

STATE OF VERMONT

HUMAN SERVICES BOARD

In re ) Fair Hearing No. 17,244  
 )  
Appeal of )

INTRODUCTION

The petitioner appeals a decision by PATH to terminate her VHAP (Vermont Health Access Plan) benefits due to an increase in her earned income.

FINDINGS OF FACT

1. The petitioner is a single person who is self-employed in a business she operates with some other partners. She has been enrolled in VHAP since June of 2000. VHAP pays her large medication expenses of \$500 to \$600 per month.

2. The petitioner reported to PATH in July of this year that her income had increased to \$1,397.50 per month. PATH recalculated her VHAP eligibility based on this increase and notified the petitioner on July 20, 2001 that she would be terminated from the program on July 31, 2001 due to excess income. The petitioner appealed that decision on August 2, 2001.

3. The petitioner is in a position where she can determine how much of the profit from her company (which is in the start-up phase) is allocated to her as income and how much is invested in the business. The petitioner says she

would not have given herself the small raise if she had known it would make her ineligible for health benefits. She is hoping that within the next year her business will be able to do well enough to start purchasing health benefits for all its employees, including herself.

ORDER

The decision of the Department is affirmed.

REASONS

The VHAP eligibility regulations count gross income earned less a \$90 monthly earnings disregard. W.A.M. 4001.81(c) and (e). The petitioner's current gross income of \$1,397.50 minus the \$90 disregard leaves a countable income of \$1,307.50. The regulations require a comparison between the countable income and 150 percent of the federal poverty level which at this time is \$1,074 for a household of one. P-2420B(16).

Under the VHAP regulations, no deduction from income is allowed for excessive medical expenses. Thus, although the petitioner has crushing prescription bills, they cannot be taken into consideration with regard to her eligibility for the program. She is currently more than \$200 over the monthly maximum for VHAP. So long as her income continues to be over \$1,074 per month (after the \$90 deduction) she will be

ineligible for the VHAP program.

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