



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

Notice of Decision

Decision Date: April 22, 2016

NY State of Health Account ID: [REDACTED]
Appeal Identification Number: AP000000006048

[REDACTED]

Dear [REDACTED],

On April 6, 2016, you appeared by telephone at a hearing on your appeal of NY State of Health Marketplace's January 7, 2016 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 and the NY State of Health number at the top of this notice.

Legal Authority

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

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

Decision Date: April 22, 2016

NY State of Health Account ID: [REDACTED]
Appeal Identification Number: AP000000006048



Issues

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

Did NY State of Health (NYSOH) properly determine that you were eligible to receive up to \$193.00 per month in advance payments of the premium tax credit, effective February 1, 2016?

Did NYSOH properly determine that you were eligible for cost-sharing reductions, effective February 1, 2016?

Did NYSOH properly determine that you were not eligible for the Essential Plan as of your January 6, 2016 application?

Did NYSOH properly determine that you were not eligible for Medicaid as of your January 6, 2016 application?

Procedural History

On January 6, 2016, NYSOH received your completed application for health insurance.

On January 7, 2016, NYSOH issued an eligibility determination stating that you were eligible to receive advance payment of the premium tax credits (APTC) of up to \$193.00 per month, effective February 1, 2016, and eligible to receive cost-sharing reductions (CSR), effective February 1, 2016.

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The January 7, 2016 eligibility determination stated that you were not eligible for Medicaid because your household income of \$27,580.80 is over the allowable income limit of \$16,243.00. It also stated that you were not eligible for the Essential Plan because you are eligible to enroll in other coverage and because you do not have income below \$23,540.00.

Also on January 7, 2016, you contacted NYSOH's Account Review Unit and requested an appeal of that eligibility determination as it related to your eligibility for financial assistance.

On April 6, 2016, you had a telephone hearing with a Hearing Officer from NYSOH's Appeals Unit. The record was developed during the hearing and kept open at the end of the hearing because you wanted to submit documentation of your expenses. That same day, you faxed an eight page document to the Appeals Unit consisting of:

- A fax cover sheet;
- One page of a residential lease;
- A March 31, 2016 utility bill from [REDACTED] in your name;
- One page of car insurance information with your name as policyholder;
- One page of renter's insurance information with your name as policyholder;
- Two page Wage Garnishment order dated October 28, 2015;
- One page from a Verizon account showing a monthly plan figure of \$45.00.

Collectively, these documents are marked as "Appellant's Exhibit One." The record is now closed.

Findings of Fact

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

- 1) You testified that you expect to file your 2016 taxes with a tax filing status of single. You do not plan to claim any dependents on that tax return.
- 2) You filed this appeal because you are seeking to be eligible for a greater level of financial assistance.
- 3) The application that was submitted on January 6, 2016 listed annual household income of \$27,580.80 consisting of earned income. You testified that this amount was correct.
- 4) You testified that you do not expect any significant increase or decrease in your income in 2016.

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- 5) Your application states that you will not be taking any deductions on your 2016 tax return, and you testified that this was correct.
- 6) You testified that you have a high amount of monthly expenses, including rent and an income garnishment. You submitted documentation of certain expenses as described above. (Appellant's Exhibit One).
- 7) You testified that you earned approximately \$2,142.00 in the month of January 2016.
- 8) Your application states 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

Modified Adjusted Gross Income

NYSOH bases its eligibility determinations on modified adjusted gross income 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)).

"Adjusted gross income" means, in the case of an individual taxpayer, gross income minus certain specific deductions, such as expenses reimbursed by an employer, losses from sale or exchange of property, losses from premature withdrawal of funds from time savings accounts, and deductions attributable to royalties (26 USC § 62(a)). Living expenses, such as rent and utilities are not an allowable deduction in computing adjusted gross income.

Advance Payments of Premium Tax Credit

Advance payments of the premium tax credit (APTC) are generally 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 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 2016 is set by federal law at 2.03% to 9.66% of household income (26 USC § 36B(b)(3)(A), 26 CFR § 1.36B-3T(g)(1), IRS Rev. Proc. 2014-37, IRS Rev. Proc. 2014-62).

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 2015 FPL, which is \$11,770 for a one-person household (80 Fed. Reg. 3236, 3237).

For annual household income in the range of at least 200% but less than 250% of the 2015 FPL, the expected contribution is between 6.41% and 8.18% of the household income (26 CFR § 1.36B-3T(g)(1), 45 CFR § 155.300(a), IRS Rev. Proc. 2014-37, IRS Rev. Proc. 2014-62).

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 NYSOH, (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

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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)).

Essential Plan

NYSOH must generally determine an applicant eligible for the Essential Plan, a basic health plan, if the person is (1) a resident of New York State, (2) expects to have a household income between 138% and 200% of the applicable federal poverty level (FPL) or, in the case of an individual who is a lawfully present non-citizen who is ineligible for Medicaid or Child Health Plus as a result of their immigration status, has a household income that is between 0% and 200% of the FPL, (3) is not otherwise eligible for minimum essential coverage except through the individual market, (4) is 64 years old or younger, (5) is a citizen or a lawfully present non-citizen, and (6) is not incarcerated (see 42 CFR § 600.305, 42 CFR § 435.603(d)(4), 45 CFR § 155.305(e), N.Y. Soc. Serv. Law § 369-gg(3), 42 USC § 18051).

In an analysis of Essential Plan eligibility, the determination is based on the FPL for the first day of the benefit year for which coverage is requested (45 CFR § 155.300(a)). On the date of your application, that was the 2015 FPL, which is \$11,770.00 for a one-person household (80 Fed. Reg. 3236, 3237).

Medicaid

Medicaid can be provided through NYSOH 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 \$11,770.00 for a one-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

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The first issue under review is whether NYSOH properly determined that you were eligible for APTC of up to \$193.00 per month.

The application that was submitted on January 6, 2016 listed an annual household income of \$27,580.80 and the eligibility determination relied upon that information. You testified that this amount was correct, however, you asked that your current expenses, including an income garnishment, be considered when calculating your annual household income.

Since the Internal Revenue Service rules do not allow living expenses such as rent, utilities, cable and phone to be deducted from the calculation of your adjusted gross income, they cannot be deducted when NYSOH computes your modified adjusted gross income for APTC purposes. Therefore, the Marketplace correctly determined your household income to be \$27,580.80.

You are in a one-person household. You expect to file your 2016 income taxes as single and will claim zero dependents on that tax return.

You reside in Monroe County, where the second lowest cost silver plan available for an individual subscriber through NYSOH costs \$368.59 per month.

An annual income of \$27,580.80 is 234.33% of the 2015 FPL for a one-person household. At 234.33% of the FPL, the expected contribution to the cost of the health insurance premium is 7.63% of income, or \$175.37 per month.

The maximum amount of APTC that can be approved equals the cost of the second lowest cost silver plan available through NYSOH for an individual subscriber in your county (\$368.59 per month) minus your expected contribution (\$175.37 per month), which equals \$193.22 per month. Therefore, rounding to the nearest dollar, NYSOH correctly determined you to be eligible for up to \$193.00 per month in APTC.

The second issue under review is whether you were properly found eligible for CSR, effective February 1, 2016.

CSR is available to a person who has a household income no greater than 250% of the FPL. Since a household income of \$27,580.80 is 234.33% of the applicable FPL, the Marketplace correctly found you to be eligible for CSR.

The third issue under review is whether NYSOH properly determined that you are not for the Essential Plan as of January 6, 2016.

The Essential Plan is provided through NYSOH to individuals who meet the non-financial requirements and have a household modified adjusted gross income (MAGI) that is between 138% and 200% of the FPL for the applicable family size. On the date of your application, the relevant FPL was \$11,770.00 for a one-

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person household. Since an annual household income of \$27,580.80 is 234.33% of the 2015 FPL, NYSOH properly found you to be not eligible for the Essential Plan.

The final issue under review is whether NYSOH properly determined that you were not eligible for Medicaid, as of your January 6, 2016 application.

Medicaid can be provided through NYSOH 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 \$11,770.00 for a one-person household. Since \$27,580.80 is 234.33% of the 2015 FPL, NYSOH properly found you to be not eligible for Medicaid on an expected annual income basis, using the information provided in your application.

However, financial eligibility for Medicaid for applicants who are not currently receiving Medicaid benefits is based on current monthly household income and family size.

You testified that you earned approximately \$2,142.00 in the month of January 2016.

To be eligible for Medicaid, you would need to meet the non-financial criteria and have an income no greater than 138% of the FPL, which is \$980.00 per month for a household of one. Since you testified that you earned \$2,142.00 in January 2016, which is 218.57% of the FPL, you do not qualify for Medicaid on the basis of monthly income as of the date of your application.

Since the January 7, 2016 eligibility determination properly stated that, based on the information you provided, you were eligible for up to \$193.00 per month in APTC, eligible for CSR, not eligible for the Essential Plan, and not eligible for Medicaid, it is correct and is AFFIRMED.

Decision

The January 7, 2016 eligibility determination notice is AFFIRMED.

Effective Date of this Decision: April 22, 2016

How this Decision Affects Your Eligibility

You remain eligible for up to \$193.00 in APTC.

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).

You are eligible for cost-sharing reductions.

You are not eligible for the Essential Plan.

You are not eligible 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
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- By fax: 1-855-900-5557

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Summary

The January 7, 2016 eligibility determination notice is AFFIRMED.

You remain eligible for up to \$193.00 in APTC.

You are eligible for cost-sharing reductions.

You are not eligible for the Essential Plan.

You are not eligible for Medicaid.

Legal Authority

We are sending you this notice in accordance with 45 CFR § 155.545.

A Copy of this Decision Has Been Provided To:

