

STATE OF VERMONT

HUMAN SERVICES BOARD

In re ) Fair Hearing No. V-12/19-823  
 )  
Appeal of )  
 )

INTRODUCTION

Petitioner appeals the decision by the Department of Vermont Health Access (DVHA) that her child is not financially eligible for Dr. Dynasaur coverage. The following facts are adduced from a telephone hearing held on January 23, 2020 and documents submitted by the Department.

FINDINGS OF FACT

1. Petitioner telephoned the Department on December 3, 2019 and asked to have her son screened for Dr. Dynasaur. Petitioner subsequently provided verification that her monthly income was \$4,188.60 (an average of four paystubs) and that her husband's monthly income was \$3,747.71. Petitioner reported deductions from her income, which were accepted by the Department, as follows: \$300/year in interest on educational loans, \$40/week for retirement savings, \$4,900/year in higher education expenses, \$4,000 in health savings, and two deductions listed as "other" in the amount

of \$50/week and \$2,000 year. Finally, she reported a deduction from her husband's income of \$1,200/year. After deductions, the Department calculated the income for the household of three (3) (HH3) as \$6,088.69/month.

2. The current maximum income level for eligibility for Dr. Dynsaur for a HH3 is \$5,634.90.

3. Petitioner argues that other deductions, deductions allowed on her income tax return such as interest on your mortgage payment, should be considered. However, a deduction for mortgage interest is not an authorized deduction when calculating income eligibility for Dr. Dynasaur.

ORDER

The Department's decision 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.

Dr. Dynasaur is the Vermont program that provides health benefits to children under age 19 who meet income eligibility guidelines of being at or below 312 percent of the Federal

Poverty Limit for the applicable family size. Health Benefits Eligibility and Enrollment (HBEE) Rules §3; §7.03(3). The calculation of household income is based on the household's Modified Adjusted Gross Income (MAGI). See HBEE Rule § 28.03(c) [MAGI-Based Medicaid].

In calculating MAGI, deductions are permitted only for items that are listed on Schedule 1 of the Internal Revenue Service (IRS) 1040 tax return. For instance, student loan interest and IRA contributions are approved deductions. However, property tax payments, charitable contributions, mortgage interest, childcare expenses, tuition costs, and charitable contributions are not deductions permitted in computing the MAGI income. See <https://marketplace.cms.gov/technical-assistance-resources/income-eligibility-using-magi-rules.pdf> . See also <https://www.irs.gov/pub/irs-pdf/p17.pdf>

The current income threshold for Dr. Dynasuar eligibility for a HH3 is \$5,634.90/month (312 of FPL plus a 5% disregard).

<https://info.healthconnect.vermont.gov/thresholds2020>

(effective April 2019). Therefore, petitioner's son is not currently eligible for Dr. Dynasuar.

As the Department's decision is consistent with the rules, its decision must be affirmed. See 3 V.S.A. § 3091(d); Fair Hearing Rule No. 1000.4D.

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