

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. 18,751
)
Appeal of)
)

INTRODUCTION

The petitioner appeals a decision of the Department of Prevention, Assistance, Transition, and Health Access (PATH) terminating her daughter's Vermont Health Assistance Program (VHAP) benefits because insurance is available to her through her college.

FINDINGS OF FACT

1. The petitioner's daughter is a twenty-year-old full-time student at the University of Vermont. She lives with the petitioner and her husband. The petitioner and her husband have been found eligible for VHAP.

2. In October 2003 PATH sent the petitioner a notice that her daughter's VHAP benefits would cease because her college offers group health insurance for its students covering doctor and hospital bills which the petitioner declined.

3. The petitioner agrees that her daughter's college offers an insurance program but she maintains that it is

prohibitively expensive. She also maintains that it does not provide coverage for certain treatment relating to her daughter's primary medical expense, which is a chronic eye problem.

4. There is no dispute that coverage available to the petitioner's daughter through her college would at least cover basic hospital and physicians services for both accidents and illnesses. At the hearing in this matter the petitioner alleged that a college insurance plan would cost \$2,300. It is not clear if this is an annual premium, or if this is for a plan with enhanced benefits. (The Department alleges that the petitioner had earlier represented that her daughter's college plan would cost \$1,300.) The petitioner has presented no evidence that the University of Vermont does not offer a basic plan of coverage for its students that would cost significantly less than market rates for similar coverage under a private plan.

ORDER

The decision of PATH terminating the petitioner's daughter's VHAP benefits is affirmed.

REASONS

PATH's regulations limit VHAP coverage to "uninsured and underinsured" individuals. VHAP 4001.2. Those terms are defined as follows:

Individuals meet this requirement only if they do not qualify for Medicare and have no other insurance that includes both hospital and physician services, and did not have such insurance within the 12 months prior to the month of application, unless they meet one of the following exceptions specified below.

. . .

(b) Exceptions related to loss of college or university-sponsored coverage.

Individuals who had coverage under another health insurance plan within the 12 months prior to the month of application meet this requirement if college or university-sponsored health insurance became unavailable to them because they graduated, took a leave of absence, or otherwise terminated their studies.

Students under the age of 23 enrolled in a program of an institution of higher education are not eligible for coverage, however, if they:

- have elected not to purchase health insurance covering both hospital and physician services offered by their education institution; or
- are eligible for coverage through the policy held by their parents, but their parents have elected not to purchase this coverage.

VHAP 4001.2

In this case, there is no dispute that the petitioner's daughter's college offers a health insurance policy covering

both hospital and physician services which she elected not to purchase, although the cost of this coverage is not clear. The Board has held previously that the above restriction is a reasonable one because it "allows PATH to cover the largest group of completely uninsured persons possible by excluding other persons who have reasonable access to some minimal level of insurance through the group insurance rates of an institution." See Fair Hearing No. 17,538. The Board has also noted that there is no exception in the regulation regarding the cost of the benefits provided by the institution's insurance policy so long as it covers "both hospital and physician services." See Fair Hearing Nos. 17,472, 16,524, 16,378, and 16,748.

At the hearing the Department advised the petitioner's daughter to apply for Medicaid, for which she appears to be categorically eligible. However, based on the family's income it appears that her daughter will be assessed a significant "spenddown", or deductible, before Medicaid can cover any of her medical expenses. However, even with such a spenddown, this would at least provide the petitioner's daughter with coverage for any expensive unforeseen or catastrophic medical needs.

Unfortunately, the regulations do not allow exceptions in cases either where college insurance coverage is costly or where the student has medical expenses that are beyond the coverage limits of basic health and accident insurance.

Inasmuch as PATH's decision in this matter is in accord with its rule, its decision terminating her benefits for failure to elect the school-sponsored insurance program must be upheld by the Board. 3 V.S.A. § 3091(d), Fair Hearing Rule 17.

#