

STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
OFFICE OF LEGAL COUNSEL, REGULATIONS, AND ADMINISTRATIVE HEARINGS
55 FARMINGTON AVENUE
HARTFORD, CT 06105-3725

██████████ 2017
Signature Confirmation

Application ID # ██████████
Client ID # ██████████
Hearing Request # 816615

NOTICE OF DECISION

PARTY

██████████
██████████

PROCEDURAL BACKGROUND

On ██████████ 2017, Health Insurance Exchange Access Health CT (“AHCT”) issued a Notice of Action (“NOA”) to ██████████ (the “Appellant”), discontinuing the Medicaid/HUSKY D healthcare coverage.

On ██████████ 2017, the Appellant requested an administrative hearing to contest the discontinuance of Medicaid/HUSKY D healthcare coverage.

On ██████████ 2017, the Office of legal Counsel, Regulations, and Administrative Hearings (“OLCRAH”) issued a notice scheduling the administrative hearing for ██████████ 2017.

On ██████████ 2017, in accordance with sections 17b-60, 17b-264 and 4-176e to 4-189, inclusive, of the Connecticut General Statutes, Title 45 Code of Federal Regulations (“CFR”) §§ 155.505(b) and 155.510 and/or 42 CFR § 457.113, OLCRAH held an administrative hearing. The following individuals participated in the hearing:

██████████ Appellant
Debra Henry, AHCT Representative
Carla Hardy, Hearing Officer

STATEMENT OF THE ISSUE

The issue to be decided is whether Health Insurance Exchange Access Health CT ("AHCT") correctly discontinued the Medicaid/HUSKY D healthcare coverage.

FINDINGS OF FACT

1. On [REDACTED] 2017, AHCT updated the Appellant's [REDACTED] 2017 health care application. (Exhibit 2: Notice of Action, [REDACTED]/17)
2. The Appellant's household consists of one person. (Exhibit 6: Application # [REDACTED] [REDACTED]/17 and Appellant's Testimony)
3. The Appellant is 56 years old (DOB [REDACTED]/60). (Exhibit 6)
4. The Appellant received \$2,131.67 monthly Unemployment Compensation Benefits ("UCB"). (Exhibit 6 and Appellant's Testimony)
5. The Appellant took a \$576.00 monthly mortgage deduction from his income. (Exhibit 6 and Appellant's Testimony)
6. AHCT confirmed that the Appellant took a \$576.00 per month deduction but could not verify the type of deduction that was taken. Deductions for mortgages are not allowable deductions. (AHCT's Testimony)
7. AHCT determined the Appellant's monthly income totaled \$1,556.00. (Exhibit 2)
8. The Federal Poverty Limit ("FPL") for a household of one is \$1,005.00 per month (Federal Register).
9. The Appellant contributes \$709.03 per year toward his 401(k) retirement plan. (Appellant's Testimony)

CONCLUSIONS OF LAW

1. Section 17b-260 of the Connecticut General Statutes ("CGS") provides for acceptance of federal grants for medical assistance. The Commissioner of Social Services is authorized to take advantage of the medical assistance programs provided in Title XIX, entitled "Grants to States for Medical Assistance Programs", contained in the Social Security Amendments of 1965 and may administer the same in accordance with the requirements provided therein, including the waiving, with respect to the amount paid for medical care, of provisions concerning recovery from beneficiaries or their

estates, charges and recoveries against legally liable relatives, and liens against property of beneficiaries.

2. Section 17b-264 of the CGS provides for the extension of other public assistance provisions. All of the provisions of sections 17b-22, 17b-75 to 17b-77, inclusive, 17b-79 to 17b-83, inclusive, 17b-85 to 17b-103, inclusive, and 17b-600 to 17b-604, inclusive, are extended to the medical assistance program except such provisions as are inconsistent with federal law and regulations governing Title XIX of the Social Security Amendments of 1965 and sections 17b-260 to 17b-262, inclusive, 17b-264 to 17b-285, inclusive, and 17b-357 to 17b-361, inclusive.
3. Title 45 of the Code of Federal Regulations (“CFR”) § 155.505(c)(1) provides that Exchange eligibility appeals may be conducted by a State Exchange appeals entity or an eligible entity described in paragraph (d) of this section that is designated by the Exchange, if the Exchange establishes an appeals process in accordance with the requirements of this subpart.
4. 45 CFR § 155.505(d) provides that an appeals process established under this subpart must comply with § 155.110(a).
5. 45 CFR § 155.110(a) provides that the State may elect to authorize an Exchange established by the State to enter into an agreement with an eligible entity to carry out one or more responsibilities of the Exchange. Eligible entities are: (1) an entity: (i) Incorporated under, and subject to the laws of one or more States; (ii) That has demonstrated experience on a State or regional basis in the individual and small group health insurance markets and in benefits coverage; and (iii) Is not a health insurance issuer or treated as a health insurance issuer under subsection (a) or (b) of section 52 of the Code of 1986 as a member of the same controlled group of corporations (or under common control with) as a health insurance issuer; or (2) The State Medicaid agency, or any other State agency that meets the qualifications of paragraph (a)(1) of this section.
6. 26 CFR § 1.36B-1(e)(1) provides in general, household income is the sum of-
 - (i) A taxpayer’s modified adjusted gross income (including the modified adjusted gross income of a child for whom an election under section 1(g)(7) is made for the taxable year);
 - (ii) The aggregate modified adjusted gross income of all other individuals who-
 - (A) Are included in the taxpayer’s family under paragraph (d) of this section; and

(B) Are required to file a return of tax imposed by section 1 for the taxable year.

7. 42 CFR § 435.603(e) provides that MAGI-based is income calculated using the same financial methodologies used to determine modified adjusted gross income as defined in section 36B(d)(2)(B) of the Code, with the following exceptions-
 - (1) An amount received as a lump sum is counted as income only in the month received.
 - (2) Scholarships, awards, or fellowship grants used for education purposes and not for living expenses are excluded from income.
 - (3) American Indian/Alaska Native exceptions.
8. Title 26 of the United States Code (“USC”) Section 36B(d)(2)(B) provides that the term “modified adjusted gross income” means adjusted gross income increased by-
 - (i) Any amount excluded from gross income under section 911,
 - (ii) Any amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax, and
 - (iii) An amount equal to the portion of the taxpayer’s social security benefits (as defined in section 86(d)) which is not included in gross income under section 86 for the taxable year.
9. 26 USC § 62(a)(7) provides in part that the term “adjusted gross income” means gross income minus Retirement Savings deductions.
10. The Appellant contributes \$709.03 per year or \$59.09 (\$709.03/12) per month into a retirement savings account that was not deducted from his gross income when determining the Appellant’s modified adjusted gross income (“MAGI”).
11. 26 USC § 262(a) provides that except as otherwise expressly provided in this chapter, no deduction shall be allowed for personal, living or family expenses.
12. The Appellant incorrectly deducted \$576.00 monthly as a mortgage deduction from his monthly income.
13. AHCT incorrectly determined the Appellant’s MAGI equaled \$1,556.00.
14. The Appellant’s correct monthly MAGI equaled \$2,073.00 [\$2,131.67 monthly income - \$59.09 retirement savings (rounded to the nearest whole dollar)].

15.42 CFR § 435.119 provides that Medicaid health coverage is available for individuals age 19 or older and under age 65 at or below 133 percent of the Federal Poverty Limit ("FPL").

(b). Eligibility. Effective January 1, 2014, the agency must provide Medicaid to individuals who:

- 1) Are age 19 or older and under age 65;
- 2) Are not pregnant;
- 3) Are not entitled to or enrolled for Medicare benefits under part A or B of the title XVIII of the Act
- 4) Are not otherwise eligible for and enrolled for mandatory coverage under a State's Medicaid State plan in accordance with subpart B of this part; and
- 5) Have household income that is at or below 133 percent FPL for the applicable family size.

16. One Hundred thirty-three percent of the FPL for a one person household equals \$1,337.00 ($\$1,005.00 \times 1.33$ (rounded to the nearest dollar)).

17. The Medicaid/HUSKY D income limit for a household of one is \$1,337.00.

18.42 CFR §435.603(d) provides for the application of the household's modified adjusted gross income ("MAGI"). A state must subtract an amount equivalent to 5 percentage points of the Federal poverty level for the applicable family size.

19. Five percent of the FPL for one person equals \$50.25 ($\$1,005.00 \times .05$).

20. The Appellant's countable MAGI totaled \$2,023.00 ($\$2,073.00 - \50.25 (rounded to the nearest dollar)) per month.

21. The Appellant's monthly MAGI of \$2,023.00 exceeded the monthly \$1,337.00 income limit for a household of one.

22. AHCT correctly determined that the Appellant's monthly income exceeded the Medicaid/Husky D income limit.

23. AHCT correctly denied the Medicaid/HUSKY D coverage.

DISCUSSION

The income limit for Medicaid/HUSKY D is \$1,337 per month. The Appellant's correct MAGI equaled \$2,023.00 per month. AHCT determined eligibility based on what the Appellant reported on his application. They were not aware at the

time of application that the \$576.00 deduction was for his mortgage and that the Appellant had a legitimate \$59.09 Retirement Savings deduction. These facts led to AHCT incorrectly determining that the Appellant's income was \$1,556.00 per month. Although the Appellant's income was incorrectly determined, AHCT correctly determined that his income exceeded the Medicaid/HUSKY D income limit. AHCT correctly denied the Medicaid/HUSKY D healthcare coverage.

DECISION

The Appellant's appeal is **DENIED**.



Carla Hardy
Hearing Officer

Pc: Debra Henry, Health Insurance Exchange, Access Health CT
Judith Boucher, Health Insurance Exchange, Access Health CT

**Modified Adjusted Gross Income (MAGI) Medicaid and
Children's Health Insurance Program (CHIP)
Right to Request Reconsideration**

For denials or reductions of MAGI Medicaid and CHIP, the Appellant has the right to file a written reconsideration request within 15 days of the mailing date of the decision on the grounds there was an error of fact or law, new evidence has been discovered or other good cause exists. If the request for reconsideration is granted, the Appellant will be notified within 25 days of the request date. No response within 25 days means that the request for reconsideration has been denied. The right to request a reconsideration is based on §4-181a(a) of the Connecticut General Statutes.

Reconsideration requests should include specific grounds for the request: for example, indicate what error of fact or law, what new evidence, or what other good cause exists. Reconsideration requests should be sent to: Department of Social Services, Director, Office of Legal Counsel, Regulations, and Administrative Hearings, 55 Farmington Avenue, Hartford, CT 06105-3725.

Right to Appeal

For denials, terminations or reductions of MAGI Medicaid and CHIP eligibility, the Appellant has the right to appeal this decision to Superior Court within 45 days of the mailing of this decision, or 45 days after the agency denies a petition for reconsideration of this decision, provided that the petition for reconsideration was filed timely with the Department. The right to appeal is based on §4-183 of the Connecticut General Statutes. To appeal, a petition must be filed at Superior Court. A copy of the petition must be served upon the Office of the Attorney General, 55 Elm Street, Hartford, CT 06106 or the Commissioner of the Department of Social Services, 55 Farmington Avenue, Hartford, CT 06105. A copy of the petition must also be served on all parties to the hearing.

The 45 day appeal period may be extended in certain instances if there is good cause. The extension request must be filed with the Commissioner of the Department of Social Services in writing no later than 90 days from the mailing of the decision. Good cause circumstances are evaluated by the Commissioner or his designee in accordance with §17b-61 of the Connecticut General Statutes. The Agency's decision to grant an extensions final and is not subject to review or appeal.

The appeal should be filed with the clerk of the Superior Court in the Judicial District of New Britain or the Judicial District in which the Appellant resides.