



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

Notice of Decision

Decision Date: August 8, 2017

NY State of Health Account ID: [REDACTED]
Appeal Identification Number: AP000000016849

[REDACTED]

Dear [REDACTED]

On July 14, 2017, you appeared by telephone at a hearing on your appeal of NY State of Health's March 14, 2017 eligibility determination notice.

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 Account ID 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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DEPARTMENT OF HEALTH
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Decision

Decision Date: August 8, 2017

NY State of Health Account ID: [REDACTED]
Appeal Identification Number: AP000000016849



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 \$222.00 per month in advance payments of the premium tax credit (APTC), effective April 1, 2017?

Did NYSOH properly determine that you were no longer eligible for the Essential Plan?

Procedural History

On December 3, 2016, NYSOH issued an eligibility determination notice stating that you were eligible to enroll in the Essential Plan for a limited time, effective January 1, 2017. The notice also directed you to submit documentary proof of income by March 2, 2017, to confirm your eligibility.

Also on December 3, 2016, NYSOH issued a plan enrollment notice confirming your enrollment in the Essential Plan 1 and Family Dental plan as of January 1, 2017.

No income documents were submitted by March 2, 2017.

On March 9, 2017, NYSOH issued an eligibility determination notice stating in part that you were newly eligible to purchase a qualified health plan at full cost, effective April 1, 2017, because NY State of Health did not receive the income

documentation needed to verify the income listed in your application, the date to send in this information has passed, and they could not determine if you are eligible for help paying for health coverage without this information.

Also on March 9, 2017, NYSOH issued a disenrollment notice stating that your coverage with the Essential Plan 1 and Family Dental plan would end March 31, 2017.

On March 14, 2017, NYSOH issued an eligibility determination notice stating that you were eligible to receive up to \$222.00 per month in APTC, effective April 1, 2017, and needed to pick a health plan.

On March 15, 2017, you spoke to NYSOH's Account Review Unit and appealed the termination of your Essential Plan and your eligibility for APTC.

On March 17, 2017, NYSOH issued an eligibility determination stating the you were eligible for the Essential Plan and Family Dental plan for a limited time because you had been granted Aid to Continue until a decision is made on your appeal. This eligibility was effective April 1, 2017.

On March 18, 2017, NYSOH issued a plan enrollment notice confirming your enrollment in the Essential Plan 1 with a \$20.00 monthly premium and in Family Dental plan and an enrollment start date of April 1, 2017.

On July 14, 2017, you had a telephone hearing with a Hearing Officer from NYSOH's Appeals Unit. The record was developed during the hearing and held open up to July 28, 2017, to allow you to submit supporting documents.

On July 24, 2017, the Appeals Unit received a three-page facsimile, which was made part of the record as "Appellant's Exhibit A." No additional documents were received as of July 28, 2017, such that 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 2017 taxes with a tax filing status of single. You will claim no dependents on that tax return.
- 2) You are seeking insurance for yourself.

- 3) The application that was submitted on March 13, 2017 listed annual household income of \$32,000.00, consisting of income you earn from your employment. You testified that this amount was correct.
- 4) You testified, and provided documentation, that you earn \$17.00 per hour, work a steady 40-hour work week, and are paid every two weeks. The two earnings statements that you submitted on July 24, 2017 indicate that, on June 24, 2017, your gross pay was \$1,436.50 for pay period of 6/11/2017 to 6/24/17; and, on July 22, 2017, your gross pay was \$1,411.00 for pay period 7/9/2017 to 7/22/2017. The year to date gross pay listed on the June 24, 2017 pay check was \$18,071.50 (see Appellant's Exhibit A).
- 5) Your application states that you will not be taking any deductions on your 2017 tax return.
- 6) According to your NYSOH account and your testimony, you live in [REDACTED], New York.
- 7) You testified that you have bills including rent, the usual living expenses and a wage garnishment that you think should be deducted from your household income. You testified that you want to be found eligible for the Essential Plan because you cannot afford to pay for health insurance even with APTC because of these expenses.

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 federal taxable 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, deductions attributable to royalties, and certain retirement savings (26 USC § 62(a)). Living

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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 2017 is set by federal law at 2.04% to 9.69% of household income (26 USC § 36B(b)(3)(A), 26 CFR § 1.36B-3T(g)(1), IRS Rev. Proc.2016-24).

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 2016 FPL, which is \$11,880.00 for a one-person household (81 Federal Register 4036).

For annual household income in the range of at least 250% but less than 300% of the 2016 FPL, the expected contribution is between 8.21% and 9.69% of the household income (26 CFR § 1.36B-3T(g)(1), 45 CFR § 155.300(a), IRS Rev. Proc. 2016-24).

People who use the APTC to help pay health insurance premiums must file a federal tax return and reconcile their expected income (stated on NYSOH application) with their actual income (stated on their federal income tax return).

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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).

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), NY Social Services Law § 369-gg(3), 42 USC § 18051).

In an analysis of Essential Plan eligibility, the determination is based on the FPL in effect on 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 2016 FPL, which is \$11,880.00 for a one-person household (81 Fed. Reg. 4036).

A person who has a household income that is at or below 150% of the FPL has a \$0.00 premium contribution (New York's Basic Health Plan Blueprint, p. 21, as approved January 2016; see <https://www.medicaid.gov/basic-health-program/basic-health-program.html>).

A person who has a household income greater than 150% of the FPL or below 200% of the FPL has a \$20.00 per month premium contribution (New York's Basic Health Plan Blueprint, as approved January 2016).

The Essential Plan is considered minimum essential coverage therefore, a person who is eligible for the Essential Plan is not eligible for any premium tax credit because they are eligible for minimum essential coverage through the individual market (see 26 CFR § 1.36B-2(c)(1), 26 USC § 5000A(f)(1)(C)).

Legal Analysis

The first issue is whether NYSOH properly determined that you were eligible for an APTC of up to \$222.00 per month.

The application that was submitted on March 13, 2017 listed an annual household income of \$32,000.00 and you testified that at the time this was a good estimate of your annual income. However, you asked that your current expenses, which include rent, the usual living expenses and a wage garnishment, be considered when calculating your annual household income. Since the Internal Revenue Service rules do not allow living expenses such as rent, living expenses, or wage garnishments to be deducted from the calculation of your adjusted gross income, such expenses cannot be deducted when the NYSOH computes your modified adjusted gross income for APTC purposes.

Therefore, NYSOH properly determined your household income to be \$32,000.00 in determining your eligibility for financial assistance.

You are in a one-person household for purposes of this analysis. This is because you expect to file your 2017 income taxes as single and will claim no dependents on that tax return.

You reside in [REDACTED], where the second lowest cost silver plan available for an individual through NYSOH costs \$456.46 per month.

An annual income of \$32,000.00 is 269.36% of the 2016 FPL for a one-person household. At 269.36% of the FPL, the expected contribution to the cost of the health insurance premium in 2017 is 8.78% of income, or \$234.13 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 in your county (\$456.46 per month) minus your expected contribution (\$234.13 per month), which equals \$222.33 per month. Therefore, rounding to the nearest dollar, NYSOH correctly determined you to be eligible for up to \$222.00 per month in APTC.

The second issue under review is whether NYSOH properly determined that you were ineligible for the Essential Plan.

The Essential Plan is provided through NYSOH to individuals who meet the non-financial requirements and have a household modified adjusted gross income that is between 138% and 200% of the FPL for the applicable family size. On the date of your March 13, 2017 application, the relevant FPL was \$11,880.00 for a one-person household. NYSOH relied on the income information you attested to in that March 13, 2017 application which was \$32,000.00. Since an annual household income of \$32,000.00 is 269.36% of the 2016 FPL, NYSOH properly found you to be ineligible for the Essential Plan.

Therefore, the March 14, 2017 eligibility determination notice stating you were eligible for up to \$222.00 per month in APTC and not eligible for the Essential Plan was correct when issued and is AFFIRMED.

At the hearing, you testified that you work a steady 40-hour week and are paid \$17.00 per hour. Following the hearing you submitted two earnings statements. The June 24, 2017 pay advice, for pay period of 6/11/2017 to 6/24/17, shows your gross pay was \$1,436.50; and the July 22, 2017 pay check, for pay period 7/9/2017 to 7/22/2017, shows your gross pay was \$1,411.00. The earnings statements you submitted and your testimony show that you are consistently paid approximately \$1,430.00 every two weeks. As of June 24, 2017, which is roughly the six-month mark for 2017, your year-to-date gross earnings were \$18,071.50. Therefore, based on the earnings statements you submitted and your testimony, your annual gross household income for 2017 would more accurately be projected to be \$36,142.00.

Your case is RETURNED to NYSOH to redetermine your eligibility, based on an expected annual household income of \$36,142.00 for an individual in a one-person household, who lives in [REDACTED].

Decision

The March 14, 2017 eligibility determination notice is AFFIRMED.

Your case is RETURNED to NYSOH to redetermine your eligibility, based on an expected annual household income of \$36,142.00 for an individual in a one-person household, who lives in [REDACTED], and to notify you accordingly.

Effective Date of this Decision: August 8, 2017

How this Decision Affects Your Eligibility

At present, you have health insurance coverage under aid to continue in your Essential Plan.

You were eligible for up to \$222.00 per month in APTC in 2017.

You remain ineligible for the Essential Plan.

Your case is being sent back to NYSOH to redetermine your eligibility, based on the information stated above. NYSOH will notify you once this has been done and what is required of you, if applicable.

If You Disagree with this Decision (Appeal Rights)

This Decision is final unless you submit an appeal request to the Federal Marketplace 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 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 Federal Marketplace. This must be done within 30 days of the Decision Date, which appears on the first page of this Decision (45 CFR § 155.520(c)).

If you have questions about appealing to the Federal Marketplace, you can contact them in any of the following ways:

- By calling the Customer Service Center at 1-800-318-2596
- By mail at:
Health Insurance Marketplace
Attn: Appeals
465 Industrial Blvd.
London, KY 40750-0061
- By fax: 1-877-369-0129

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 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).

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 March 14, 2017 eligibility determination notice is AFFIRMED.

Your case is RETURNED to NYSOH to redetermine your eligibility, based on an expected annual household income of \$36,142.00 for an individual in a one-person household, who lives in [REDACTED], and to notify you accordingly.

You were eligible for up to \$222.00 per month in APTC in 2017.

You remain ineligible for the Essential Plan.

At present, you have health insurance coverage under aid to continue in your Essential Plan.

Your case is being sent back to NYSOH to redetermine your eligibility, based on the information stated above. NYSOH will notify you once this has been done and what is required of you, if applicable

Legal Authority

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

A Copy of this Decision Has Been Provided To:



Getting Help in a Language Other than English

This is an important document. If you need help to understand it, please call 1-855-355-5777. We can give you an interpreter for free in the language you speak.

Español (Spanish)

Este es un documento importante. Si necesita ayuda para entenderlo, llame al 1-855-355-5777. Le proporcionaremos un intérprete sin ningún costo.

中文 (Traditional Chinese)

這是重要的文件。如果您需要獲得關於瞭解文件內容方面的協助，請致電 1-855-355-5777。我們可以為您免費提供您所使用語言的翻譯人員。

Kreyòl Ayisyen (Haitian Creole)

Sa a se yon dokiman ki enpòtan. Si ou bezwen èd pou konprann li, tanpri rele nimewo 1-855-355-5777. Nou kapab ba ou yon entèprèt gratis nan lang ou pale a.

中文 (Simplified Chinese)

这是一份重要的文件。如果您需要帮助理解此文件，请打电话至 1-855-355-5777。我们可以为您提供相应语种的口译服务。

Italiano (Italian)

Questo è un documento importante. Per qualsiasi chiarimento può chiamare il numero 1-855-355-5777. Possiamo metterle a disposizione un interprete nella sua lingua.

한국어 (Korean)

중요한 서류입니다. 이해하는 데 도움이 필요하시면 1-855-355-5777 번으로 연락해 주십시오. 귀하의 언어에 대한 무료 통역 서비스가 제공됩니다.

Русский (Russian)

Это важный документ. Если Вам нужна помощь для понимания этого документа, позвоните по телефону 1-855-355-5777. Мы можем бесплатно предоставить Вам переводчика Вашего языка.

العربية (Arabic)

هذه وثيقة مهمة. إذا كنت بحاجة إلى مساعدة لفهم محتواها، يُرجى الاتصال بالرقم 1-855-355-5777. يُمكننا توفير مترجم فوري لك باللغة التي تتحدثها مجانًا.

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বাংলা (Bengali)

এটি এক গুরুত্বপূর্ণ নথি। এটি বুঝতে আপনার যদি সাহায্যের প্রয়োজন হয় তাহলে, অনুগ্রহ করে 1-855-355-5777 নম্বরে কল করুন। আপনি যে ভাষায় কথা বলেন বিনামূল্যে আমরা আপনাকে একজন দোভাষী দিতে পারি।

Français (French)

Ceci est un document important. Si vous avez besoin d'aide pour en comprendre le contenu, appelez le 1-855-355-5777. Nous pouvons mettre gratuitement à votre disposition un interprète dans votre langue.

हिंदी (Hindi)

यह एक महत्वपूर्ण दस्तावेज़ है। अगर आपको इसे समझने में सहायता चाहिए, तो कृपया 1-855-355-5777 पर कॉल करें। हम आपकी भाषा बोलने वाला एक दुभाषिया निःशुल्क उपलब्ध करवा सकते हैं।

日本語 (Japanese)

これは重要な書類です。理解するために支援が必要な場合は、1-855-355-5777 にお電話ください。通訳を無料で提供いたします。

नेपाली (Nepali)

यो एउटा महत्वपूर्ण कागजात हो। यसलाई बुझ्न तपाईंलाई मद्दत चाहिन्छ भने, कृपया 1-855-355-5777 मा फोन गर्नुहोस्। हामीले तपाईंले बोल्ने भाषामा तपाईंलाई निःशुल्क दोभाषे उपलब्ध गराउन सक्छौं।

Polski (Polish)

To jest ważny dokument. W przypadku konieczności skorzystania z pomocy w celu zrozumienia jego treści należy zadzwonić pod numer 1-855-355-5777. Istnieje możliwość uzyskania bezpłatnej usługi tłumacza języka, którym się posługujesz.

Twi (Twi)

Krataa yi ye tow krataa a ho hia. Se wo hia eho nkyerekyeremu a, ye sre wo, fre 1-855-355-5777. y&tumi ama wo obi a okyer& kasa a woka no ase ama wo kwa a wontua hwee.

(Urdu) اردو

یہ ایک اہم دستاویز ہے۔ اگر آپ کو اسے سمجھنے کے لیے مدد کی ضرورت ہے تو براہ کرم 1-855-355-5777 پر کال کریں۔ ہم آپ کو آپ کی مادری زبان میں ایک مفت مترجم فراہم کر سکتے ہیں۔

Tiếng Việt (Vietnamese)

Đây là tài liệu quan trọng. Nếu quý vị cần trợ giúp để hiểu tài liệu này, vui lòng gọi 1-855-355-5777. Chúng tôi có thể cung cấp thông dịch viên miễn phí nói ngôn ngữ của quý vị.

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אידיש (Yiddish)

דאס איז א וויכטיגער דאקומענט. אויב איר דארפט הילף עס צו פארשטיין, ביטע רופט 1-855-355-5777. מיר קענען אייך געבן א דאלמעטשער פריי פון אפצאל אין די שפראך וואס איר רעדט.