



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

Notice of Decision

Decision Date: October 3, 2014

NY State of Health Number: [REDACTED]
Appeal Identification Number: AP000000000717

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED],

On July 10, 2014, you appeared by telephone at a hearing on your appeal of NY State of Health Marketplace's June 10, 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).

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Decision

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NY State of Health Number: [REDACTED]
Appeal Identification Number: AP000000000717

[REDACTED]
[REDACTED]
[REDACTED]

Issue

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

Did the Marketplace properly determine that [REDACTED] was eligible for an advance premium tax credit in the amount of \$234.00 as of June 11, 2014?

Did the Marketplace properly determine that [REDACTED] was eligible for cost-sharing reductions as of June 11, 2014?

Procedural History

On May 7, 2014, you filed an application for health insurance through the Marketplace for yourself only.

On May 8, 2014, the Marketplace issued an eligibility determination notice stating that based on a household income of \$19,812.00, you are eligible to enroll in a qualified health plan (QHP) and to receive an advance premium tax credit (APTC) of up to \$295.00 monthly as well as cost-sharing reductions (CSR).

On June 6, 2014, you submitted income documentation to the Marketplace.

On June 11, 2014, the Marketplace issued an eligibility redetermination notice stating that based on a household income of \$24,960.00, you are eligible to enroll in a QHP and receive up to \$234.00 monthly of APTC and receive CSR.

On June 17, 2014, you spoke with the Marketplace Customer Service Unit and entered an appeal request.

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On July 10, 2014, you appeared for a telephone hearing. Testimony was taken at the hearing. The record was held open until July 16, 2014, to allow you to submit documentation.

Additional evidence was received from you on July 11, 2014. The evidence was made part of the record, and the record was closed. The record is now complete and closed.

Findings of Fact

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

1. You applied for health insurance through the NY State of Health Marketplace for yourself only.
2. According to your Marketplace application, you reside in Suffolk County, New York.
3. You testified that you plan to file a 2014 federal income tax return.
4. You testified that you plan to file with the tax status single and claim no dependents on your 2014 federal income tax return.
5. On June 6, 2014, you submitted paystubs indicating biweekly earnings of \$960.00.
6. On July 11, 2014, you faxed your 2013 Form 1098-E to the NY State of Health Appeals Unit. Your student loan interest deduction for 2013 was \$894.95. You testified that on your 2014 federal income tax return you expect to claim a similar 2014 student loan interest deduction.

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

Applicable Law and Regulations

Eligibility for an advance premium tax credit (APTC) is based on the taxpayer's modified adjusted gross income (MAGI) as defined in the federal tax code (45 CFR 155.300(a)). "The term 'modified adjusted gross income' means adjusted gross income increased by (1) any income that was excluded under 26 USC § 911 for United States citizens or residents living abroad, (2) tax-exempt interest received or accrued, and (3) social security benefits that were excluded from gross income under 26 USC § 86 (see 26 USC § 36B(d)(2)(B), 26 CFR § 1-36B-1(e)(2)).

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The advance premium tax credit (APTC) is an advance on the credit that will be due to the taxpayer for the 2014 tax year. People who use the APTC to help pay health insurance premiums must file a federal tax return and reconcile their expected income (stated on the Marketplace application) with their actual income (stated on their income tax form). Those who take less tax credit in advance than they claim on the tax return may get the rest of it as an income tax refund. Those who take more tax credit in advance than they can claim on their tax return will owe the difference as additional income taxes (26 CFR § 1.36B-4).

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 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 is set by Federal law at 2% to 9.5% of household income (26 USC § 36B(b)(3)(A)).

For household income that is at least 200% but less than 250% of the 2013 federal poverty level (FPL), the expected contribution is from 6.30% to 8.05% of the household income (see 26 CFR § 1.36B-3(g)(2), 45 CFR § 155.300(a)).

For a one-person household, the 2013 FPL is \$11,490.00 (78 Fed Reg 5182, 5183 (2013)).

Cost-sharing reductions (CSR) are available 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% 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)).

Legal Analysis

The matters at issue are whether the Marketplace properly determined that the maximum amount of your advance premium tax credit (APTC) was \$234.00 per month and properly determined that you were eligible for cost-sharing reductions (CSR).

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According to the record you are the only person in your tax household.

You reside in Suffolk County, where the second lowest cost silver plan available through the Marketplace costs \$378.00 per month.

On your application, you indicated an expected income for 2014 of \$24,960.00, which is 217.23% of the 2013 FPL for a one-person household. At 217.23% of the FPL, the expected contribution to the cost of the health insurance premium is 6.90% of income, which is \$143.52 per month.

The maximum amount of APTC that can be approved equals the cost of the second lowest cost silver plan in your county (\$378.00 per month) minus your expected contribution (\$143.52 per month), which equals \$234.48 per month.

Therefore, computing to the nearest dollar, the Marketplace correctly determined your APTC to be \$234.00 per month for an expected annual income of \$24,960.00.

Cost-sharing reductions are available to a person who has a household income no greater than 250% of the FPL. Since a household income of \$24,690.00 equals 217.23% of the FPL, the Marketplace correctly determined that you would be eligible for cost-sharing reductions at that income level.

However, on July 11, 2014, you submitted two 20131098-E Forms documenting that you were entitled to a student loan interest tax deduction of \$894.95 for the 2013 tax year. You testified that you expect to claim a similar deduction for the 2014 tax year. Interest on student loans is an allowable deduction in calculating your MAGI. Subtracting your expected 2014 student loan interest deduction (\$894.95) from your expected 2014 gross income (\$24,960.00) results in an expected 2014 MAGI income of \$24,065.05.

Since the premium tax credit that can be authorized on expected income of \$24,065.05 is not materially greater than the credit that can be authorized on \$24,690.00, that difference is properly claimed as an additional tax credit on a federal individual income tax return.

Accordingly, the June 11, 2014 eligibility determination is AFFIRMED.

Decision

The June 11, 2014 eligibility determination is AFFIRMED.

Effective Date of this Decision: October 3, 2014

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).

How this Decision Affects Eligibility

This decision does not change your eligibility.

You are eligible for an advance premium tax credit of up to \$234.00 per month.

The advance premium tax credit is based on an expected income of \$24,690.00. The final tax credit you get will be based on your taxable income as reported in your 2014 federal tax return.

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.

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:

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- By fax: 1-855-900-5557

Summary

The June 11, 2014 eligibility determination is AFFIRMED.

This decision does not change your eligibility.

You are eligible for an advance premium tax credit of up to \$234.00 per month.

The advance premium tax credit is based on an expected income of \$24,690.00. The final tax credit you get will be based on your taxable income as reported in your 2014 federal tax return.

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]