

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2311853
Decision Date:	02/22/2024	Hearing Date:	12/29/2023
Hearing Officer:	Mariah Burns		

Appearance for Appellant:



Appearance for MassHealth:

Georges Jorcelin, Charlestown MassHealth
Enrollment Center



*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:	Under 65; Eligibility; Income
Decision Date:	02/22/2024	Hearing Date:	12/29/2023
MassHealth's Rep.:	Georges Jorcelin	Appellant's Rep.:	
Hearing Location:	Remote	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 October 31, 2023, MassHealth downgraded the appellant's benefits from MassHealth CarePlus to the Health Safety Net after determining that the appellant's income exceeded the allowed limit. *See* 130 CMR 505.008, Exhibit 1. The appellant filed this appeal in a timely manner on November 20, 2023. *See* 130 CMR 610.015(B) and Exhibit 2. Challenging an action to suspend, reduce, terminate, or restrict a member's assistance is valid grounds for appeal. *See* 130 CMR 610.032(3).

Action Taken by MassHealth

MassHealth downgraded the appellant's benefits from MassHealth CarePlus to the Health Safety Net.

Issue

The appeal issue is whether MassHealth correctly calculated the appellant's income in determining that she is no longer eligible for MassHealth CarePlus.

Summary of Evidence

The appellant is an adult under the age of 65 who resides in a household of three with her spouse and her adult child who is under the age of 26. She was represented at hearing by her spouse. MassHealth was represented by a worker from the Charlestown MassHealth Enrollment Center. All parties appeared by video conference. The following is a summary of the testimony and documentary evidence presented at hearing:

MassHealth verified the appellant's total household income as being \$3030.00 per month, in the form of Social Security benefits for the appellant's spouse. The appellant herself has no monthly income. The total MAGI household income was determined to be 141.26% of the federal poverty level for a household of three.

The appellant's spouse agreed with the calculation of his income. He reported that the family intends to claim their son as a dependent on their taxes for one more year as he finishes college. The family also reported that the son makes, on average, \$950 a month working a seasonal job.

Findings of Fact

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

1. The appellant is an adult under the age of 65 who resides in a household of three with her spouse and their adult son who is over the age of 26. Exhibit 4, Testimony.
2. Prior to the issuance of the notice on appeal, the appellant was receiving MassHealth CarePlus benefits. Exhibit 4, Testimony.
3. The appellant's spouse receives a monthly income of \$3030.00 in Social Security disability benefits. Exhibit 1, Testimony.
4. On October 31, 2023, MassHealth issued a notice downgrading the appellant's MassHealth CarePlus benefits to the Health Safety Net, because she no longer meets the income requirements. Exhibit 1.
5. The appellant filed a timely appeal on November 20, 2023. Exhibit 2.
6. The appellant's son makes an average of \$950.00 per month working a seasonal job. Testimony.
7. The appellant does not challenge MassHealth's calculation of her monthly income. Testimony.

Analysis and Conclusions of Law

MassHealth regulations at 130 CMR 505.000 *et seq.* explain the categorical requirements and financial standards that must be met to qualify for a particular MassHealth coverage type. The rules of financial responsibility and calculation of financial eligibility are detailed in 130 CMR 506.000: *Health Care Reform: MassHealth: Financial Requirements*. The MassHealth coverage types are:

- (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.

130 CMR 505.001(A).

To establish eligibility for MassHealth benefits, applicants must meet both the categorical and financial requirements. In this case, the appellant is over the age of 21 but under 65 and is no longer the caretaker of a child. Thus, as she does not belong to a category to qualify for MassHealth Standard, she meets the categorical requirements for MassHealth CarePlus. The question then remains as to whether she meets the income requirements to qualify.

An individual between the ages of 21 and 64 who does not qualify for MassHealth Standard is

eligible for MassHealth CarePlus if “the modified adjusted gross income of the MassHealth MAGI household is less than or equal to 133% of the federal poverty level.” 130 CMR 505.008(A)(2). To determine financial eligibility pursuant to 130 CMR 506.007, MassHealth must construct a household as described, in relevant part, in 130 CMR 506.002(B) for each individual person applying for or renewing coverage:

- (1) Taxpayers Not Claimed as a Tax Dependent on His or Her 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 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.

Here, the because the appellant resides with her spouse and claims her adult son on her taxes, she resides in a household of three. Based on current MassHealth Income Standards and Federal Poverty Guidelines, 133% of the federal poverty level equates to a monthly income of \$2,756.00 for a household of that size. See *chart* at <https://www.mass.gov/doc/2023-masshealth-income-standards-and-federal-poverty-guidelines-0/download>.

MassHealth determines an applicant’s modified adjusted gross income (MAGI) by taking the countable income, which includes earned income as 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). Specifically, 130 CMR 506.007 provides how the MAGI is calculated:

...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(C). Income of all the household members forms the basis for establishing an individual’s eligibility. A household’s countable income is the sum of the MAGI-based income of every individual included in the individual’s household with the exception of children and tax dependents who are not expected to be required to file a return as described in 42 CFR 435.603 and 130 CMR 506.004(K).

(A) Financial eligibility for coverage types that are determined using the MassHealth MAGI household rules and the MassHealth Disabled Adult household rules is determined by comparing the sum of all countable income less deductions for the individual’s household as described at 130 CMR 506.002 with the applicable income standard for the specific

coverage type. In determining monthly income, the MassHealth agency multiplies average weekly income by 4.333. Five percentage points of the current federal poverty level (FPL) is subtracted from the applicable household total countable income to determine eligibility of the individual under the coverage type with the highest income standard.

(B) The financial eligibility standards for each coverage type may be found in 130 CMR 505.000: *Health Care Reform: MassHealth: Coverage Types*.

(C) The monthly federal-poverty-level income standards are determined according to annual standards published in the *Federal Register* using the following formula. The MassHealth agency adjusts these standards annually.

(1) Divide the annual federal poverty-level income standard as it appears in the *Federal Register* by 12.

(2) Multiply the unrounded monthly income standard by the applicable federal-poverty-level standard.

(3) Round up to the next whole dollar to arrive at the monthly income standards.

(D) Safe Harbor Rule. The MassHealth agency will provide a safe harbor for individuals whose household income determined through MassHealth MAGI income rules results in financial ineligibility for MassHealth but whose household income determined through Health Connector income rules as described at 26 CFR 1.36B-1(e) is below 100 percent FPL. In such case, the individual's financial eligibility will be determined in accordance with Health Connector income rules.

(1) MassHealth uses current monthly income and the Health Connector uses projected annual income amounts.

(2) MassHealth MAGI household uses exceptions to tax household rules and the Health Connector uses the pure tax filing household.

(E) MAGI Protection for Individuals Receiving MassHealth Coverage on December 31, 2013. Notwithstanding the above, in the case of determining ongoing eligibility for individuals determined eligible for MassHealth coverage to begin on or before December 31, 2013, application of the MassHealth MAGI Household Income Calculation methodologies as set forth in 130 CMR 506.007 will not be applied until March 31, 2014, or the next regularly scheduled annual renewal of eligibility for such individual under 130 CMR 502.007, whichever is later, if the application of such methodologies would result in a downgrade of benefits.

Per 130 CMR 506.003(B)(2), countable income includes, in relevant part, "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.”

In this case, MassHealth calculated the appellant’s spouse’s monthly income to equal \$3030.00, which the appellant did not dispute. Although their adult child, who is currently a part of their household, makes approximately \$950 monthly, MassHealth did not consider that income in its MAGI calculation. Regardless, a monthly income at 133% of the federal poverty level for a family of three is \$2756.00. As the appellant’s spouse’s monthly income alone exceeds that amount, the appellant is not financially eligible for MassHealth Care Plus benefits. I find that MassHealth did not err in issuing the October 31, 2023, notice downgrading the appellant’s coverage to the Health Safety Net.

For the foregoing reasons, the appeal is hereby DENIED.

Order for MassHealth

None, other than to remove Aid Pending.

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.

Mariah Burns
Hearing Officer
Board of Hearings

cc:

MassHealth Representative: Nga Tran, Charlestown MassHealth Enrollment Center, 529 Main Street, Suite 1M, Charlestown, MA 02129