

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. A-09/14-896
)
Appeal of)

INTRODUCTION

Petitioner appeals termination of her Medicaid eligibility by the Department for Children and Families ("Department"). The following facts are adduced from hearings held October 10 and November 14, 2014.

FINDINGS OF FACT

1. Petitioner lives with her minor child. Her Medicaid eligibility was reviewed as of September 30, 2014. This review resulted in a determination by the Department that she is over-income for Medicaid. Petitioner's daughter was determined to be eligible for Dr. Dynasaur coverage, which is not in dispute.

2. Petitioner initially reported household income of \$24,006.05. During the pendency of this appeal, she reported that her hours had been reduced to 36.5 per week, at an hourly wage of \$12.10, reducing her annual income to \$23,028.89.

3. Petitioner's appeal is based in termination of her Medicaid eligibility, but she further states she is unable to afford the cost of healthcare through Vermont's health exchange, including application of any subsidies to reduce the cost. The Department's calculation of her subsidy assistance is also addressed below.

4. Petitioner has several health issues and is especially concerned with her potential cost-sharing liability with a plan through the health exchange.

ORDER

The Department's decision is affirmed.

REASONS

Medicaid eligibility for adults is determined by using the MAGI-based income (Modified Adjusted Gross Income) for all members of the household. See Health Benefits Enrollment and Eligibility (HBEE) § 28.03 (c) (1). The maximum income limit for households in 2014 is set at 133 percent of the Federal Poverty Level (FPL). See HBEE § 7.03(a) (5). The calculation of income includes "an amount equal to 5 percentage points of the FPL for the applicable family size [that] is deducted from the household's income." HBEE §. 28.03(4).

One-hundred percent of the FPL for a household of two is \$1,311, and 133 percent of the FPL for a household of two is \$1,744 per month. See Medicaid Procedures Manual P-2420B (Bulletin 13-44). Five percent of the FPL for a household of two (.05 multiplied by \$1,311) is \$65.55. Petitioner's applicable monthly income for Medicaid eligibility is therefore equal to \$1,919.07 minus \$65.55, or \$1,853.52. This falls above the eligibility threshold of \$1,744 per month and thus the Department's termination of petitioner's Medicaid is consistent with the rules.

Even if not eligible for Medicaid, applicants through Vermont Health Connect (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. If an applicant meets non-financial eligibility for a subsidy, as here, qualifying for a subsidy is dependent on an applicant's household income and its relationship to the FPL, which determines the subsidy amount, if any. See HBEE § 60.07(a) (subsidy is determined on a "sliding scale" based on FPL).

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 148

percent.¹ This places petitioner in a range between 3.0 to 4.0 percent on the sliding scale (for households from 133 up to but not including 150 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 148 percent of the FPL lands petitioner on the range between the lowest possible percentage (3.0) and highest possible percentage (4.0) for households between 133 and 150 percent of FPL. Within this range, the Department correctly determined petitioner's applicable percentage as 3.88 percent.²

The applicable percentage is multiplied by petitioner's monthly income to determine the amount she is expected to contribute towards the premium for the applicable benchmark plan. If the premium for the applicable benchmark plan

¹ See Medicaid Procedures Manual P-2420B (Bulletin 13-44), establishing 100 percent of FPL at an annual income of \$15,510 for a household of two - which is the FPL for 2013 applicable to 2014 subsidy calculations. See HBEE § 3.00, n. 41, *citing* 45 CFR § 155.410. Medicaid eligibility is calculated using the 2014 FPL. See Medicaid Procedures P-2420B, cited *supra*.

² The difference between petitioner's household income as a percentage of FPL, 148 percent, and the lowest end of the FPL range, 133 percent, is 15. Under the examples in the rules, 15 is divided by the span of the applicable FPL range (133-150 percent), which is 17, equaling .88 (or 15 divided by 17). This figure (.88) is then multiplied by the span of the percentage range, which is the difference between the lowest end (3.0) and the highest end (4.0), or .88 multiplied by 1.0, which equals .88. This decimal is added to the lowest end of the range (3.0) to equal 3.88, the applicable percentage rounded to the nearest one hundredth of a percent.

exceeds the amount petitioner is expected to contribute, the difference constitutes the APTC subsidy. See HBEE § 60.04.

In petitioner's case, her expected monthly contribution is \$74.46 (3.88 percent multiplied by \$1,919.07), and the monthly premium for the applicable benchmark plan is \$412.83.³ This results in a federal APTC subsidy amount, correctly determined by the Department, of \$338.37. Petitioner receives an additional subsidy through the Vermont Premium Reduction, equal to 1.5 percent of her monthly income, or \$28.79, resulting in a total subsidy of \$367.16 - which, when subtracted from the benchmark premium of \$412.83 results in a monthly premium cost of \$45.67.⁴

For the foregoing reasons, the Department's decision is consistent with the applicable rules and must be affirmed.⁵ See 3 V.S.A. § 3091(d), Fair Hearing Rule No. 1000.4D.

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³ Since petitioner is only seeking insurance for herself, as her daughter is already covered, the applicable benchmark premium is that for a single person. See HBEE § 60.06(a).

⁴ This assumes petitioner chooses a plan at the benchmark cost; however, her premium amount could be more or less depending on what plan she chooses.

⁵ Two additional issues should be noted. One, when petitioner applies to enroll for coverage beginning January 1, 2015, the above calculations may be slightly different based on new FPL standards, which are adjusted at minimum on an annual basis. Two, the Department represents that petitioner will be eligible, based on the income information she has provided, for cost sharing reductions raising the coverage of her total costs to 94 percent of the actuarial value of the plan she chooses.