

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. A-07/14-599
)
Appeal of)

INTRODUCTION

Petitioner appeals a denial of eligibility for Vermont Health Connect ("VHC") subsidies by the Department for Children and Families ("Department") because she has access to Minimum Essential Coverage ("MEC") through her employer. The following facts are adduced from a hearing and series of telephone status conferences, as well as related documents submitted by the parties.

FINDINGS OF FACT

1. Petitioner lives with her spouse. She is employed by a home healthcare organization. She and her spouse received Medicaid coverage beginning January 1, 2014, subject to an eligibility review in June of 2014.¹

2. This eligibility review resulted in a determination that the household is not eligible for Medicaid and is precluded from any federal or state subsidy due to the

¹ It appears petitioner's household was among those automatically transitioned from VHAP to Medicaid coverage with the advent of VHC.

availability of employer-sponsored health insurance which meets MEC requirements.

3. Petitioner initially reported income based on a full-time hourly wage of \$15.37, plus her spouse's annual self-employment income of \$4,581. She subsequently reported in September that her hours had been reduced to 30 per week, thus reducing her total household income.

4. Petitioner's employer offers self-only health coverage at a cost of \$129.10 per month, and employee-spousal coverage at a cost of \$270.14 per month. This includes a premium stipend from her employer - deducted directly from the premium cost for those employees opting into health coverage and paid directly to those opting out of coverage.²

5. Based on the updated income provided by petitioner and cost of self-only health coverage from her employer, the Department reviewed her eligibility during the pendency of this appeal, with the same result - finding that she is ineligible for continued Medicaid coverage or VHC subsidies.

6. There is no dispute that petitioner's employer-sponsored insurance meets minimum coverage value; however,

² It was initially unclear whether the Department had treated the stipend as income for the purposes of calculating petitioner's eligibility. The facts and conclusions here are based on petitioner's reported hourly wage, and do not include the stipend as income.

petitioner states she cannot afford the cost of insuring herself and her spouse through her employer.

ORDER

The Department's decision is affirmed.

REASONS

Eligibility for subsidies and tax credits through VHC is precluded when an applicant has access to an employer-sponsored health plan which meets the minimum coverage requirements of the rules. Health Benefits Eligibility and Enrollment ("HBEE") Rules §23.01(a) ("[I]ndividuals who are eligible to enroll in health coverage 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 MEC, "the plan must be affordable and meet minimum value criteria." See HBEE Rules § 23.01(a), *citing* HBEE Rules §§ 23.02 and 23.03. There is no dispute petitioner's employer-sponsored plan meets minimum value criteria.

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 HBEE Rules §§ 23.02(a)(1) and (2). To be considered affordable, the annual premium cost must be no more than 9.5 percent of annual household income. See HBEE Rules § 23.02(c).

Taking petitioner's reduced schedule into account, even assuming this for the entire year, results in an annual income of \$24,043.07, which, with her spouse's income of \$4,581, would result in a total yearly household income of \$28,624.07. The cost of self-only coverage through her employer is \$1,549.20 per year, which is 5.4 percent of \$28,624.07.³ This meets the affordability test set out in the rules. See HBEE Rules § 23.02(c).

³ The Department calculated petitioner's eligibility based on two scenarios: (1) her reduced schedule for the entire year; and (2) that schedule for a portion of the year beginning in September. While the Department does not concede the former is petitioner's annual income, as the Department notes this is irrelevant because petitioner would still be found ineligible based on this lesser amount.

For the foregoing reasons, the Department's decision is consistent with the applicable rules and must be affirmed.⁴

See 3 V.S.A. § 3091(d), Fair Hearing Rule No. 1000.4D.

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⁴ While petitioner's lack of continuing eligibility for Medicaid coverage is not in apparent dispute, her household income - with or without the premium stipend from her employer - is significantly above the Medicaid eligibility threshold for a household of two. See Medicaid Income Standards, Bulletin P-2420B.