



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

Notice of Decision

Decision Date: November 09, 2015

NY State of Health Number: [REDACTED]
Appeal Identification Number: AP000000002277

[REDACTED]

Dear Ms. [REDACTED]

On October 30, 2015, you appeared by telephone at a hearing on your appeal of NY State of Health Marketplace's March 20, 2015 denial of Medicaid premium assistance.

The attached 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 Code of Federal Regulation (CFR) 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 Date: November 09, 2015

NY State of Health Number: [REDACTED]
Appeal Identification Number: AP000000002277

[REDACTED]

Issue

The issue presented for review by the Appeals Unit of NY State of Health is:

Did the Marketplace properly determine that the Medicaid program should not provide premium assistance for your Third Party Health Insurance under Excellus BlueCross BlueShield because it was not cost effective?

Procedural History

The Marketplace received your initial application for health insurance on January 27, 2015.

Also on January 27, 2015, a copy of your Third Party Health Insurance card under Excellus BlueCross BlueShield was uploaded to your Marketplace account.

On January 28, 2015, the Marketplace issued a notice stating that you were conditionally eligible for Medicaid, effective January 1, 2015.

Also on January 28, 2015, multiple documents were uploaded to your Marketplace account, which included a written request for assistance paying your monthly Third Party Health Insurance premium, as well as additional evidence in support of your request.

On January 30, 2015, the Marketplace issued a notice of redetermination stating that you were eligible for Medicaid, effective January 1, 2015.

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On March 20, 2015, the Marketplace issued a notice that stated: “We have determined that it is not cost effective for New York State of Health to pay for health insurance premiums for the following individuals. [REDACTED]

[REDACTED] If you are currently enrolled in this health insurance plan, you remain responsible for payment of your health insurance premium bills.”

On April 2, 2015, you spoke with the Marketplace’s Account Review Unit and appealed that determination insofar as it denied assistance in paying your Third Party Health Insurance premiums due to cost effectiveness.

On October 7, 2015, you were scheduled for a telephone hearing with a Hearing Officer from the Marketplace’s Appeals Unit; however, the hearing was rescheduled per your request.

On October 23, 2015, you were rescheduled for a telephone hearing with a Hearing Officer from the Marketplace’s Appeals Unit. At that time, the hearing was adjourned per your request.

On October 30, 2015, you had a telephone hearing with a Hearing Officer from the Marketplace’s Appeals Unit. At that time, you designated [REDACTED] as your Authorized Representative. Your Authorized Representative was sworn in and provided testimony on your behalf. The record was developed during the hearing and closed at the end of the hearing.

Findings of Fact

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

- 1) The record reflects that you reside in Otsego County, New York.
- 2) The record reflects that your Medicaid coverage through the Marketplace began, effective January 1, 2015.
- 3) Your Authorized Representative testified that you were enrolled in Third Party Health Insurance under Excellus BlueCross BlueShield as of July 2014, at a monthly premium cost of approximately \$525.00 to \$530.00 per month.
- 4) According to the documents uploaded to your Marketplace account on January 28, 2015, your Third Party Health Insurance Policy under the Excellus BlueCross BlueShield Young Adult Option began, effective June 1, 2014. These documents further indicate that the monthly premium for this plan cost \$522.83.

- 5) The record reflects that you requested assistance paying the monthly premium for your coverage under Excellus BlueCross BlueShield on January 28, 2015.
- 6) On March 20, 2015, the Marketplace issued a notice stating that it was not cost effective for New York State of Health to pay for your health insurance premiums.
- 7) According to the evidence packet created by the Department of Health's Third Party Liability Unit, it ascertained that your coverage under Excellus BlueCross BlueShield cost \$522.83 per month until May 31, 2014. The evidence packet further reflects that the Department of Health's Third Party Liability Unit ascertained that your Excellus BlueCross BlueShield coverage beginning, effective June 1, 2014, cost \$548.97 per month. The evidence packet reflects that the Department of Health's Third Party Liability Unit determined that it was not cost effective to reimburse either policy.
- 8) The record reflects that the Department of Health's Third Party Liability Unit used the programmed HIPP calculator in eMedNY, New York State's electronic Medicaid system, to determine the average cost of Medicaid coverage, if Medicaid were paying a managed care plan to provide twelve months of coverage. The Third Party Liability Unit determined that twelve months of Medicaid Managed Care plan coverage for you would cost \$2,570.76. It further determined that the cost of your Excellus BlueCross BlueShield premium payments for the same period would be \$6,473.88.
- 9) The record reflects that the determination issued by the Department of Health's third Party Liability Unit was based on a Third Party Health Insurance premium cost of \$539.49 per month.
- 10) Your Authorized Representative testified, and you confirmed, that you recently began a new job, and have been enrolled in health insurance through your employer as of October 22, 2015.
- 11) Your Authorized Representative testified that the monthly premium for your coverage under Excellus BlueCross BlueShield has been paid as of January 2015.
- 12) You are requesting reimbursement of your monthly insurance premiums paid to Excellus BlueCross BlueShield as of January 2015.

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

Applicable Law and Regulations

The state or local agency administering Medicaid programs must take all reasonable measures to ascertain the legal liability of third parties (Social Security Act § 1902(a)(25); 42 USC § 1396(a)). Third parties include health insurers, self-insured plans, group health plans, service benefit plans, managed care plans, etc., that are legally responsible for payment of a claim for a health care item or service (*id.*).

When a Medicaid recipient has health insurance apart from Medicaid, Medicaid may make a payment or partial payment of the expenses involved with that insurance when it is found to be cost-effective to do so (NY Soc. Serv. Law § 367-a(1)(b)).

In New York, payment or part-payment of the premiums for personal health insurance is made by the Medicaid program to the insurance carrier or to another appropriate third party when authorized under the Medicaid program (18 NYCRR § 360-7.5(g), (a)(2)). The Medicaid assistance program will pay or partly pay premiums for Medicaid recipients if it is determined that full or partial payment would reduce the expense of providing Medicaid services (18 NYCRR § 360-7.5(g)(3)).

The cost-benefit analysis for cost-effective premiums that is to be relied upon by NY State of Health is performed by the Department of Health's Third Party Resource Unit (13 ADM-03 [Medicaid Eligibility Changes under the Affordable Care Act (ACA) of 2010], Section III, Subsection I). The unit performs this analysis using a programmed calculator known as HIPP calculator (GIS 13 MA/012 (May 1, 2013)).

If the policy is determined not to be cost-effective, the Medicaid recipient is then under no obligation to enroll or maintain enrollment in that plan (87 ADM-40 [Third Party Resources (TPR) Detection and Utilization], Section IV, Subsection A(2)(f)(1)(c)).

The determinations of cost effectiveness are subject to appeal (13 ADM-03, Section III, Subsection J).

Legal Analysis

The only issue is whether the Medicaid program should provide reimbursement of premiums paid for the health insurance that you received under Excellus BlueCross BlueShield as of January 2015.

You initially applied for health insurance through the Marketplace on January 27, 2015, and were determined eligible for Medicaid, effective January 1, 2015.

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You testified, and the record reflects, that you were enrolled in Third Party Health Insurance through Excellus BlueCross BlueShield as of June 1, 2014.

The Medicaid assistance program will pay premiums for a Medicaid recipient's personal health insurance if it is determined that full or partial payment of the premium would reduce the expense of providing Medicaid services.

Determinations on whether a Medicaid recipient's personal health insurance is cost-effective, however, is calculated based on a twelve month coverage period.

You provided documentation to the Marketplace showing that your monthly premium for your Third Party Health Insurance coverage cost \$522.83. However, the Department of Health's Third Party Liability Unit ascertained that this monthly premium was associated with a policy that expired, effective May 31, 2014. The record reflects that the policy in effect as of January 1, 2015, when your Medicaid coverage began, cost \$548.97 per month, which is \$6,587.64 for twelve months. According to the HIPP calculator, it would cost Medicaid an average of \$2,510.76 to provide coverage through a Medicaid Managed Care plan in your county for that same period.

Since paying the premiums for your personal health insurance would cost Medicaid \$4,076.88 more than providing you coverage directly, it would not be cost-effective for Medicaid to pay your monthly Excellus BlueCross BlueShield premiums.

Although the record reflects that the Department of Health's Third Party Liability Unit made a cost-effective analysis based on a monthly Third Party Health Insurance premium of \$539.49, the March 20, 2015 determination properly determined that it was not cost effective for New York State of Health to pay for your health insurance premiums.

Decision

The Marketplace's March 20, 2015 denial of Medicaid premium assistance is **AFFIRMED**.

Effective Date of this Decision: October 10, 2015

How this Decision Affects Your Eligibility

This decision does not change your eligibility.

You would have had the option of terminating your Third Party Health Insurance policy and enrolling in a Medicaid Managed Care plan through the Marketplace for the remainder of your Medicaid eligibility year; however, your authorized representative testified that you now have employer-sponsored health insurance through your new employer.

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 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 Marketplace's March 20, 2015 denial of Medicaid premium assistance is AFFIRMED.

This decision does not change your eligibility.

You would have had the option of terminating your Third Party Health Insurance policy and enrolling in a Medicaid Managed Care plan through the Marketplace for the remainder of your Medicaid eligibility year; however, your authorized representative testified that you now have employer-sponsored health insurance through your new employer.

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]