,000.00, which is 181.36% of the 2013 FPL for a five-person household. At 181.36% of the FPL, the expected contribution to the cost of the health insurance premium is 5.44% of income, or \$226.67 per month.

The maximum amount of APTC that can be awarded equals the cost of the second lowest cost silver plan in your county (\$660.82 per month) minus your expected contribution (\$226.67 per month), which equals \$434.15 per month.

Therefore, in those eligibility determinations in which the Marketplace based its analysis on a \$50,000.00 income, the Marketplace correctly computed your APTC to be \$434.00 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 is 181.36% of the FPL, you are eligible for cost sharing reductions.

Since only the eligibility determinations that are based on a household income of \$50,000.00 are supported by the record, the March 4, 2014 eligibility determination and all later determinations based on a household income of \$50,000.00 are supported by the record and are AFFIRMED.

The March 7, 2014 eligibility determinations based on a household income of \$56,378.27 are not supported by the record and are RESCINDED.

Decision

The March 4, 2014 eligibility determination and all later determinations based on a household income of \$50,000.00 are supported by the record and are correct and are AFFIRMED.

The March 7, 2014 eligibility determination and all later determinations based on a household income of \$56,378.27 are not supported by the record and are RESCINDED.

Effective Date of this Decision: July 28, 2014

How this Decision Affects Eligibility

You qualify for an advance premium tax credit up to \$434.00, based on your testimony that your expected household income for 2014 is \$50,000.00.

You also qualify for cost-sharing reductions provided you are enrolled in a silver-level qualified health plan through the Marketplace.

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 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).

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.

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

You can contact us in any of the following ways:

- By calling the Customer Service Center at 1-855-355-5777
- By mail at:
NY State of Health Appeals
P.O. Box 11729
Albany, NY 12211
- By fax: 1-855-900-5557

Summary

The March 4, 2014 eligibility determination and all later determinations based on a household income of \$50,000.00 are supported by the record and are AFFIRMED.

The March 7, 2014 eligibility determination and all later determinations based on a household income of \$56,378.27 are not supported by the record and are RESCINDED.

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).

You qualify for an advance premium tax credit up to \$434.00, based on your testimony that your expected household income for 2014 is \$50,000.00.

You also qualify for cost-sharing reductions provided you are enrolled in a silver-level qualified health plan through the Marketplace.

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]