



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

Notice of Decision

Decision Date: October 10, 2014

NY State of Health Number: [REDACTED]
Appeal Identification Number: AP000000000781

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED],

On August 29, 2014, you appeared by telephone at a hearing on your appeal of NY State of Health Marketplace's February 26, 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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NY State of Health Number: [REDACTED]
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[REDACTED]
[REDACTED]
[REDACTED]

Issue

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

Did the Marketplace properly determine that [REDACTED] was eligible for an advance premium tax credit in the amount of \$109.00 as of February 26, 2014?

Did the Marketplace properly determine that [REDACTED] was ineligible for cost-sharing reductions as of February 26, 2014?

Did the Marketplace properly determine that [REDACTED] was ineligible for Medicaid as of February 26, 2014?

Procedural History

On February 25, 2014, you initially filed an application for health insurance through the Marketplace for yourself only.

On February 25, 2014, you uploaded income documentation through the Marketplace portal.

On February 26, 2014, the Marketplace issued an eligibility determination notice on your February 25, 2014 application. It states that, with a household income of \$38,902.80, you are eligible to enroll in a qualified health plan, receive up to \$109.00 monthly of advance premium tax credit (APTC), and ineligible for cost-sharing reductions (CSR). The determination also states that you are not eligible for Medicaid because the household income you provided of \$38,902.80 is over the allowable income limit of \$21,707.00.

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In correspondence dated March 29, 2014, you appealed the eligibility determination.

On August 29, 2014, you appeared for a telephone hearing. 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 finding of fact:

1. You applied for health insurance through the NY State of Health Marketplace on February 25, 2014 for yourself only.
2. According to the Marketplace application, you reside in Queens County, New York.
3. You plan to file a 2014 federal income tax return.
4. You currently reside with your spouse. Your spouse did not apply for health insurance because he receives health insurance from the [REDACTED].
5. You plan to file with the tax status of married filing jointly and claim no dependents on your 2014 federal income tax return.
6. Your Social Security Benefit award letter was uploaded on February 25, 2014. Your award letter indicates a monthly benefit amount of \$616.00.
7. Your spouse's Social Security Benefit award letter was uploaded on February 25, 2014. His award letter indicates a monthly benefit amount of \$1,626.90.
8. Your February 25, 2014 Marketplace application and your hearing testimony indicate monthly rental income of \$1,000.00 per month.

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

Applicable Law and Regulations

Medicaid can be provided through the Marketplace to adults who: (1) Are age 19 or older and under age 65; (2) Are not pregnant; (3) Are not entitled to or enrolled

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for Medicare benefits under part A or B of title XVIII of the Act; (4) Are not otherwise eligible for and enrolled for mandatory coverage under a State's Medicaid State plan in accordance with subpart B of this part; and (5) Have a household modified adjusted gross income that is at or below 138% of the federal poverty for the applicable family size (42 CFR § 435.119(b), 42 CFR 435.911(b)(1), 42 CFR 435.603(d)(4), N.Y. Soc. Serv. Law § 366(1)(b)).

An advance premium tax credit (APTC) is available to a person who is eligible to enroll in a Qualified Health Plan (QHP) and

1. expects to have a household income between 138% and 400% of the Federal Poverty Line (FPL),
2. expects to file a tax return and claim a personal exemption deduction for a person who meets the eligibility requirements to enroll in a qualified health plan, and
3. is not otherwise eligible for minimum essential coverage except through the individual market (45 CFR § 155.305(f)).

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 geographic area where the taxpayer resides

minus

- 2) the taxpayer's expected contribution amount

(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 the household income (26 USC § 36B(b)(3)(A)).

For a household income in the range of least 250% but less than 300% of the 2013 FPL, the expected contribution is from 8.05% to 9.50% of the household income (26 CFR § 1.36B-3(g)(2), 45 CFR § 155.300(a)).

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

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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).

Cost sharing reductions (CSR) are available to a person who is eligible to enroll in a qualified health plan (QHP) and:

- 1) is eligible for an advanced premium tax credit (APTC),
- 2) has a household income less than 250% of the FPL, and
- 3) enrolls in a silver level health plan (45 CFR § 155.305(g)).

For APTC and CSR eligibility determinations made during February 2014 for a two-person household, the applicable FPL is \$15,510.00 (78 Fed. Reg. 5182, 5183). For a Medicaid eligibility determination made during February 2014 for a two-person household, the applicable FPL is \$15,730.00 (79 Fed. Reg. 3593).

Legal Analysis

The matters at issue are whether the Marketplace properly determined that the maximum amount of your advance premium tax credit (APTC) is \$109.00 per month and that you are not eligible for cost sharing reductions (CSR) or Medicaid.

According to the record there are two people in your household, you and your spouse.

You reside in Queens County, where the second lowest cost silver plan available through the Marketplace for an individual adult costs \$370.53 per month.

Your expected income for 2014 is \$38,902.80, which is 250.82% of the 2013 FPL for a two-person household. At 250.82% of the FPL, the expected contribution to the cost of the health insurance premium is 8.07% of income, or \$261.62 per month.

The maximum amount of APTC that can be approved equals the cost of the second lowest cost silver plan in your county (\$370.53 per month) minus your expected contribution (\$261.62 per month), which equals \$108.91 per month. Therefore, computing to the nearest dollar, the Marketplace correctly determined your APTC to be \$109.00 per month.

When filing your 2014 federal tax return, the difference between your expected income (stated on the Marketplace application) with your actual income (stated on your income tax form) will be reconciled. If you take less tax credit in advance than you claim on your tax return, you may get the rest of it as an income tax refund. If you take more tax credit in advance than you can claim on your tax return, you will owe the difference as additional income taxes.

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 250.82% of the FPL, you are not eligible for cost-sharing reductions.

To be eligible for Medicaid, your household modified adjusted gross income must be less than 138% of the 2014 FPL. The 2014 FPL for a two-person household is \$15,730.00. Your household income of \$38,902.80 equals 247.31% of the FPL for purposes of a Medicaid determination. Since it is greater than 138%, the determination correctly found that you are not eligible for Medicaid.

Since the determinations that you appealed correctly stated that you were entitled for APTC of up to \$109.00 per month and were not eligible for CSR or Medicaid, the determination is AFFIRMED.

You stated that in spite of being determined eligible by the Marketplace for APTC, you may have difficulty paying for your health insurance premiums due to your monthly expenses. If you wish to be considered for a hardship exemption, which would exempt you from paying a penalty for not having health insurance, consult the Federal Marketplace website (www.healthcare.gov) for additional information and an application.

Decision

The February 26, 2014 eligibility determination is AFFIRMED.

Effective Date of this Decision: October 10, 2014

How this Decision Affects Eligibility

This decision does not change your eligibility.

You remain eligible for advance premium tax credit of up to \$109.00 per month.

You are ineligible for cost-sharing reductions or Medicaid coverage.

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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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Summary

The February 26, 2014 eligibility determination is AFFIMRED.

This decision does not change your eligibility.

You remain eligible for advance premium tax credit of up to \$109.00 per month.

You are not eligible for cost-sharing reductions or Medicaid coverage.

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]