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

# Notice of Decision

Decision Date: October 15, 2015

NY State of Health Number: [redacted]
Appeal Identification Number: AP000000004003

[redacted]

Dear [redacted],

On September 29, 2015, you appeared by telephone at a hearing on your appeal of NY State of Health Marketplace's July 23, 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 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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DEPARTMENT OF HEALTH
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# Decision

Decision Date: October 15, 2015

NY State of Health Number: [redacted]
Appeal Identification Number: AP000000004003

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## Issues

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

> Did the Marketplace properly determine that you were eligible to receive up to $196.00 per month in advance premium tax credits, effective September 1, 2015?
>
> Did the Marketplace properly determine that you were eligible for cost-sharing reductions?
>
> Did the Marketplace properly determine that you were not eligible for Medicaid?

## Procedural History

On July 22, 2015, the Marketplace received your application for health insurance. That day, a preliminary eligibility determination was prepared, stating that you were eligible to receive an advance premium tax credit of up to $196.00 per month, and cost-sharing reductions.

Also on July 22, 2015, you contacted the Marketplace's Account Review Unit and requested an appeal of that preliminary eligibility determination as it related to your eligibility for additional financial assistance.

On July 23, 2015, the Marketplace issued an eligibility determination notice based on the information contained in the July 22, 2015 application, stating that you were eligible to receive an advance premium tax credit of up to $196.00 per

month and, if you selected a silver-level qualified health plan, for cost-sharing reductions, effective September 1, 2015. The notice further stated that you were not eligible for Medicaid because your household income of $30,693.00 was over the allowable income limit.

On September 29, 2015, you had a telephone hearing with a Hearing Officer from the Marketplace's Appeals Unit. The record was developed during the hearing and left open for up to 15 days to provide you an opportunity to submit supporting evidence.

On October 2, 2015, the Marketplace's Appeals Unit received your supporting evidence, which included a copy of your paystubs issued on July 10, 2015 and July 24, 2015. These documents were collectively marked as Appellant's Exhibit 1 and incorporated into the record. The record was closed on October 2, 2015.

## Findings of Fact

1) You testified that you are only appealing your eligibility determination.

2) You testified that you expect to file your 2015 federal income tax return with a tax filing status of Head of Household. You will claim your two children dependents on that tax return.

3) The application that was submitted on July 22, 2015 listed annual household income of $30,693.00. You testified that this amount was an accurate reflection of your expected income for the 2015 tax year.

4) You provided evidence that you earned $1,278.90 on July 10, 2015 and $1,278.90 on July 24, 2015, before taxes were deducted (Appellant's Exhibit 1, October 2, 2015).

5) Your application states that you will not be taking any deductions on your 2015 tax return.

6) Your application states, and you confirmed, that you live in Monroe County.

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 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 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 $19,790.00 for a three-person household (79 Fed. Reg. 3593, 3593).

For annual household income in the range of at least 150% but less than 200% of the 2014 FPL, the expected contribution is between 4.02% and 6.34% of the household income (26 CFR § 1.36B-3T(g)(1), 45 CFR § 155.300(a), 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)).

Medicaid

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 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 (MAGI) that is at or below 138% of the FPL 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)).

In an analysis of Medicaid eligibility, the determination is based on the FPL “for the applicable budget period used to determine an individual's eligibility” (42 CFR § 435.4). On the date of your application, that was the 2015 FPL, which is $20,090.00 for a three-person household (80 Fed. Reg. 3236, 3237).

Financial eligibility for Medicaid for applicants who are not currently receiving Medicaid benefits is based on current monthly household income and family size (42 CFR § 435.603(h)(1); State Plan Amendment (SPA) 13-0055-MM3, as approved March 19, 2014).

## Legal Analysis

The first issue is whether the Marketplace properly determined that you were eligible for an advance premium tax credit (APTC) of up to $196.00 per month.

The application that was submitted on July 22, 2015 listed an annual household income of $30,693.00 and the eligibility determination relied upon that information.

You are in a three-person household. You expect to file you 2015 income taxes as married filing jointly and will claim your son as a dependent on that tax return.

You reside in Monroe County, where the second lowest cost silver plan available for an individual through the Marketplace costs $305.04 per month.

An annual income of $30,693.00 is 155.09% of the 2014 federal poverty level (FPL) for a three-person household. At 155.09% of the FPL, the expected contribution to the cost of the health insurance premium is 4.26% of income, or $108.76 per month.

The maximum amount of APTC that can be approved equals the cost of the second lowest cost silver plan available through the Marketplace for an individual in your county ($305.04 per month) minus your expected contribution ($108.76 per month), which equals $196.18 per month. Therefore, rounding to the nearest dollar, the Marketplace correctly determined you to be eligible for up to $196.00 per month in APTC.

The second issue is whether you were properly found eligible for cost-sharing reductions. 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 $30,693.00 is 155.09% of the applicable FPL, the Marketplace correctly found you to be eligible for cost sharing reductions.

The third issue is whether the Marketplace properly determined that you were ineligible for Medicaid.

Medicaid can be provided through the Marketplace to adults between the ages of 19 and 65 who meet the non-financial requirements and have a household modified adjusted gross income (MAGI) that is at or below 138% of the FPL for the applicable family size. On the date of your application, the relevant FPL was $20,090.00 for a three-person household. Since $30,693.00 is 152.78% of the 2015 FPL, the Marketplace properly found you to be ineligible for Medicaid on an expected annual income basis, using the information provided in your application.

Financial eligibility for Medicaid for applicants who are not currently receiving Medicaid benefits is based on current monthly household income and family size. To be eligible for Medicaid, you would need to meet the non-financial criteria and have an income no greater than 138% of the 2015 FPL, which is $2,311.00 per month for a three-person household.

You provided evidence that you earned $1,278.90 on July 10, 2015 and $1,278.90 on July 24, 2015, before taxes were deducted. Therefore, according to the evidence provided, you earned $2,557.80 for the month of July 2015. Since your income was $2,557.80 for July 2015, you did not qualify for Medicaid on the basis of monthly income when you submitted your July 22, 2015 application.

Since the July 23, 2015 eligibility determination properly stated that, based on the information you provided, you were eligible for up to $196.00 per month in APTC, eligible for cost-sharing reductions, and ineligible for Medicaid, it is correct and is AFFIRMED.

## Decision

The July 23, 2015 eligibility determination notice is AFFIRMED.

## Effective Date of this Decision: October 15, 2015

## How this Decision Affects Your Eligibility

You remain eligible for up to $196.00 in APTC.

You are eligible for cost-sharing reductions.

You are ineligible for Medicaid.

## 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:

  NY State of Health Appeals
  P.O. Box 11729
  Albany, NY 12211

- By fax: 1-855-900-5557

## Summary

The July 23, 2015 eligibility determination notice is AFFIRMED.

You remain eligible for up to $196.00 in APTC.

You are eligible for cost-sharing reductions.

You are ineligible for Medicaid.

## Legal Authority

We are sending you this notice in accordance with Code of Federal Regulation 45 CFR § 155.545(a).

## A Copy of this Decision Has Been Provided 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).