

STATE OF VERMONT

HUMAN SERVICES BOARD

In re ) Fair Hearing No. B-04/16-398  
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Appeal of )  
 )

INTRODUCTION

Petitioner appeals the denial of Medicaid eligibility by the Department for Children and Families ("Department" or "DCF") through Vermont Health Connect ("VHC").<sup>1</sup> The following facts are adduced from a hearing held April 25, 2016 and documents submitted therein, as well as a telephone status conference held May 3, 2016.

FINDINGS OF FACT

1. Petitioner is a household of one for the purposes of Medicaid eligibility. He is unmarried, and is the non-custodial parent of three children not claimed as dependents on his tax return.

2. Petitioner applied for health care coverage through VHC in 2016. He reported an hourly wage of \$9.60 and a typical work week of 35 hours - projected by the Department

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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.

as an annual income of \$17,520. Based on his application, petitioner was denied Medicaid eligibility but found eligible for premium assistance for purchasing coverage through Vermont's health exchange (petitioner does not have access to employer-sponsored insurance).

3. Petitioner states that the number of hours he works per week is not consistent and produced paystubs at hearing showing a gross income of \$4,897.92 through April 14 of 2016, which is 105 days into the year - projecting to a yearly income of approximately \$17,026. He reports that a significant portion of his income is reduced by a child support payment which is automatically deducted from his paycheck. He gave as an example a paycheck covering a two-week period and 74 hours of work, with a total earned of \$712.80 - reduced by \$356.40 for child support.

4. Petitioner seeks Medicaid coverage and argues that his child support payments should be deducted from his income for determining eligibility. Petitioner does not otherwise dispute his eligibility for or amount of premium assistance for purchasing insurance through the exchange, amounting to \$409.65 in federal APTC and \$21.90 in Vermont Premium Assistance, resulting in a net premium obligation of \$36.50

based upon the applicable benchmark premium of \$468.05 for a single individual.

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 only disputed issue is whether petitioner's household income renders him 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 \$1,366.50, based on an FPL amount of \$990 for a household of

one. See Medicaid Procedures Bulletin 16-18 (effective 4-1-16).<sup>2</sup> This converts to a yearly income threshold of \$16,398. The Department calculated petitioner's eligibility based on a yearly income amount, determined by multiplying his hourly pay (\$9.60) by his weekly hours (35), divided by number of days in a week (7), multiplied by the number of days in a year (365) - equaling a yearly income of \$17,520. As this is above the Medicaid threshold, as is petitioner's projected income (\$17,026) based on the paystubs he produced at hearing, his eligibility for Medicaid was appropriately denied.<sup>3</sup> While petitioner argues his child support payments should be deducted from his income, nothing in the Modified Adjusted Gross Income ("MAGI") rules allow for such a deduction. See HBEE Rules § 28.00.

Therefore, 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>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 eligibility test is the same.

<sup>3</sup> Petitioner was advised at hearing that if he believes his income for the year will be less than what is reported on his application, he has the option of reporting that change to VHC.