

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. A-03/14-223
)
Appeal of)

INTRODUCTION

Petitioner appeals the determination of the Department for Children and Families ("Department") that she does not qualify for a federal subsidy through Vermont's health exchange to defray the cost of her health insurance premium. The following facts are adduced from a telephone hearing held on June 30, 2014 and follow up telephone status conference on August 4.

FINDINGS OF FACT

1. Petitioner lives with her spouse and two minor children. She applied for health insurance through Vermont Health Connect (VHC) and did not qualify, based on income, for Advance Payment of Premium Tax Credits (APTC) to defray the cost of her premiums.¹

¹Petitioner does qualify for a Vermont Premium Reduction subsidy. This is not at issue here.

2. Petitioner's total household income of \$61,014.28, amounting to a monthly household income of \$5,084.52, is not in dispute.²

3. Petitioner's spouse has insurance through his employer and their children have Dr. Dynasaur coverage. The sole issue in this appeal is petitioner's financial eligibility for an APTC-based subsidy for her own insurance.

4. Petitioner states she cannot afford the premium amount she must pay without additional subsidy assistance.³

ORDER

The Department's decision is affirmed.

REASONS

Applicants through VHC may qualify for federal and state subsidies to defray the cost of health coverage premiums through a private insurance carrier participating in the health exchange. Assuming an applicant meets non-financial

²This is comprised of petitioner's anticipated yearly income of \$12,000 and her spouse's anticipated yearly income of \$49,014.28. Petitioner is employed on an hourly basis by a school district, earning \$570 every two weeks, but only works and is paid on school days.

³Petitioner was previously covered by the Catamount Health Plan (CHAP) before it ended as of March 31 with the overlapping implementation of Vermont's health exchange. Her CHAP premium was significantly less than the premium she would need to pay through VHC. Even with the Vermont Premium reduction she received, petitioner's premium through VHC will cost approximately \$350 per month based on the Applicable Benchmark Premium.

eligibility for a subsidy, qualifying for a subsidy payment is dependent on an applicant's household income and its relationship to the Federal Poverty Level (FPL), which determines the subsidy amount, if any. See Health Benefits and Enrollment Eligibility (HBEE) § 60.07(a) (subsidy is determined on a "sliding scale" based on FPL). In petitioner's case, there is no dispute that she is categorically eligible to receive a subsidy; that is, she has satisfied all non-financial criteria. See HBEE §§ 12.01-12.03 (establishing non-financial criteria for eligibility).

There is further no dispute regarding petitioner's applicable household income of \$61,014.28. See HBEE § 28.03(c)(1). Application of the sliding scale for a subsidy begins with a determination of household income as a percentage of the FPL, which the Department accurately calculated at 259 percent.⁴ This places petitioner in a range between 8.05 to 9.5 percent on the sliding scale (for households from 250 up to but not including 300 percent of FPL), which is the percentage of income petitioner is expected to contribute to her premium. See HBEE § 60.07(b). This requires a calculation of where 259 percent of the FPL

⁴ See DCF Bulletin B13-44 (January 13, 2014), establishing 100 percent of FPL at a monthly income of \$23,550 for a household of four.

lands petitioner on the range between the lowest possible percentage (8.05) and highest possible percentage (9.5) for households between 250 and 300 percent of FPL. Within this range, the Department correctly determined petitioner's applicable percentage as 8.31 percent.⁵

The applicable percentage is multiplied by petitioner's monthly income to determine the amount that she is expected to contribute towards the premium for the applicable benchmark plan. If the premium for the applicable benchmark plan exceeds the amount that petitioner is expected to contribute, the difference constitutes the APTC subsidy. See HBEE § 60.04. In petitioner's case, her expected monthly contribution is \$422.52 (8.31 percent multiplied by \$5,084.52), and the monthly premium for the applicable benchmark plan is \$412.83.⁶ Thus, petitioner's expected contribution exceeds the applicable benchmark premium and,

⁵The difference between petitioner's household income as a percentage of FPL, 259 percent, and the lowest end of the FPL range, 250 percent, is 9. Under the examples in the rules, 9 is divided by the span of the applicable FPL range (250-300 percent), which is 50, equaling .18 (or 9 divided by 50). This figure (.18) is then multiplied by the span of the percentage range, which is the difference between the lowest end (8.05) and the highest end (9.5), or .18 multiplied by 1.45, which equals .261. This decimal is added to the lowest end of the range (8.05) to equal 8.31, the applicable percentage rounded to the nearest one hundredth of a percent.

⁶Since petitioner is only seeking insurance for herself, as her spouse and children are already covered, the applicable benchmark premium is that for a single person. See HBEE § 60.06(a).

while she meets non-financial eligibility requirements, she does not qualify for a federal APTC subsidy.

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.

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