

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. A-01/14-47
)
Appeal of)

INTRODUCTION

Petitioner appeals the determination of the Department of Vermont Health Access, Health Access Eligibility Unit, ("Department") that his household is ineligible for a Vermont Health Connect premium subsidy or tax credit due to the availability of employer insurance that meets minimal essential coverage standards. The following facts are adduced from a telephone hearing held on February 14, 2014, a telephone status conference held March 17, and ensuing submissions of the parties.

FINDINGS OF FACT

1. Petitioner's household is comprised of eight people, which includes his spouse, their five minor children, and their twenty-year old adult child.

2. Petitioner and his spouse receive health coverage through the Vermont Health Access Plan ("VHAP"), their five minor children are covered by Dr. Dynasaur, and their adult child is covered by the Catamount Health Plan ("CHAP").

3. In anticipation of the termination of the VHAP and CHAP programs as of March 31, 2014, petitioner applied for health coverage through Vermont Health Connect ("VHC"). Regardless of the termination of VHAP and CHAP, petitioner's five minor children will remain covered by Dr. Dynasaur.

4. There is no dispute that petitioner's household income for the purposes of his VHC application is \$71,000 per year. His employer offers health insurance through CIGNA for both individuals and families. There was an open enrollment period for the insurance in November of 2013 during which petitioner declined to enroll.

5. Petitioner was denied any premium subsidy or tax credit through VHC, on the grounds that he has employer-sponsored health insurance which meets minimum essential coverage requirements.

6. The annual premium cost of petitioner's employer-sponsored health coverage for single-person coverage is \$1092. The Department calculated the percentage of applicable household income required for self-only insurance through his employer at 1.5 percent.

7. Petitioner attested on his VHC application that his employer's health plan meets minimum essential coverage requirements.

8. While petitioner had and declined the opportunity to enroll himself, his spouse and his adult child in his employer's health plan in November of 2013, he will have that opportunity again when their VHAP and CHAP coverage ends as of March 31, based on the special circumstance of his loss of insurance.¹

9. Petitioner's premium and out-of-pocket costs would increase under his employer's plan, in particular for family coverage, compared to the costs of coverage through VHAP and CHAP. Petitioner is concerned about his family's ability to meet these increased costs.

ORDER

The Department's decision is affirmed.

REASONS

Eligibility for subsidies and tax credits through Vermont Health Connect is precluded when an applicant has access to an employer-sponsored health plan which meets the minimum coverage requirements of the rules. § 23.01(a)

("[I]ndividuals who are eligible to enroll in health coverage

¹It is noted that the Department's determination that petitioner has access to employer-based health coverage was based on his opportunity to enroll in his employer's health plan during the open enrollment period of November 2013, even though that opportunity has passed. In any event, petitioner represents that he has a special enrollment opportunity because of the family's loss of VHAP and CHAP.

that qualifies as MEC [minimum essential coverage] under this section are not eligible to receive federal tax credits and cost-sharing reductions if they enroll in a QHP.”). For an employer-sponsored plan to qualify as providing minimal essential coverage (MEC), “the plan must be affordable and meet minimum value criteria.” See VHC Rules § 23.01(a), *citing* VHC Rules §§ 23.02 and 23.03.

Whether an employer-sponsored plan is affordable to an applicant and any related individual is determined by calculating the percentage of household income required to pay the premium for self-only coverage. See VHC Rules §§ 23.02(a)(1) and (2). In order to be considered affordable under the rules, the annual premium cost must be no more than 9.5 percent of annual household income. See VHC Rule § 23.02(c).

There is no dispute regarding petitioner’s applicable household income, the annual cost of the premium, and the Department’s calculation of the applicable affordability percentage at 1.5 percent. This meets the affordability test set out by the rules. See VHC Rules § 23.02(c).²

²During the telephone status conference petitioner inquired about whether the costs of dental coverage must be considered in calculating the affordability percentage. While petitioner did not assert that the additional costs would necessarily bring his total premium costs above

There further is no dispute that petitioner has an available employer-sponsored plan that otherwise meets the minimum value criteria of MEC, based on petitioner's own attestation of the availability of enrolling in such a plan. See VHC Rules § 55.02(d).³ There is no information in the record which contradicts petitioner's MEC attestation in the application.

For the foregoing reasons, the Department's decision is consistent with the applicable rules and must be affirmed. See 3 V.S.A. § 3091(d), Fair Hearing Rule No. 1000.4D.

#

the 9.5 percent threshold, in any event the rules appear to allow consideration solely of the costs of pediatric coverage, and only in relation to determining a premium subsidy. See VHC Rules § 60.11(a).

³MEC incorporates the affordability percentage discussed above as well as a "minimum value" test of meeting at least 60 percent of the total allowed costs of health benefits provided to the employee under the employer plan. See VHC Rules § 23.03.