



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

Notice of Decision

Decision Date: July 24, 2015

NY State of Health Number: [REDACTED]
Appeal Identification Number: AP000000002225

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED],

On April 30, 2015, you appeared by telephone at a hearing on your appeal of NY State of Health Marketplace's February 13, 2015 eligibility determination.

The enclosed Decision, rendered after that hearing, is issued by the Appeals Unit of 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 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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Issues

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

Did the Marketplace properly determine that you were eligible for an advanced premium tax credit of up to \$38.00 per month?

Did the Marketplace properly determine that you were not eligible for cost-sharing reductions?

Procedural History

On February 11, 2015, the Marketplace received your application for health insurance.

On February 13, 2015, the Marketplace issued an eligibility determination notice stating that you are newly eligible to receive advance premium tax credits of \$38.00 per month. The notice also stated that you are not eligible to receive cost-sharing reductions or Medicaid because your household income was over the allowable limits for those programs.

On March 30, 2015, you spoke to the Marketplace’s Account Review Unit and appealed the amount of financial assistance you were eligible for.

On April 30, 2015, you had a telephone hearing with a Hearing Officer from the Marketplace’s Appeals Unit. The record was developed during the hearing and closed at the end of the hearing.

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Findings of Fact

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

1. You are applying for health insurance through the Marketplace for yourself only.
2. You testified that you expect to file a U.S. Income Tax return for 2015.
3. You plan to file your 2015 tax return with the tax status of single and claim no dependents on that tax return.
4. You expect a 2015 annual household income of \$42,920.00. You expect \$32,000.00 in earned income and \$10,920.00 in unemployment insurance benefits (2/11/2015 Marketplace application; Testimony).
5. You currently reside in Suffolk County, New York.
6. You testified that based upon your current level of income and monthly expenses, insurance through the Marketplace is unaffordable to you.

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

Applicable Law and Regulations

Advance Premium Tax Credit:

The 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 applicable federal poverty level (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 QHP, and (3) is not otherwise eligible for minimum essential coverage except through the individual market (see 45 CFR § 155.305(f), 42 CFR § 435.119(b), 42 CFR § 435.911(b)(1), 42 CFR § 435.603(d)(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 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 for 2015 is set by federal law at 2.01% to 9.56% of household income (26 USC § 36B(b)(3)(A), 26 CFR § 1.36B-3T(g)(1), IRS Rev. Proc. 2014-37).

In an analysis of APTC eligibility, the determination is based on the FPL for the first day of the open enrollment period of the benefit year for which coverage is requested (45 CFR §§ 155.300(a), 155.305(f)(1)(i)). On the date of your application, that was the 2014 FPL, which is \$11,670.00 for a one-person household (79 Fed. Reg. 3593, 3593).

For annual household income in the range of at least 300% but less than 400% of the 2014 FPL, the expected contribution is between 9.56% and 9.56% of the household income (see 26 CFR § 1.36B-3T(g)(1), (IRS Rev. Proc. 2014-37)).

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 federal income tax return). 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 or have their tax bill reduced. 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:

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 APTC, (3) is expected to have an annual household income that does not exceed 250% of the FPL for the first day of the open enrollment period of the benefit year for which coverage is requested, and (4) is enrolled in a silver-level QHP (45 CFR § 155.300(a), 45 CFR § 155.305(g)(1)).

Affordability Exemption

Under some circumstances, a person may receive an exemption from paying a penalty for not purchasing health insurance coverage. Such an exemption may be granted if that person can show that he or she experienced a financial hardship or has domestic circumstances that (1) caused an unexpected increase in essential expenses that prevented that person from obtaining health coverage under a QHP; (2) would have caused the person to experience serious deprivation of food, shelter, clothing, or other necessities, as a result of the

expense of purchasing health coverage under a QHP; or (3) prevented that person from obtaining coverage under a QHP (45 CFR § 155.605(a), (g)).

NY State of Health has deferred to the U.S. Department of Health and Human Services (HHS) on the matter of hardship exemptions (see 45 CFR § 155.505(c)).

Legal Analysis

The first issue is whether the Marketplace properly determined that you are eligible for an advance premium tax credit (APTC) of up to \$38.00 per month.

In the application that was submitted on February 11, 2015, you attested to an expected yearly income of \$42,920.00 and the eligibility determination relied upon that information.

According to the record, you have a one-person tax household. You expect to file your 2015 federal income tax return with the tax status of single and claim no dependents on that return.

You reside in Suffolk County, where the second lowest cost silver plan that is available through the Marketplace for an individual costs \$379.93 per month.

An annual household income of \$42,920.00 equals 367.78% of the 2014 federal poverty level (FPL) for a one-person household. At 367.78% of the FPL, the expected contribution to the cost of the health insurance premium is 9.56% of income, or \$341.93 per month.

The maximum amount of APTC that can be awarded equals the cost of the second lowest cost silver plan in your county (\$379.93 per month) minus your expected contribution (\$341.93 per month), which equals \$38.00 per month. Therefore, the Marketplace correctly determined your APTC to be \$38.00 per month.

The second issue is whether the Marketplace properly determined that you are not eligible for cost-sharing reductions.

Cost-sharing reductions are available to a person who has an annual household income no greater than 250% of the FPL. Since your annual household income is 367.78% of the 2014 FPL, The Marketplace correctly found not eligible for cost-sharing reductions.

Since the February 13, 2015 eligibility determination properly stated that, based on the information you provided, you were eligible for APTC of up to \$38.00 per month and not eligible for cost-sharing reductions, it is correct and is **AFFIRMED**.

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Decision

The February 13, 2015 eligibility determination is AFFIRMED.

Effective Date of this Decision: July 24, 2015

How this Decision Affects Your Eligibility

This decision does not change your eligibility.

You remain eligible to receive an advance premium tax credit of up to \$38.00 per month.

Any difference between the advance premium tax credit (based on your expected 2015 income) and the premium tax credit (based on your actual 2015 income) should be reconciled on your 2015 federal tax return.

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.

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.

You may bring a lawsuit on any Appeals Unit decision in New York State court in accordance with Article 78 of the New York Civil Practice Law and Rules. This must be done within four months after the date of the Decision Date, which appears on the first page of this Decision.

Additionally, Appeals Unit decisions on issues involving eligibility for qualified health plans, advance premium tax credits, and cost-sharing reductions may be appealed to the U.S. Department of Health and Human Services. This must be done within 30 days of the date of the Decision Date, which appears on the first page of this Decision (45 CFR § 155.520(c)).

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

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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 February 13, 2015 eligibility determination is AFFIRMED.

You remain eligible to receive an advance premium tax credit of up to \$38.00 per month.

Any difference between the advance premium tax credit (based on your expected 2015 income) and the premium tax credit (based on your actual 2015 income) should be reconciled on your 2015 federal tax return.

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.

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]