

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2307484
Decision Date:	10/2/2023	Hearing Date:	09/27/2023
Hearing Officer:	Susan Burgess-Cox		

Appearance for Appellant:
Pro se

Appearance for MassHealth:
Julieta Peters



*The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
Board of Hearings
100 Hancock Street, Quincy, Massachusetts 02171*

APPEAL DECISION

Appeal Decision:	Denied	Issue:	Eligibility
Decision Date:	10/2/2023	Hearing Date:	09/27/2023
MassHealth's Rep.:	Julieta Peters	Appellant's Rep.:	Pro se
Hearing Location:	All Parties Appeared by Telephone	Aid Pending:	Yes

Authority

This hearing was conducted pursuant to Massachusetts General Laws Chapter 118E, Chapter 30A, and the rules and regulations promulgated thereunder.

Jurisdiction

Through a notice dated August 15, 2023, MassHealth notified the appellant that she does not qualify for MassHealth because her income is too high. (130 CMR 506.007; 130 CMR 502.003; Exhibit 1). The appellant filed an appeal in a timely manner on August 24, 2023. (130 CMR 610.015; Exhibit 2). Denial of assistance is valid grounds for appeal. (130 CMR 610.032).

Action Taken by MassHealth

MassHealth notified the appellant that she is not eligible for MassHealth because her income is too high.

Issue

Whether MassHealth was correct in their decision regarding the appellant's eligibility for MassHealth.

Summary of Evidence

The appellant is a family group of one with monthly earned income of \$3,314.75 and monthly unearned income from the Social Security Administration in the amount of \$1,321. After applying a 5% disregard as required under the regulations (\$60.75), the appellant's countable monthly income of \$4,575, and annual income of \$54,900 place her at 376.54% of the federal poverty level for a family group of one.¹ The appellant has not been deemed disabled by MassHealth or the Social Security Administration. The MassHealth representative testified that the appellant's monthly income made her ineligible for MassHealth as it is over 133% of the federal poverty level which is \$1,616 for a family group of one.

The appellant did not dispute the income information presented by MassHealth. The appellant testified that she cannot afford to pay for health insurance. The appellant wanted the agency to consider expenses such as rent, utilities and gasoline in determining eligibility.

Findings of Fact

Based on a preponderance of the evidence, I find the following:

1. The appellant is a member of a family group of one.
2. The appellant receives \$1,321 each month from the Social Security Administration.
3. The appellant has monthly earned income of \$3,314.75.
4. The appellant has not been deemed disabled by MassHealth or the Social Security Administration.
5. The appellant's income is over 133% of the federal poverty level.

Analysis and Conclusions of Law

130 CMR 505.000 explains the categorical requirements and financial standards that must be met to qualify for a MassHealth coverage type (130 CMR 505.001). As described in 130 CMR 505.001, the MassHealth coverage types are as follows:

¹ At hearing, the MassHealth representative provided testimony as to income amounts and the agency's calculation of the Federal Poverty Level. While the MassHealth representative at hearing testified that the appellant's income placed her at 386.84% of the Federal Poverty Level for a family group of one, the figures presented at hearing are not consistent with that calculation. Instead, the figures presented by MassHealth appear to place the appellant at 376.54% of the Federal Poverty Level after applying a regulatory disregard of \$60.75. This decision will utilize the figures presented at hearing but not the calculations presented by the representative. An income at 386.75% of the federal poverty level would be a monthly income of \$4,700. The figures used in this decision are lower than that amount and in the appellant's favor.

- (1) Standard – for pregnant women, children, parents and caretaker relatives, young adults, disabled individuals, certain persons who are HIV positive, individuals with breast or cervical cancer, independent foster care adolescents, Department of Mental Health members, and medically frail as such term is defined in 130 CMR 505.008(F);
- (2) CommonHealth – for disabled adults, disabled young adults, and disabled children who are not eligible for MassHealth Standard;
- (3) CarePlus – for adults 21 through 64 years of age who are not eligible for MassHealth Standard;
- (4) Family Assistance – for children, young adults, certain noncitizens, and persons who are HIV positive who are not eligible for MassHealth Standard, CommonHealth, or CarePlus;
- (5) Small Business Employee Premium Assistance – for adults or young adults who
 - (a) work for small employers;
 - (b) are not eligible for MassHealth Standard, CommonHealth, Family Assistance, or CarePlus;
 - (c) do not have anyone in their premium billing family group who is otherwise receiving a premium assistance benefit; and (d) have been determined ineligible for a Qualified Health Plan with a Premium Tax Credit due to access to affordable employer-sponsored insurance coverage;
- (6) Limited – for certain lawfully present immigrants as described in 130 CMR 504.003(A), nonqualified PRUCOLs, and other noncitizens as described in 130 CMR 504.003: Immigrants; and
- (7) Senior Buy-In and Buy-In – for certain Medicare beneficiaries.

The rules of financial responsibility and calculation of financial eligibility are detailed in 130 CMR 506.000: Health Care Reform: MassHealth: Financial Requirements. (130 CMR 505.001). The financial standards referred to in 130 CMR 505.000 use MassHealth modified adjusted gross income (MAGI) household or MassHealth Disabled Adult household, as defined in 130 CMR 506.002: Household Composition. (130 CMR 505.001(B)).

Pursuant to 130 CMR 506.002(A), MassHealth determines household size at the individual member level. MassHealth determines household composition through the Modified Adjusted Gross Income (MAGI) composition rules and the MassHealth Disabled Household composition rules. (130 CMR 506.002(A)). Individuals who expect to file a tax return for the taxable year in which the initial determination or renewal of eligibility is being made and who are not claimed as a tax dependent by another taxpayer have a household consisting of:

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

The appellant did not dispute the fact that she is a member of a family group of one. (130 CMR 506.002(B)(1)). The appellant has not been deemed disabled by MassHealth or the Social Security Administration.

To calculate financial eligibility for an individual, MassHealth will construct a household as described in 130 CMR 506.002 for each individual who is applying for or renewing coverage. (130 CMR 506.007). Different households may exist within a single family, dependent on the family members' familial and tax relationships to each other. (130 CMR 506.007). The appellant's household meets the definition of a MassHealth MAGI household of one. (130 CMR 506.002).

The rules at 130 CMR 506.003 and 506.004 describing countable income and noncountable income apply to MassHealth MAGI households. (130 CMR 506.007). Countable income includes earned income described in 130 CMR 506.003(A) and unearned income described in 130 CMR 506.003(B) less deductions described in 130 CMR 506.003(D). (130 CMR 506.007). Income of all the household members forms the basis for establishing an individual's eligibility. (130 CMR 506.007). The earned and unearned income from the appellant form the basis for establishing her eligibility for MassHealth.

The regulations define earned income as the total amount of taxable compensation received for work or services performed less pretax deductions. (130 CMR 506.003(A)(1)). Earned income may include wages, salaries, tips, commissions, and bonuses. (130 CMR 506.003(A)(1)). The appellant's wages meet the definition of earned income.

Unearned income is the total amount of taxable income that does not directly result from the individual's own labor after allowable deductions on the U.S Individual Tax Return. (130 CMR 506.003(B)(1)). Unearned income may include, but is not limited to, social security benefits, railroad retirement benefits, pensions, annuities, certain trusts, interest and dividend income, state or local tax refund for a tax you deducted in the previous year, and gross gambling income. (130 CMR 506.003(B)(2)). The income that the appellant receives from the Social Security Administration meets the definition of unearned income.

MassHealth allows the following deductions from countable income when determining MAGI:

- (1) educator expenses;

- (2) reservist/performance artist/fee-based government official expenses;
- (3) health savings account;
- (4) moving expenses;
- (5) self-employment tax;
- (6) self-employment retirement account;
- (7) penalty on early withdrawal of savings;
- (8) alimony paid to a former spouse;
- (9) individual retirement account (IRA);
- (10) student loan interest; and
- (11) higher education tuition and fees. (130 CMR 506.003(D)).

The appellant did not present evidence of any of these expenses or deductions for MassHealth to consider. (130 CMR 506.003(D)).

In determining monthly income, MassHealth averages weekly income by 4.333. (130 CMR 506.007(A)). Five percentage points of the current federal poverty level (FPL) is subtracted from the applicable household's total countable income to determine eligibility of the individual under the coverage type with the highest income standard. (130 CMR 506.007(A)). In this case, deducting \$60.75 from the income amounts discussed at hearing results in a monthly income of \$4,575 which places her at 376.54% of the federal poverty level.

The appellant did not present testimony or evidence to demonstrate that she meets the categorical requirements for any other coverage type than MassHealth Care Plus. (130 CMR 505.001(A)).

MassHealth CarePlus provides coverage to adults 21 through 64 years of age. (130 CMR 505.008(A)(1)). To be eligible for MassHealth CarePlus the individual needs to meet the following conditions:

- (a) The individual is an adult 21 through 64 years of age.
- (b) The individual is a citizen, as described in 130 CMR 504.002: U.S. Citizens, or a qualified noncitizen, as described in 130 CMR 504.003(A)(1): Qualified Noncitizens.
- (c) The individual's modified adjusted gross income of the MassHealth MAGI household is less than or equal to 133% of the federal poverty level.
- (d) The individual is ineligible for MassHealth Standard.
- (e) The adult complies with 130 CMR 505.008(C).
- (f) The individual is not enrolled in or eligible for Medicare Parts A or B.

The appellant's modified adjusted gross income is above 133% of the federal poverty level which is \$1,616 each month for a family group of one. Therefore, the appellant does not qualify for MassHealth.

The decision made by MassHealth was correct.

This appeal is denied.

Order for MassHealth

Release the appellant's aid pending and process the notice on appeal.

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 30 days of your receipt of this decision.

Susan Burgess-Cox
Hearing Officer
Board of Hearings

cc:

MassHealth Representative: Quincy MEC, Attn: Appeals Coordinator, 100 Hancock Street, 6th Floor, Quincy, MA 02171