

130 CMR 506.000: HEALTH CARE REFORM: MASSHEALTH: FINANCIAL REQUIREMENTS

Section

- 506.001: Introduction
- 506.002: Household Composition
- 506.003: Countable Household Income
- 506.004: Noncountable Household Income
- 506.005: Verification of Income
- 506.006: Transfer of Income
- 506.007: Calculation of Financial Eligibility
- 506.008: Cost-of-living Adjustment (COLA) Protections
- 506.009: The One-time Deductible
- 506.010: Verification of Medical and Remedial-care Expenses
- 506.011: MassHealth Premiums and the Children's Medical Security Plan (CMSP) Premiums
- 506.012: Premium Assistance Payments
- 506.014: Copayments Required by MassHealth
- 506.018: Maximum Cost Sharing

506.001: Introduction

(A) 130 CMR 506.000 describes the rules governing financial eligibility for MassHealth. Financial eligibility includes household composition, countable income, deductibles, calculation of premiums, and copayments for all coverage types described in 130 CMR 505.000: *Coverage Types*.

(B) Financial eligibility for MassHealth Medicare Savings Programs is determined in accordance with 130 CMR 519.010: *Medicare Savings Program (MSP) - Qualified Medicare Beneficiaries (QMB)*, 130 CMR 519.011: *Medicare Savings Program (MSP) - Specified Low Income Medicare Beneficiaries and Qualifying Individuals*, and 130 CMR 520.000: *Financial Eligibility*.

506.002: Household Composition

(A) Determination of Household Composition. MassHealth determines household size at the individual member level. MassHealth determines household composition in two ways.

(1) MassHealth Modified Adjusted Gross Income (MAGI) Household Composition. MassHealth uses the MassHealth MAGI household composition rules to determine member eligibility for the following benefits:

- (a) MassHealth Standard, as described in 130 CMR 505.002(B), (C), (D), (F), and (G);
- (b) MassHealth CommonHealth, as described in 130 CMR 505.004(F) and (G);
- (c) MassHealth CarePlus, as described in 130 CMR 505.008: *MassHealth CarePlus*;
- (d) MassHealth Family Assistance, as described in 130 CMR 505.005(B) through (E);
- (e) MassHealth Limited, as described in 130 CMR 505.006: *MassHealth Limited*; and
- (f) Children's Medical Security Plan (CMSP), as described in 130 CMR 522.004: *Children's Medical Security Plan (CMSP)*.

(2) MassHealth Disabled Adult Household. MassHealth uses the MassHealth Disabled Adult household composition rules to determine member eligibility for the following benefits:

- (a) MassHealth Standard, as described in 130 CMR 505.002(E): *Disabled Adults*;
- (b) MassHealth CommonHealth, as described in 130 CMR 505.004(B) through (E); and
- (c) MassHealth Family Assistance, as described in 130 CMR 505.005(F): *Eligibility Requirement for Disabled Adults Who Are Qualified Noncitizens Barred, Nonqualified Individuals Lawfully Present, and Nonqualified PRUCOLs with Modified Adjusted Gross Income of the MassHealth Disabled Adult Household at or Below 100% of the Federal Poverty Level*.

506.002: continued

(B) MassHealth MAGI Household Composition.

(1) Taxpayers Not Claimed as a Tax Dependent on Their Federal Income Taxes. For an individual who expects to file a tax return for the taxable year in which the initial determination or renewal of eligibility is being made and who is not claimed as a tax dependent by another taxpayer, the household consists of

- (a) the taxpayer, including their spouse, if the taxpayers are married and filing jointly regardless of whether they are living together;
- (b) the taxpayer's spouse, if living with them regardless of filing status;
- (c) all persons the taxpayer expects to claim as tax dependents; and
- (d) if any individual described in 130 CMR 506.002(B)(1)(a) through (c) is pregnant, the number of expected children.

(2) Individuals Claimed as a Tax Dependent on Federal Income Taxes.

(a) For an individual who expects to be claimed as a tax dependent by another taxpayer for the taxable year in which the initial determination or renewal of eligibility is being made and who does not otherwise meet the Medicaid exception rules as described in 130 CMR 506.002(B)(2)(b)1, 2., or 3., the household consists of

- 1. the individual;
- 2. the individual's spouse, if living with them;
- 3. the taxpayer claiming the individual as a tax dependent;
- 4. any of the taxpayer's tax dependents; and
- 5. if any individual described in 130 CMR 506.002(B)(2)(a)1. through 4. is pregnant, the number of expected children.

(b) Medicaid Exceptions. Household size must be determined in accordance with non-tax filer rules for any of the following individuals:

- 1. individuals other than the spouse or natural, adopted, or stepchild who expect to be claimed as a tax dependent by the tax payer;
- 2. individuals younger than 19 years old who expect to be claimed by one parent as a tax dependent and are living with both natural, adopted or stepparents, but whose natural, adopted, or stepparents do not expect to file a joint tax return;
- 3. individuals younger than 19 years old who expect to be claimed as a tax dependent by a noncustodial parent. For the purpose of determining custody, MassHealth uses a court order or binding separation, divorce, or custody agreement establishing physical custody controls or, if there is no such order or agreement or in the event of a shared custody agreement, the custodial parent is the parent with whom the child spends most nights.

(3) Individuals Who Do Not File a Federal Tax Return and Are Not Claimed as a Tax Dependent on a Federal Tax Return. For an individual who does not expect to file a federal tax return and who does not expect to be claimed as a tax dependent on a federal tax return or when any of the exceptions described at 130 CMR 506.002(B)(2)(b)1., 2., or 3. apply, the household consists of

- (a) the individual;
- (b) the individual's spouse if living with them;
- (c) the individual's natural, adopted, and stepchildren younger than 19 years old if living with them;
- (d) for individuals younger than 19 years old, the individual's natural, adoptive, or stepparents and natural, adoptive, or stepsiblings younger than 19 years old if living with them; and
- (e) if any individual described in 130 CMR 506.002(B)(3)(a) through (d) is pregnant, the number of expected children.

(C) MassHealth Disabled Adult Household. The household consists of

- (1) the individual;
- (2) the individual's spouse if living with them;
- (3) the individual's natural, adopted, and stepchildren younger than 19 years old if living with them; and
- (4) if any individual described in 130 CMR 506.002(C)(1), (2) or (3) is pregnant, the number of expected children.

506.012: continued

- (b) Members whose premium assistance amount changes as the result of a reported change or any adjustment in the premium assistance payment formula receive the new premium assistance payment beginning with the calendar month following the reported change.
- (3) Termination of Premium Assistance Payments.
 - (a) If a member's health insurance terminates for any reason, the MassHealth premium assistance payments end.
 - (b) If there is a change in the services covered under the policy that affects the Basic Benefit Level (BBL) requirements, the premium assistance payments end.
 - (c) Members who become eligible for a different coverage type in which they are not eligible to receive a premium assistance benefit receive their final premium assistance payment in the calendar month in which the coverage type changes.
 - (d) If a member voluntarily withdraws their MassHealth application for benefits, the MassHealth premium assistance payments end.
- (4) Premium Assistance Reimbursement Adjustments.
 - (a) As stated in 130 CMR 501.012, the MassHealth agency has the right to recover payment for medical benefits to which the member was not entitled at the time the benefit was received, regardless of who was responsible and whether or not there was fraudulent intent.
 - (b) If a member receives a premium assistance payment and is not entitled to receive all or part of the payment, regardless of who was responsible and whether or not there was fraudulent intent, the MassHealth agency will notify the member of the premium assistance reimbursement adjustment in writing and inform the member to repay the difference between the premium assistance reimbursement they received and the corrected premium assistance reimbursement amount within 30 days of the date of the reimbursement adjustment notice.
 - (c) At the discretion of the MassHealth agency, policyholders may apply for a monthly payment plan agreement to govern the repayment of their reimbursement adjustment.
 - (d) A member may not be required to repay a Premium Assistance Reimbursement Adjustment where the reimbursement adjustment
 - 1. was identified as an error on the part of the MassHealth agency when the agency knew or should have known at the time the Premium Assistance reimbursement was made based on the information available to it that the Premium Assistance reimbursement amount was incorrect;
 - 2. has a total value of no more than \$100;
 - 3. is associated with a former Premium Assistance policyholder who is identified as deceased; or
 - 4. occurred prior to April 1st, 2023.
 - (e) Where a Premium Assistance Reimbursement Adjustment is identified by the MassHealth agency to be greater than four times the monthly Premium Assistance amount, a member may not be required to repay any amount exceeding four times the monthly Premium Assistance amount. Example: If a member had a monthly Premium Assistance amount of \$500, they may not be required to repay the portion of the Premium Assistance Reimbursement Adjustment amount exceeding \$2000.
- (5) Referral to State Intercept Program for Collection of Delinquent Premium Assistance Reimbursement Adjustments. The MassHealth agency may refer a member who is 150 days or more in arrears to the State Intercept Program (SIP) in compliance with 815 CMR 9.00: *Collection of Debts*. Members will not be referred to SIP for collection of a past due balance if they have and are currently paying on the payment-plan arrangement that was approved by the MassHealth agency.
- (6) Temporary Deferral or Reduction of Premium Assistance Reimbursement Adjustments for Undue Financial Hardship.
 - (a) Policyholders with an active Premium Assistance Reimbursement Adjustment may be eligible for a temporary deferral or reduction of their monthly reimbursement adjustment repayments if they are experiencing an undue financial hardship.
 - (b) Policyholders must first set up a monthly payment plan to repay the Premium Assistance Reimbursement Adjustment before they may apply for the temporary deferral or reduction.

506.012: continued

(c) The MassHealth agency may determine that a policyholder is experiencing an undue financial hardship and is eligible for a temporary deferral or reduction of their reimbursement adjustment if they meet one or more of the following criteria, at the discretion of the agency:

1. are homeless, or are more than 30 days in arrears in rent or mortgage payments, or have received a current eviction or foreclosure notice;
2. have a current shut-off notice, or have been shut off, or have a current refusal to deliver essential utilities (gas, electric, oil, water, or telephone);
3. have a very high student loan bill or are delinquent in their student loan repayments, and there is no forgiveness, forbearance, or deferment available;
4. have medical and/or dental expenses, totaling more than 7.5% of the family group's gross annual income, that are not subject to payment by the Health Safety Net, and have not been paid by a third-party insurance, including MassHealth (in this case "medical and dental expenses" means any outstanding medical or dental services debt that is currently owed by the family group or any medical or dental expenses paid by the family group within the 12 months prior to the date of application for a deferral, regardless of the date of service);
5. have experienced a significant, unavoidable increase in essential expenses within the last six months;
6. have suffered within the six months prior to the date of application for a deferral, or are likely to suffer in the six months following such date, economic hardship because of a state or federally declared disaster or public health emergency; or
7. have an annual household income of no more than 150% of the Federal Poverty Level.

(d) Policyholders who are denied their request for a temporary deferral or reduction of their Premium Assistance Reimbursement Adjustment may appeal that decision.

506.014: Copayments Required by MassHealth

The MassHealth agency does not require its members to make any copayments.

506.018: Maximum Cost Sharing

Members are responsible for the MassHealth premiums described in 130 CMR 506.012 up to a monthly maximum of 3% of applicable monthly income, except no such limit applies to CommonHealth members. Each member's monthly premium cap will be calculated using 3% of the lowest income in the MassHealth MAGI household or the MassHealth Disabled Adult household, as applicable. A further explanation of this calculation is publicly available on MassHealth's website.

REGULATORY AUTHORITY

130 CMR 506.000: M.G.L. c. 118E, §§ 7 and 12.