

STATE OF RHODE ISLAND
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES APPEALS OFFICE

[REDACTED]

v.

DOCKET No. 24-0900

HEALTHSOURCE RHODE ISLAND

DECISION

I. INTRODUCTION

A telephonic hearing on the above-entitled matter was conducted by an Appeals Officer on June 3, 2025, with HealthSource Rhode Island (HSRI or the Exchange), a Spanish Interpreter, and [REDACTED] (Appellant). The Appellant initiated this matter to appeal the cost of her Qualified Health Plan (QHP) through HSRI. The Appellant filed a timely appeal on February 19, 2025, requesting that her health coverage premium be lowered to account for her expenses like rent and food. For the reasons discussed in more detail below, the decision has been decided against the Appellant.

II. JURISDICTION

The Executive Office of Health and Human Services (EOHHS) has been authorized as the exchange appeals entity by R.I.G.L. §42-7.2-6.1, EOHHS regulations at 210-RICR-10-05-2, and HSRI regulations at 220-RICR-90-00-1. The administrative hearing was held in accordance with the Administrative Procedures Act, R.I.G.L. §42-35-1 et. seq. and EOHHS regulation 210-RICR-10-05-2.



III. ISSUE

The issue is whether HSRI properly determined the Appellant's QHP eligibility for Advance Premium Tax Credits (APTC) and Cost Sharing Reduction (CSR) properly based on her reported income for a household of one.

IV. PARTIES AND EXHIBITS

HSRI's Appeals Specialist Mary Laurila attended the telephonic hearing, presented the arguments, and documentary evidence. Also, in attendance was General Counsel Ben Gagliardi who presented additional arguments on HSRI's behalf. HSRI offered the following evidence into the record:

- Exhibit #1: Benefits Decision Notice (BDN) dated February 11, 2025.
- Exhibit #2: BDN dated February 26, 2025.
- Exhibit #3: BDN dated May 2, 2025.

The Appellant attended the telephonic hearing and testified on her own behalf with the assistance of a Spanish Interpreter. The Appellant did not offer any evidence into the record.

V. RELEVANT LAW and/or POLICY

The Rhode Island Code of Regulations (RICR) in effect at the time of the action, 210-RICR-10-05-2 entitled "Appeals Process and Procedures for EOHHS Agencies and Programs", states in part that EOHHS has been authorized as the designated exchange appeals entity for the appeals process, administrative fair hearings, and appeal decisions which also provides a federal review option. Pursuant to 220-RICR-90-00-1 entitled "Health Benefits Exchange" provides established guidance pertaining to HSRI.

The Code of Federal Regulations (C.F.R.) at 45 C.F.R. §155 for the Health Benefits Exchange under the Affordable Care Act (ACA) provides established guidance to the

Exchange's functions. Specifically, 45 C.F.R. §155.305(f)(1) "Eligibility for advance payments of the premium tax credit" states in part that the Exchange must determine a tax filer eligible for APTC if the household income qualifies. §155.305(g)(1)(i)(C) "Eligibility for cost-sharing reductions" states in part for CSR eligibility it is expected that household income does not exceed 250% of the Federal Poverty Level (FPL) for the benefit year coverage is requested. §155.330(a) and (f) "Eligibility redetermination during a benefit year" states in part that the exchange must redetermine eligibility if it receives and verifies new information reported by an enrollee. Furthermore, any changes made by an enrollee must be implemented on the first day of the month following the reported change.

26 C.F.R. §1.36B-1 provides established guidance for the Internal Revenue Service explains how the Premium Tax Credits are applied based on a Modified Adjusted Gross Income.

VI. FINDINGS OF FACT

1. APTCs and CSRs are forms of financial assistance that a person may be eligible for to offset the cost of the health coverage premium.
2. The Appellant was approved for on CSR from January 1, 2025, through February 28, 2025, for a household of two. Her household consisted of herself and her son.
3. The Appellant's reported income effective January 1, 2025, through February 28, 2025, was \$36,000.00 annually which is 176% of the Federal Poverty Level (FPL). The Appellant received a CSR of \$598.00 per month towards her health insurance premium.
4. On February 11, 2025, the Appellant reported to HSRI that her annual income changed to \$53,000.00 which is 355% of the FPL. The CSR closed and she became eligible for APTC of \$232.38 per month effective March 1, 2025.
5. The Appellant verbally closed her case with HSRI on February 11, 2025.

6. On February 11, 2025, a BDN was mailed to the Appellant stating her APTC, CSR, and Private Health Insurance, effective March 1, 2025, is closed. The notice further stated she verbally requested to be removed, and her son left the household. The BDN cited legal basis 45 C.F.R. §155.310 and 45 C.F.R. §155.305.

7. On February 26, 2025, the Appellant re-opened her application with HSRI as a household of one and reported of income of \$53,000.00.

8. On February 26, 2025, a BDN was mailed to the Appellant approving her APTC and Private Health Insurance but closing CSR because the household income is higher than the requirements effective March 1, 2025. The notice further stated the Appellant's monthly cost of health coverage premium for 2025 is \$387.43. The BDN cited legal basis 45 C.F.R. §155.305(g).

9. On May 2, 2025, the Appellant reported to HSRI that her annual income changed to \$49,044.00. HSRI redetermined the Appellant's eligibility based on the change effective June 1, 2025. This eligibility change increased her APTC to \$333.24, but she remained ineligible for CSR.

10. On May 2, 2025, a BDN was mailed to the Appellant approving her APTC and Private Health Insurance but closing CSR because the household income is higher than the requirements effective June 1, 2025. The notice further stated the Appellant's monthly cost of health coverage premium for 2025 is \$286.57. The BDN cited legal basis 45 C.F.R. §155.305(g).

11. The Appellant did not dispute her household composition nor her reported household income but claims that her household expenses should be taken into consideration.

VII. DISCUSSION

HSRI maintains that the Appellant's APTC and CSR eligibility were properly calculated based on her application updates. The Appellant was originally a household of two which

consisted of herself and her son. At that time her income was \$36,000 annually so she was eligible for CSR. The Appellant's son left her household February 11, 2025, and she became a household on one. The Appellant reported two income changes first on February 11, 2025, and again on May 2, 2025. HSRI redetermined her eligibility on both occasions for CSR and APTC pursuant to the regulations and her health coverage premiums were also adjusted accordingly. HSRI stated the Appellant's eligibility was correct.

HSRI further clarified that the regulations cited require HSRI to determine eligibility for APTC based on a Modified Adjusted Gross Income (MAGI) which is defined under 26 C.F.R. §1.36B-1. Under the definition for MAGI, income is determined by adjusted gross income tax standards plus certain modifications listed under §911 of this regulation. The Appellant's expenses do not meet the criteria for any additional deductions off her income.

The Appellant testified with assistance from the Spanish Interpreter that she disagreed with HSRI's decision because what she earns in income is not the same as she takes home. She argued she does not own property or have any bank accounts. Additionally, she has expenses that include rent, gas, lights, telephone, car insurance, food, medical copayments, and other personal expenses monthly. She insisted she does not have enough money to support herself. HSRI responded to the Appellant's argument and explained that they cannot determine eligibility based on net income per the regulations.

There is no dispute that the Appellant's household consists of herself only effective March 1, 2025. The Appellant agreed she reported changes in income to HSRI in February 2025, from \$36,000.00 to \$53,000.00 annually. A review of the regulations shows HSRI redetermined the Appellant's eligibility pursuant to 45 C.F.R. §155.305(g)(1)(i)(C) and based on her income of \$53,000.00 which is 355% of the FPL and clearly over 250% of the FPL, therefore the

Appellant is ineligible for CSRs. The Appellant then became eligible for APTCs pursuant to 45 C.F.R. §155.305(f)(1). The Appellant again agreed she reported a decrease in income to HSRI in May 2025 to \$49,000.00 annually, and HSRI redetermined her eligibility which increased her APTCs, but she remained ineligible for CSRs because her income remained over 250% of the FPL. On both occasions the Appellant's eligibility effective dates were determined as March 1, 2025, and June 1, 2025, respectively pursuant to 45 C.F.R. §155.330(a) and (f)(1)(i).

However, the Appellant does dispute how HSRI is calculating her income as they do not take into consideration her household expenses. In review of 26 C.F.R. §1.36B-1, Household income is based on a taxpayers modified adjusted gross income. In this case the Appellant is not eligible for any exemptions off her income, therefore the income calculated is accurate.

VIII. CONCLUSIONS OF LAW

After a careful and considerate review of the evidence and testimony as well as the Federal and State regulations, the Appeals Officer finds:

1. The Appellant reopened her QHP as a household of one with \$53,000.00 on February 26, 2025, and was approved for APTC but ineligible for CSR effective March 1, 2025.
2. The Appellant reported a decrease in income to \$49,000.00 on May 2, 2025, and was approved for an increase in the APTC, but remained ineligible for CSR effective June 1, 2025.
3. HSRI calculated the Appellant's APTC, CSR, and health coverage premiums based on her household of one and her income. The Appellant was ineligible for any additional deductions off her income.
4. HSRI properly approved the Appellant for APTC, and closed CSR as required.

IX. DECISION

Based on the foregoing Findings of Fact, Conclusions of Law and by a preponderance of evidence it is found that a final order be entered that the Appellant's request for relief is denied.

APPEAL DENIED

/s/ Louanne Marcello

Louanne Marcello
Appeals Officer

CERTIFICATION

I hereby certify that I mailed, via regular mail, postage prepaid, a true copy of the foregoing to [REDACTED] and via email [REDACTED], and via email to Mary Laurila, Ben Gagliardi, Vianchell Tiburcio, and Lindsay Lang on this 17th day of JUNE, 2025.

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