

Massachusetts Health Connector Appeals Unit

FINAL APPEAL DECISION: PA16-707

Appeal Decision: Appeal
Hearing Issue: Appeal of the 2016 Tax Year Penalty
Hearing Date: 2/6/2018
Decision Date: 6/1/2018

AUTHORITY

This hearing was conducted pursuant to the Massachusetts General Laws, Chapter 111M, Chapter 176Q, Chapter 30A and 801 CMR 1.02 and the rules and regulations promulgated thereunder.

JURISDICTION

Any person aggrieved by the assessment or potential assessment of the individual mandate penalty may file an appeal, pursuant to the provisions of Mass. General Laws Chapter 111M, Section 4 and 956 CMR 6.07.

HEARING RECORD

The Appellant appeared at the hearing, which was held by telephone, on February 6, 2018. The hearing record consists of the Appellant's testimony and the following documents which were admitted into evidence:

Exhibit 1: Appeal Case Information from Schedule HC
Exhibit 2: Notice of Hearing
Exhibit 3: Statement of Grounds for Appeal

FINDINGS OF FACT

The record shows, and I so find:

1. I adopt the facts set forth in Exhibit 1 as my own finding of fact. Exhibit 1 is a computer printout prepared by the Massachusetts Department of Revenue (DOR) that extracts information submitted by the Appellant on Schedule HC as part of the Appellant's 2016 Massachusetts income tax return. The information in Exhibit 1 is consistent with the testimony and documentary evidence at the hearing.
2. The Appellant is 42 years old, resides in Plymouth County, and had an adjusted gross income of \$27,038 in 2016. Her filing status was single. (Exhibit 1)
3. The Appellant stated that she could not afford insurance. (Exhibit 3)
4. The Appellant testified that she was not sure if she applied for medical coverage through the Connector in 2016.
5. I take administrative notice of the financial information set forth in Tables 1 through 6 in the DOR 2016 Massachusetts Schedule HC Health Care Instructions and Worksheets. Tables 3 and 4 incorporate the affordability schedules adopted by the board of directors for the Commonwealth Health Insurance Connector Authority (Health Connector or Connector) for 2016. See, 956 Code

Mass. Regs. 6.05. Table 2 sets forth income eligibility standards for various family sizes at 300% of the federal poverty level, which is the income eligibility standard for the ConnectorCare government subsidized health insurance program. Tables 5 and 6 set forth the tax penalties in effect for 2016.

6. The Appellant's adjusted gross income of \$27, 038, which is less than 300% of the 2016 Federal Poverty Level for a one-person household (\$35,310).
7. According to Schedule HC, Table 3, the Appellant can afford to pay a premium of up to 4.2% of her gross income, or \$94.63 per month.
8. DOR assessed a 12 month penalty on the Appellant's 2016 personal income tax return. The basis for the penalty assessment is that the Appellant did not have health insurance coverage at any time in 2016. (Exhibit 2)
9. According to Schedule HC, Table 4, Region 3, health insurance coverage would have cost \$281.00 per month for individual coverage for the Appellant, in the 40-44 age bracket.

ANALYSIS AND CONCLUSIONS OF LAW

G.L c. 111M, § 2, also called the "individual mandate", states requires every adult resident of Massachusetts to obtain insurance coverage "[s]o long as it is deemed affordable" under the schedule established by the board of the Connector. Residents who do not obtain insurance are subject to a tax penalty for each month in which the individual did not have health insurance. *Id.* at §2(b).

Appellant's 2016 income exceeds 150% of the federal poverty level (\$17,655) which makes her subject to the individual mandate, so long as creditable health insurance was affordable. In accordance with Schedule HC, the Appellant could afford to pay no more than \$94.63 per month and available health insurance would have cost \$281 per month. I find that the cost of health insurance was not affordable to the Appellant, and, accordingly, the Appellant's appeal is allowed.

PENALTY ASSESSED

Number of Months Appealed: 12 Number of Months Assessed: 0

If the number of months assessed is zero (0) because your penalty has been overturned, the Connector has notified the Department of Revenue that you should NOT be assessed a penalty for Tax Year 2011.

NOTIFICATION OF YOUR RIGHT TO APPEAL TO COURT

If you disagree with this decision, you have the right to appeal to Court in accordance with Chapter 30A of the Massachusetts General Laws. To appeal, you must file a complaint with the Superior Court for the county where you reside, or Suffolk County Superior Court within thirty (30) days of your receipt of this decision.

Hearing Officer

Cc: Connector Appeals Unit