

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. H-08/17-404
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Appeal of)
)

INTRODUCTION

Petitioner appeals the determination, by the Department of Vermont Health Access ("Department"), that she has an arrearage in premium payments from her 2016 health insurance purchased through Vermont Health Connect ("VHC"). The following facts are adduced from a hearing held September 29, 2017, documents submitted by the Department, and telephone status conference held on October 24, 2017.

FINDINGS OF FACT

1. Petitioner purchased health insurance for her and her spouse through VHC, for calendar year 2016. She received a subsidy, via an Advanced Premium Tax Credit ("APTC"), to assist with payment of the premium.

2. During 2016, petitioner experienced numerous difficulties and miscommunications regarding the proper billing and payment of the premium, related in part to an error in the amount of the tax credit applied to her account.

At some point in time petitioner's son was erroneously included in the household plan (and may have been the genesis of the problems she experienced), although that was corrected during the year. It also appears that VHC did not implement a mid-year change in income reported by petitioner, which (according to the Department's records) would have increased her APTC from \$477.67 to \$501.43.

3. Around or shortly after the end of 2016, the Department determined that petitioner had a substantial premium arrearage, despite having received coverage. In the meantime, she had re-enrolled for coverage in 2017 and therefore had an ongoing premium obligation starting in January of 2017.

4. After contacting VHC in early 2017 about her account, petitioner was eventually informed (on or around May 9, 2017, by email) that she needed to pay \$1,830.25 to address her 2016 arrearage. She promptly wrote a check for that amount and sent it to VHC.

5. However, the amount given at the time (\$1,830.25) was - in fact - insufficient to cover the 2016 arrearage. Moreover, VHC did not apply the entire check to petitioner's 2016 arrearage, and applied, without her apparent knowledge, a portion (\$309.89) to her 2017 premium obligation (the

Department indicates this was necessary to prevent petitioner's 2017 account from going into grace period status).

6. Based on the above transactions, in what amounted to a payment of \$1,520.36 towards petitioner's 2016 premium arrearage, she was surprised to subsequently learn that VHC still considered her to have an arrearage for 2016, and furthermore an arrearage amounting to \$779.34 - leading to this appeal.

7. At hearing, petitioner's concern was whether - after receiving differing communications about what her 2016 arrearage is - VHC's most recent calculation is accurate. She and her family were covered by their QHP throughout 2016 and the arrearage has not affected their 2017 coverage, nor would it affect their 2018 coverage.¹ The arrearage has not affected her 2016 taxes nor has her insurer - at the time of hearing and the subsequent status conference - apparently pursued the arrearage. It should be noted that petitioner

¹ Petitioner's stand-alone dental plan through Vermont's exchange was terminated for the month of December 2016. Because this coverage was also the source of confusion during 2016, petitioner indicated she had unpaid dental bills prior to December of 2016. The Department confirmed, on the record, that petitioner's dental coverage was active through the end of November 2016, and petitioner was encouraged to ask her dental provider(s) to resubmit charges incurred during that time. Nothing in this case should prevent petitioner from contacting VHC and requesting an appeal, if these efforts are ultimately unsuccessful.

has consistently made good faith efforts to ensure that her account is paid and in good standing, and has experienced significant frustration with the lack of clarity as to the 2016 arrearage.

8. Petitioner's payments and premium costs were closely reviewed by the hearing officer, and the Department has correctly determined that she has a remaining arrearage from 2016 of \$779.34, based on a presumed APTC amount of \$477.67 per month. Although (as noted above) the Department did not appear to process a change of income reported by petitioner in the middle of 2016 - which would have increased her APTC to \$501.43 per month - the 1095A (the tax form issued by VHC reflecting insurance coverage and APTC paid) she was issued shows an APTC of \$477.67 per month, which is identical to the amount used to calculate her 2016 premium amount. Thus, any discrepancy in the APTC amount would have been addressed when petitioner filed her taxes for 2016.²

9. Petitioner does not otherwise dispute the Department's record of her payment activity i.e. there are no

² This is a fundamental component of the healthcare exchange system for dealing with potential discrepancies in APTC paid during the tax year versus the amount of APTC determined based on actual income, following the tax year. The purpose of APTC through the healthcare exchange is to access the tax credit at the time a premium must be paid, a benefit that in most situations is moot once the tax year is over. Here, the key fact is that petitioner's arrearage is consistent with the amount of APTC reported on the 1095A issued by VHC.

payments missing. Taking the amount petitioner was obligated to pay in 2016 - totaling \$5,166.04 - minus the amount she paid that was applied to 2016 - a total of \$4,386.70 - leaves an unpaid amount of \$779.34.

ORDER

The Department's determination is affirmed.

REASONS

Review of the Department's determination is de novo. The Department has the burden of proof at hearing if terminating or reducing existing benefits; otherwise the petitioner bears the burden. See Fair Hearing Rule 1000.3.0.4.

Vermont Health Connect collects and processes premium payments under Vermont's healthcare exchange. See Health Benefits Eligibility and Enrollment ("HBEE") Rules § 64.00. Typically, premiums are collected on a monthly basis and transmitted to the participating insurers. As the entity responsible for processing payments, VHC effectively determines whether a beneficiary has an arrearage, and the amount of such. This may have an effect on whether insurance is terminated, or continues. Here, despite the problems petitioner has experienced with the status of her premium

payments and any arrearages, she did not lose her healthcare coverage, and VHC ultimately and correctly determined her 2016 arrearage - based upon the same amount of APTC calculated during 2016 and reported to the IRS (and subject to reconciliation following the 2016 tax year, in any event). At this point, petitioner has not articulated or established any cognizable grievance or harm under the applicable rules.

As such, the Department's determination must be affirmed. See 3 V.S.A. § 3091(d), Fair Hearing Rule No. 1000.4D.

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