

STATE OF VERMONT

HUMAN SERVICES BOARD

In re ) Fair Hearing No. B-03/16-295  
 )  
Appeal of )  
 )

INTRODUCTION

Petitioner appeals the denial of Medicaid by the Department for Children and Families ("Department" or "DCF") as well as the denial of assistance with health insurance through Vermont Health Connect ("VHC").<sup>1</sup> The following facts are adduced from a hearing held March 31, 2016 and documents submitted therein, as well as a telephone status conference held April 12, 2016.

FINDINGS OF FACT

1. Petitioner lives with his spouse and minor child. Their child is eligible for Dr. Dynasaur.
2. Petitioner's annual modified adjusted gross income of \$50,057.14 from employment is not disputed. His spouse is not employed and is pursuing a graduate degree.

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<sup>1</sup>Elements of VHC are administered through the Department of Vermont Health Access ("DVHA"). The decision under appeal was made by the Health Access Eligibility Unit, the operations of which apparently fall under both DVHA and DCF.

3. Petitioner has access to employer-sponsored health insurance. The least costly option is \$76.50 every two weeks for individual coverage. The least expensive two-person coverage is \$153 every two weeks.

4. Petitioner and his spouse were denied Medicaid based on their household income as well as assistance with premium payments on Vermont's health exchange because they have access to affordable (as defined by the rules) employer-sponsored insurance.

5. Petitioner is concerned about paying for health insurance coverage for his family and still meeting their basic needs. He introduced evidence of their household costs showing little, if any, room for additional expenditures based on the family's current housing, utilities, food, and other costs.

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.

The initial question is whether petitioner's household income renders him as well as his spouse ineligible for Medicaid. The maximum income under the rules for Medicaid eligibility is based on the sum of 133 percent of the applicable Federal Poverty Level ("FPL") plus 5 percent of the FPL. See Health Benefits Eligibility and Enrollment ("HBEE") Rules § 7.03(c). This results in a maximum monthly income for eligibility of \$2,319, based on an FPL of \$1,680 for a household of three. See Medicaid Procedures Bulletin 16-18 (effective 4-1-16).<sup>2</sup> As petitioner's monthly household income is \$4,171.43, the Department's denial of Medicaid is consistent with the applicable rules.

Despite petitioner's need for two-person coverage and the costs of that coverage through his employer, the availability and cost for individual coverage is the applicable test of whether employer-sponsored insurance is affordable - at or less than 9.66 percent of household income. See HBEE Rules § 23.02(c) (establishing an initial

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<sup>2</sup>While the rules contemplate the 5 percent of FPL as a "disregard" from income, the Department has chosen to represent this in the applicable procedures as a 5 percent of FPL increase in the eligibility threshold - the resulting analysis is the same.

affordability test of 9.5 percent of income, subject to adjustment by the Internal Revenue Service ("IRS") in subsequent years); IRS Rev. Proc. 2014-62 (eff. 12/31/15) (setting the 2016 affordability percentage at 9.66 percent).<sup>3</sup> The annual cost of individual coverage through petitioner's employer is \$1,989, which is just under four percent of his household income, rendering the household ineligible for a subsidy and cost-sharing assistance through VHC. See *Id.*

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

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<sup>3</sup><https://www.irs.gov/pub/irs-drop/rp-14-62.pdf>.