



**DECISION
OF AGENCY
ON APPEAL**

In the Appeal of: [REDACTED]

For: Advance Payment of Premium Tax Credit
MinnesotaCare
Medical Assistance

Agency: MNsure Board
Minnesota Department of Human Services

Docket: 155580

On September 24, 2014, Appeals Examiner Jonathan R. Hall held an evidentiary hearing under 42 United States Code §18081(f), Minnesota Statute §62V.05, subdivision 6(a) and Minnesota Statute § 256.045, subdivision 3.

The following people appeared at the hearing:

[REDACTED], Appellant
[REDACTED], Appellant's Representative

Based on the evidence in the record and considering the arguments of the parties, I recommend the following findings of fact, conclusions of law, and order.

STATEMENT OF ISSUES

Whether the MNsure Board correctly determined that the Appellant was eligible for an advance payment of a premium tax credit of \$239.00 as provided in the Affordable Care Act.

Whether the Minnesota Department of Human Services correctly determined that the Appellant was ineligible for MinnesotaCare coverage.

Whether the Minnesota Department of Human Services correctly determined that the Appellant was ineligible for Medical Assistance benefits.

FINDINGS OF FACT

1. The MNsure Board (herein MNsure) advised the Appellant that the Appellant was eligible for an advance payment of a premium tax credit of \$239.00 as provided in the Affordable Care Act. *Exhibit 2*. The Minnesota Department of Human Services (herein DHS) determined that the Appellant was ineligible For MinnesotaCare coverage and ineligible for Medical Assistance benefits. *Exhibit 3*. The Appellant filed a request challenging these determinations, which MNsure received on August 21, 2014. *Exhibit 1*. On September 24, 2014, Appeals Examiner Jonathan R. Hall held an evidentiary hearing via telephone conference. The judge accepted into evidence one exhibit from the Appellant,¹ one exhibit from the Agency² and one exhibit from the Department of Human Services.³ The record was closed at the conclusion of the hearing.

2. The Appellant's household consists of himself. *Exhibit 2; Exhibit 3*. The Appellant's zip code, which dictates the geographic region he is assigned for purposes of calculating overall premium costs, is [REDACTED] *Exhibit 1*.

3. The Appellant applied for a health care insurance affordability programs for himself on the MNsure Eligibility System on August 21, 2014 as a family of one person. *Exhibit 2*.

4. The Appellant attested to anticipated modified adjusted gross income (MAGI) for 2014 which consists of adjusted gross income of 23,220.00, foreign income and housing costs excluded under 26 U.S.C. § 911 of \$0.00, tax exempt interest of \$0.00, and Social Security benefits that are not included in gross income of \$0.00. *Exhibit 2*.

¹ Exhibit 1 (Appeal)

² Exhibit 2 (State Agency Appeal Summary - MNsure)

³ Exhibit 3 (State Agency Appeal Summary - DHS)

5. The Appellant's household income was determined to be 202 percent of the 2013 federal poverty level. *Exhibit 2.*
6. The Appellant was determined ineligible for Medical Assistance benefits because the household MAGI exceeds the income standard for this program. *Exhibit 3.*
7. The Appellant was determined ineligible for MinnesotaCare coverage because the household income exceeds the income standard for this program. *Exhibit 2.*
8. The Appellant is eligible to enroll in a Qualified Health Plan through MNsure, but chose not to enroll. *Exhibit 2.* The Appellant's household income is between 100-400 percent of the federal poverty level. *Exhibit 2.* The Appellant is eligible for minimum essential coverage. *Exhibit 2.*
9. The Agency determined that Appellant's applicable percentage is 6.34 percent. *Exhibit 2.* This applicable percentage was determined by referring to a table in the federal regulations that specifies minimum and maximum percentages according to income level and then determining where Appellant's income fell within this range.
10. The Agency determined that Appellant's required share of premiums for the benchmark plan, which is the second lowest-cost silver plan available through MNsure, is \$362.35 monthly. *Exhibit 2.* This amount was determined by multiplying Appellant's applicable percentage (6.34) by his household income (23,220.00).
11. The benchmark plan (second lowest-cost silver plan) that covers the Appellant that is available where the Appellant lives costs \$362.35 per month. *Exhibit 2.*
12. MNsure determined that the Appellant is eligible for advance payment of premium tax credits in the amount of \$239.00 based upon attested MAGI of \$23,220.00 for a household of one. *Exhibit 2.*
13. The Appellant has not enrolled in a Qualified Health Plan (QHP) offered on the MNsure Exchange and is not eligible for cost sharing reductions. *Exhibit 2.*

CONCLUSIONS OF LAW

14. This appeal is timely under 45 C.F.R § 155.520(b) and Minn. R. 7700.0105, subp. 2(D).
15. The Appellant's household size is one adult. His income is 202 percent of the federal poverty guidelines. MinnesotaCare is available to those persons whose incomes are at or below 200 percent of the federal poverty guidelines. Therefore, the Appellant is

not eligible for MinnesotaCare.

16. The Appellant's gross income is 202 percent of the federal poverty guidelines. Subtracting five percent to figure the Appellant's gross income for medical assistance purposes, the Appellant's income is 197 percent of the federal poverty guidelines. Medical assistance is available to those qualified persons whose gross income is at or below 133 percent of the federal poverty guidelines. Therefore, the Appellant is not eligible for medical assistance.

17. With regard to the Appellant's eligibility for advance payment of premium tax credits, the Appellant's applicable percentage based on the MAGI initially reported by the Appellant is 6.34% pursuant to 26 C.F.R. § 1.36B-3(g)(2). This determination is made as follows:

the initial percentage for a taxpayer with household income at least 200% but less than 250% of the federal poverty line is 6.3 and the final percentage is 8.05. The excess of the Appellant's federal poverty line percentage (202) over the initial household income percentage in the Appellant's range (200) is 2. The difference between the initial household income in the taxpayer's range is 50 (250 – 200). The result of dividing the first calculation by the second calculation is .04 ($2 \div 50 = .04$). The difference between the initial premium percentage in the taxpayer's range is 1.75 ($8.05 - 6.3 = 1.75$). The product of multiplying this difference (1.75) by the result of dividing the first and second calculation (.04) is .07 ($1.75 \times .04 = .07$). Adding this product (.07) to the initial premium percentage in the taxpayer's range results in the Appellant's applicable percentage of 6.37.⁴

18. The Appellant's required share of premiums for the benchmark plan, which is the second lowest-cost silver plan available through MNsure, is \$123.25 per month.

19. In this case, the Agency correctly calculated the size of the Appellant's household as one person for purposes of calculation on the advance premium tax credit, and correctly calculated the amount of the Appellant's attested household income. However, the Agency incorrectly calculated the applicable percentage (or his required contribution toward the premium cost) for the benchmark plan. The maximum available APTC for the Appellant is $\$362.35 - 123.25 = \239.00 .

20. The determination regarding the Appellant's eligibility for Medical Assistance is effective January 1, 2015. The determination regarding the Appellant's eligibility for MinnesotaCare coverage is effective January 1, 2015.

21. The determinations regarding the Appellant's eligibility for advance payment

⁴ The agency miscalculated this percentage as 6.34. The correct percentage is 6.37.

of a premium tax credit and cost-sharing reductions are effective January 1, 2015.

RECOMMENDED ORDER

THE APPEALS EXAMINER RECOMMENDS THAT:

- The MNsure Board MODIFY the Agency’s determination of eligibility for advanced payment of a premium tax credit as provided in the Affordable Care Act effective January 1, 2015; and
- AFFIRM the decision of the Commissioner of the Minnesota Department of Human Services to deny the Appellant’s request for MinnesotaCare; and
- AFFIRM the decision of the Commissioner of the Minnesota Department of Human Services to deny the Appellant’s request for medical assistance.

Jonathan R. Hall
Appeals Examiner

Date

ORDER

IT IS THEREFORE ORDERED THAT based upon all the evidence and proceedings, the MNSure Board and the Commissioner of the Minnesota Department of Human Services adopt the Appeals Examiner's findings of fact, conclusions of law and order as each agency's final decision.

FOR THE COMMISSIONER OF HUMAN SERVICES as to any effect the decision has on Appellant's eligibility for Medical Assistance and/or MinnesotaCare benefits.

FOR THE MNSURE BOARD as to any effect the decision has on Appellant's eligibility through MNSure for Advance Premium Tax Credits, Cost Sharing Reductions, Qualified Health Plan, and/or the Small Business Health Insurance Options Program.

Date

cc: [REDACTED], Appellant
Michael Turpin, MNSure
Teresa Saybe, Minnesota Department of Human Services - 0838

FURTHER APPEAL RIGHTS

This decision is final, unless you take further action.

Appellants who disagree with this decision should consider seeking legal counsel to identify further legal recourse.

If you disagree with the effect this decision has on your eligibility for **Advance Premium Tax Credits, Cost Sharing Reductions, Qualified Health Plan, and/or the Small Business Health Insurance Options Program**, you may:

- **Appeal to the United States Department of Health and Human Services (DHHS)** under 42 U.S.C. § 18081(f) and 45 C.F.R. § 155.520(c). This decision is the final decision of MNsure, unless an appeal is made to DHHS. An appeal request may be made to DHHS *within 30 days of the date of this decision* by calling the Marketplace Call Center at 1-800-318-2596 (TTY 855-889-4325); or by downloading the appeals form for Minnesota from the appeals landing page on www.healthcare.gov.
- **Seek judicial review** to the extent it is available by law.

If you disagree with the effect this decision has on your eligibility for **Medical Assistance and/or MinnesotaCare** benefits, you may:

- **Request the Appeals Office reconsider this decision.** The request must state the reasons why you believe your appeal should be reconsidered. The request may include legal arguments and may include proposed additional evidence supporting the request; however, if you submit additional evidence, you must explain why it was not provided at the time of the hearing. The request must be *in writing*, be made *within 30 days of the date of this decision*, and a *copy of the request must be sent to the other parties*. Send your written request, with your docket number listed, to:

Appeals Office
Minnesota Department of Human Services
P.O. Box 64941
St. Paul, MN 55164-0941
Fax: (651) 431-7523

- **Start an appeal in the district court.** This is a separate legal proceeding, and you must start this *within 30 days of the date of this decision* by serving a notice of appeal upon the other parties and the Commissioner. The law that describes this process is Minnesota Statute § 256.045, subdivision 7.