

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. Y-11/13-814
)
Appeal of)

INTRODUCTION

The petitioner appeals the decision by the Department for Children and Families, Economic Services Division, Health Access Eligibility Unit closing Catamount Health Premium Assistance Program (CHAP) benefits for her son for the month of November, 2013.

The following facts are based on the representations of the parties and on documents submitted during a hearing held on November 22, 2013.

FINDINGS OF FACT

1. Petitioner and her older son are enrolled in CHAP, and prior to an increase to her premium for November, 2013, were subject to a premium payment of \$120 a month. Her younger son received Medicaid/Dr. Dynasaur benefits with a premium of \$15 a month. The total premium due for petitioner and her family was \$135 a month.

2. In August, 2013, the Department reviewed petitioner's case and determined that her household's countable income for CHAP and Dr. Dynasaur had increased.

3. In a Notice of Decision dated August 29, 2013, the Department informed petitioner that she would see an increase in her health care premiums.

4. On September 27, and October 1, 2013, the Department mailed petitioner premium bills for November indicating that the CHAP premium for petitioner and her older son was \$248, and that the Dr. Dynasaur premium for her younger son was \$60, for a total of \$308. The payment due date for the \$308 was October 15, 2013.

5. Petitioner did not submit any premium payment to the Department by October 15, 2013. Petitioner stated that she did not have the funds to submit a payment before October 15, 2013, and it was her understanding that if she made the premium payment before the end of the month, health care coverage would continue for her and her family.

6. On October 18, 2013, the Department mailed petitioner a Health Care Closure Notice, in which it informed petitioner that health care coverage would end for her and her older son on October 31, 2013 for non-payment of the premium, and that Dr. Dynasaur coverage would end for her younger son

on November 30, 2013, unless the Dr. Dynasaur premium was received by November 15, 2013. The notice further informed petitioner that if the Department received and processed petitioner's payment before coverage ended, coverage would continue, but that if there were an unpaid Dr. Dynasaur bill, her payment would be applied to that bill first before being applied to any other health care premiums.

7. On October 29, 2013, the Department received a payment of \$248 from petitioner.

8. According to its policy (see *infra*), the Department allocated the payment with a priority for petitioner's younger son so that his Dr. Dynasaur coverage would continue. Accordingly, out of the \$248 payment, \$60 was allocated for the Dr. Dynasaur premium, and \$124 was allocated for petitioner's CHAP premium. The balance, \$64, was not sufficient to cover the CHAP premium for petitioner's older son, so CHAP coverage ended for him on October 31, 2013. The \$64 was applied as credit towards petitioner's health care premium payment for her household in December.

9. Petitioner has paid the premiums due for CHAP and Dr. Dynasaur coverage for her family in December, so CHAP coverage has been reinstated for her older son for December.

10. It does not appear that the petitioner disputes the Department's records as to the timing and amounts of payments she made, and the manner in which they were applied.

ORDER

The Department's decision is affirmed.

REASONS

W.A.M. § 5922(A)(2) provides:

To receive CHAP, applicants and beneficiaries must:

- a. Enroll in, and remain enrolled in, (sic) CH (Catamount Health);
- b. Submit verification of CH enrollment; and
- c. Timely pay required premiums to the state.

W.A.M. § 5922(B) provides:

Failure to cooperate as specified in this rule will result in a denial of premium assistance and termination of any . . . CHAP benefits that the individual may have been receiving.

The "general premium rules and process" in W.A.M. §

4161(B) provide in relevant part:

1. Coverage always begins on the first day of a month and only after the full premium has been received. Beneficiaries must pay the full monthly premium before coverage will begin, even if the department finds them eligible in all other respects before the first day of the next month.

. . .

2. The Department will: . . .

- c. reinstate coverage without a break in benefits if the department receives the payment by the last day of the month, or the first business day following the last day of the month in which the due date falls.

When households with more than one coverage group make a partial payment of a bill that includes more than one premium, the payment will be applied as payment of one or more premiums in full rather than as a partial payment of all the billed premiums. Beneficiaries who want to choose which premium to pay must call the Member Services number on the bill to record that designation on the case record. *In the event the beneficiary has not made the designation, the department will apply the partial payment to the following coverage groups in the following order: (1) Dr. Dynasaur; (2) VHAP; (3) VHAP Pharmacy (or VPharm 1); (4) VScript (or VPharm 2 or 3); and (5) Catamount Health Assistance Program.* If there is more than one beneficiary in the same coverage group with the same premium amount, the department will apply the partial payment to the first beneficiary listed on the bill.

In the event of an overpayment, the department will retain and reflect it as a credit on the next premium bill.

W.A.M. § 4161(B)(1) and (2)(c) (emphasis added).

There does not appear to be any dispute by the petitioner that the Department correctly applied its regulations.

Petitioner did express frustration that she found the premium bills and notices to be confusing, and there is no question that the bills and notices could be confusing with respect to the November premiums. The first section of the October 18,

2013 Health Care Closure Notice could give the impression that petitioner needed to pay the CHAP premium before October 31, 2013, but that she had until November 15, 2013 to pay the Dr. Dynasaur premium. It is understandable that if petitioner thought the notice allowed for extra time for the Dr. Dynasaur payment, and where she did not have enough funds available at that time to cover all premium payments, petitioner would pay only what she thought was due for her and her older son before the end of October.

However, the October 18, 2013 notice also informs petitioner, "If you have an unpaid Dr. Dynasaur grace period bill in the last 12 months, your payment will be applied to that bill first before being applied to any other health care premium bills." As the notice begins by informing petitioner that the Department had not received the required premiums for CHAP coverage for her and her older son or for the Dr. Dynasaur coverage for her younger son, the petitioner was on notice that her payment would be applied to cover the Dr. Dynasaur premium first. While the Department might want to consider presenting the information about the allocation of partial premium payments more prominently in the notice, the language itself clearly reflects the Department's policy set forth in W.A.M. § 4161(B)(1) and (2)(c). It cannot be found

that the Department did not provide petitioner with sufficient notice of the manner in which her premium payment would be allocated. Accordingly, the Department followed its regulations when it allocated petitioner's \$248 payment to Dr. Dynasaur for her younger son and to CHAP for her, and closed CHAP coverage for her older son for November, 2013.

Inasmuch as the Department's decision in this matter was in accord with the applicable regulations, the Board is bound to affirm. 3 V.S.A. § 3091(d), Fair Hearing Rule 1000.4D.

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