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

[redacted], 2019
Signature Confirmation

CLIENT No # [redacted]
Request # [redacted]

NOTICE OF DECISION

PARTY

[redacted]

PROCEDURAL BACKGROUND

On [redacted], 2018, the Health Insurance Exchange Access Health CT- ("AHCT") sent [redacted]. (the "Appellant") a Notice of Action ("NOA") denying the Medicaid Husky A Parents and Caretakers healthcare coverage.

On [redacted] 2018, the Appellant requested an administrative hearing to contest the decision to deny Medicaid/ Husky A benefits.

On [redacted] 2018, the Office of Legal Counsel, Regulations, and Administrative Hearings ("OLCRAH") issued a notice scheduling the administrative hearing for [redacted] 2018.

On [redacted] 2018, 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 by telephone.

The following individuals were present at the hearing:

[redacted], Appellant
Debra Henry, AHCT Representative
Almelinda McLeod, Hearing Officer

STATEMENT OF THE ISSUE

The issue to be decided is whether ACHT correctly denied the Medicaid Husky A healthcare insurance.

FINDINGS OF FACT

1. On [redacted] 2018, the Appellant submitted a renewal application [redacted] requesting medical assistance for himself, his wife and their 3 children. (Exhibit 6- Additional Verification Required Notice, Appellant and AHCT's testimony)

2. The reported monthly income on this application was $2,440.83. (Hearing summary)

3. On [redacted] 2018, AHCT issued an Additional Verification Required Notice #1302 requesting proof of both employment income and Self-employment income for the Appellant and his spouse. (Exhibit #6- Additional Verification Required Notice)

4. The Appellant's tax filing status is married filing taxes together. (Appellants testimony)

5. The Appellant's 3 children are tax dependents for the 2017 taxes. The Appellant is a household of 5. (Exhibit #1, AHCT application)

6. On [redacted] 2018, AHCT issued the results of the Appellant's Health Care Renewal submitted on [redacted] 2018. The results indicated that there is a list of follow-up steps that may need to be taken and that the Appellant may get another letter requesting additional documents to support the application. [See Finding of Fact 3.] (Exhibit 7, Application Results notice # 1301 pages 1 and 2)

7. The [redacted] 2018 Application results notice indicated that the Appellant and his spouse qualified for Husky A, Parents & Caretakers; That his 19 year old son qualified for Husky D Medicaid- Adult and the two youngest children qualified for Husky A – children. (Exhibit 7, Application results)

8. AHCT clarified that the application results notice dated [redacted] 2018 issued to the Appellant was not a final determination. The results were based on what was reported on the application. (AHCT testimony)

9. On [redacted], 2018, the Appellant submitted his 1040 tax form along with a Schedule C for 2017. (Exhibit 5, AHCT Case Notes and Exhibit 4, Tax papers)

10. On [redacted] 2018, AHCT failed his proof of income because the Schedule C presented only one page and noted that the second page was missing. (AHCT Testimony and Exhibit 5- Case Notes)

11. The Schedule C (form 1040) "Profit and Loss from Business" submitted by the Appellant indicated #1 above the page. It also indicated on line *27a*- $6,618.00 as "Other Expenses" from line 48. The Schedule C #1 page submitted included Part 1 – Income, Part- 2- Expenses with *32b* as its final line. (Exhibit 4, Schedule C)

12. On [redacted] 2018, AHCT made a determination that $56,161 income reported on the 1040 was not in line with the reported yearly income of $0. AHCT requested that they submit updated documents to verify the $0 income **or** update the applications yearly income. (Exhibit 5, AHCT Case Notes)

13. On [redacted] 2018, the Appellant submitted a change reporting application which reported a gross annual income of $67,074.00 and a current monthly income of $6,210.44 consisting of $4,085.00 for the Appellant and $2,125.44 for his spouse. (Exhibit#1, AHCT application #[redacted])

14. On [redacted], 2018, AHCT issued a notice to the Appellant stating that based on a family size of 5 and an annual income of $67,074.00, the Appellant and his spouse did not qualify for Husky A, Parents & Caretakers since the monthly income of $6,210.00 exceeded the income limit of $3,801.00. (Exhibit 3, Application Results Notice)

15. The FPL for Parents and Caretakers in a household of 5 is $3,801.00 (155% of the FPL). (F.H. Exhibit 1, CT Husky Health program Income guidelines, effective July 1, 2018)

16. On [redacted], 2018, the Application Results notice also indicated that the Appellant's 19 year old son did not qualify for Husky D – Adult because the household monthly income of $6,210.00 exceeded the income limit of $3,383.00 for this program. (Exhibit 3, Application Results Notice)

17. The FPL for children over the age of 19 for the Husky D program in a household of 5 is $3,384.00. (138% of the FPL). (F.H. Exhibit 1, CT Husky Health program Income guidelines, effective July 1, 2018)

18. The Appellants youngest two children were determined to be eligible for Husky B, band 1. (Hearing summary, Exhibit 2- Eligibility determination & Exhibit 3, Application results notice)

19. The FPL for children under 19 in a household of 5 for Husky A children is $4,929.00 (201% of the FPL). (F.H. Exhibit 1, CT Husky Health program Income guidelines, effective July 1, 2018)

20. The FPL for children under the age of 19 under the Husky B, band 1 is from $4,928.00 to $6,228.00. (F.H. Exhibit 1, CT Husky Health program Income guidelines, effective July 1, 2018)

21. The Federal Poverty Limit ("FPL") for a household of five at the time of enrollment is $29,420 per year which converted equals $2,452.00 ($29,420/ 12 = $2452.00) (Federal Register).

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 Code of Federal Regulations ("CFR") 155.110 (A) (2) provides the State may elect to authorize an Exchange established by the State to enter into an agreement with an eligible entity to carry out or more responsibilities of the Exchange. An eligible entity is: the State Medicaid agency, or any other State agency that meets the qualifications of paragraph (a) (1) of this section.

4. 45 CFR 155.505 (c) (1) provides Options for Exchange appeals. 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; or

5. 45 CFR 155.505 (d) Eligible entities. An appeals process established under this subpart must comply with § 155.110 (a).

6. 42 CFR § 435.603 (d) (1) provides for the construction of the modified adjusted gross income ("MAGI") household. Household income – (1) General Rule. Except as provided in paragraphs (d) (2) through (d) (4) of this section, household income is the sum of the MAGI-based income, as defined in paragraph (e) of this section, of every individual in the individual's household.

7. 42 CFR § 435.603(f) (1) (2) (iii) (3) (iii) provides for the construction of the modified adjusted gross income ("MAGI") household.

8. **AHCT correctly determined that based on the Appellant filing status as married filing taxes jointly, his MAGI household consists of himself, spouse and 3 tax dependent children. The Appellant is a household of five (5).**

9. **AHCT correctly determined that based on the Appellant's 19 year old filing status as a tax dependent, his MAGI household consists of himself, his father, mother and his siblings. He is a household of five (5).**

10. **AHCT correctly determined that based on the Appellant's youngest two children's filing status as tax dependent, they are a household of five (5) consisting of themselves, their father, mother and an older brother.**

11. Title 26 of the Internal Revenue Code ("IRC") 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.

12. Title 26 USC, Subtitle A, Chapter 1, Subchapter B, Part 1 § 62 provides in part for allowable deductions. (a) General rule, For purposes of this

subtitle, the term “adjusted gross income” means in the case of an individual, gross income minus the following deduction: Trade and Business Deductions, Certain Trade and Business Deductions of Employees, Losses from Sale or Exchange of Property, Deductions attributable to Rents and Royalties, Certain deductions of Life Tenants and Income Beneficiaries of Property, Pensions, Profit Sharing, and Annuity Plans of Self-Employed Individuals, Retirement Savings, Penalties forfeited because of premature withdrawal of funds from Time Savings Accounts or Deposits, Alimony, Reforestation Expenses, Certain required repayments of Supplemental Unemployment Compensation benefits, Jury duty pay remitted to Employer, Moving Expenses, Interest on Education Loans , Higher Education Expenses, Health Savings Accounts, Costs involving Discrimination Suits, Etc. and Attorney fees relating to Awards to Whistleblowers.

13. The Appellant’s self-attested monthly MAGI totaled $6210.00.

14. It is reasonable based on the evidence from the #1 Schedule C that page 2 of the Schedule C “Profit and Loss from Business “was missing.

15. AHCT correctly determined that page 2 of the Schedule C was necessary for an evaluation of the “other business expenses” on line 48 in order to make a determination of an allowable deduction.

16. 42 CFR §435.603 (g) pertains to no resource test or income disregards. In the case of individuals whose financial eligibility for Medicaid is determined in accordance with this section, the agency must not – (1) Apply any assets or resources test; or (2) Apply any income or expense disregards under sections 19025 (r) (2) or 1931 (b) (2) (C), or otherwise under title XIX of the Act, except as provided in paragraph (d) (1) of this section.

17. 42 CFR §435.603(d) provides for the application of the household’s modified adjusted gross income (“MAGI”). The household’s income is the sum of the MAGI-based income, as defined in paragraph (e) of this section, of every individual included in the individual’s household. Effective January 1, 2014, in determining the eligibility of an individual using MAGI-based income, a state must subtract an amount equivalent to 5 percentage points of the Federal Poverty Level for the applicable family size only to determine the eligibility of an individual for medical assistance under the eligibility group with the highest income standard using MAGI-based methodologies in the applicable Title of the Act, but not to determine eligibility for a particular eligibility group.

18. Five percent of the FPL for a family of five is $1,471.00 ($29,420 x.05) per year which was converted to $122.58 ($1471.00/ 12) per month.

19. The Appellant's household countable MAGI for a household of five based on the reported income at time of application was $6,087.86 ($6210.44- $122.58) per month.

20. Title 42 CFR § 435.110 (b) (c) (2) (i) provides that the agency must provide Medicaid to parents and care taker relatives whose income is at or below the income standard established by the agency in the State Plan.

21. Title 42 CFR § 435.119 provides that Medicaid health coverage is available for individuals age 19 or older and under 65 at or below 133 percent of the Federal Poverty Limit ("FPL").

22. Title 42 CFR §435.118 (b) (2) (ii) provides that the agency must provide Medicaid to children under age 19 whose income is at or below the income standard established by the agency in its State Plan.

23. Public Act 15-5 June Sp. Session 370 (a) provides in part Except as provided in section 17b-277, as amended by this act, and section 17b-292, as amended by public act 15-69 and this act, the medical assistance program shall provide coverage to persons under the age of nineteen with household income up to one hundred ninety–six percent of the federal poverty level without an asset limit and to persons under the age of nineteen, who qualify for coverage under Section 1931 of the Social Security Act, with household income not exceeding one hundred ninety-six percent of the federal poverty level without an asset limit, and their parents and needy caretaker relatives, who qualify for coverage under Section 1931 of the Social Security Act, with household income not exceeding one hundred fifty percent of the federal poverty level without an asset limit.

24. One hundred fifty percent of the FPL for a household of five is $3,678.00 ($2,452.00 x 1.50) per month.

25. One hundred thirty three percent of the FPL for a household of five is $3,261.16 ($2,452.00 x 1.33) per month.

26. **One hundred ninety-six percent of the FPL for a household of five is $4,805.92. ($2,452.00 x 1.96) which rounded up is $4,806.00 per month**.

27. The Appellant's household countable MAGI household income of $6,087.86 per month exceeds the income threshold of $3,678.00 for Medicaid / Husky A for Parents and Caretakers for a household of five (5).

28. **AHCT correctly determined the Appellant's MAGI income of $6,087.86 exceeded the income threshold of $3,261.16; thus AHCT correctly determined the Appellant's 19 year old child did not qualify under the Husky D- Adult Medicaid program.**

29. **The Appellant's countable MAGI household income of $6087.86 per month exceeds the income threshold of $4,805.92 for Medicaid, Husky A for Children under 19 years of age for a household of five (5).**

30. **AHCT correctly determined the Appellant's children under age 19 eligible for Husky B, band 1 as the household's monthly income of $6,087.86 was between $4,928.00 and $6,228.00.**

31. **AHCT correctly determined the Appellant was over income for the Medicaid Husky A for Parents and Caretakers.**

32. **AHCT was correct to discontinue the Husky A, Parents & caretakers for the Appellant and his spouse**.

DISCUSSION

The Appellant testified that he reported his spouse will stop working in the near future and believed AHCT should have taken that into consideration. However, there is nothing in regulations that would allow for such determinations of eligibility based on a future event. The Appellant is encouraged to re-apply when his circumstances change.

DECISION

The Appellant's appeal is DENIED.

Almelinda McLeod
Hearing Officer

CC: Becky Brown, Health Insurance Exchange, Access Health CT
Mike Towers, Health Insurance Exchange, Access Health CT
Debra Henry, 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.