

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2400065
Decision Date:	03/12/2024	Hearing Date:	01/31/2024
Hearing Officer:	Christopher Jones		

Appearance for Appellant:
Pro se

Appearance for MassHealth:
Jeffrey Arnold – Quincy HCR



*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:	03/12/2024	Hearing Date:	01/31/2024
MassHealth's Rep.:	Jeffrey Arnold	Appellant's Rep.:	Pro se
Hearing Location:	Telephonic	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 December 27, 2023, MassHealth terminated the appellant's MassHealth benefits because her income is too high to qualify. (Exhibit 1; 130 CMR 506.007.) The appellant filed this timely appeal on January 2, 2024, and her benefits are protected pending the outcome of this appeal. (Exhibit 2; 130 CMR 610.015(B); 610.036.) Termination or denial of assistance is valid grounds for appeal. (130 CMR 610.032.)

Action Taken by MassHealth

MassHealth terminated the appellant's MassHealth benefits because her income was too high to qualify.

Issue

The appeal issue is whether MassHealth was correct, pursuant to 130 CMR 505.002 and 506.000, in determining that the appellant's countable income was too high to qualify for MassHealth coverage.

Summary of Evidence

The appellant is under the age of 65 and she lives in a household of four with her spouse and two minor children. MassHealth's representative testified the appellant had completed her renewal over the phone in 2023, and she had reported household income of \$98,761 per year. Because this number was reasonably compatible with information available through an electronic data match, MassHealth did not request income verification from the appellant. For a household of four, this income is equivalent to 329% of the federal poverty level, which is why the appellant was deemed ineligible.

The appellant testified that she wanted MassHealth to look at her circumstances holistically, rather than just looking at the numbers. She is the parent of two young children, and she has to pay thousands of dollars in childcare expenses, plus a significant amount for student loan payments, transportation for work, groceries, and mortgage. She testified that she and her spouse also contribute about ten percent of their income to 401(k) plans. She was informed that MassHealth generally considers an applicant's gross income, but that student loan interest and retirement contributions can be deducted from the household's income. She believed that the income MassHealth had quoted likely already deducted these allowable expenses from her gross income.

Findings of Fact

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

- 1) The appellant lives in a household of four with her spouse and two children. (Testimony by the appellant.)
- 2) Her household income for 2023 was \$98,761, after deductions for student loan interest and retirement contributions. (Testimony by the appellant.)

Analysis and Conclusions of Law

MassHealth offers a variety of coverage types based upon an individual's circumstances and finances. To qualify for MassHealth, an individual must fit into a category of eligibility and fall below the relevant financial thresholds. Financial eligibility for members under the age of 65 is described at 130 CMR 505.000. Adults must generally have income below 133% of the federal poverty level (see 130 CMR 505.002(C), 505.008), while children may be eligible for Family Assistance coverage up to 300% of the federal poverty level (see 130 CMR 505.005(A)(1).)

Countable income includes "the total amount of taxable compensation received for work or services performed less pretax deductions"; and the total amount of unearned income including, but 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(A), (B).) A limited number of tax deductions may reduce MAGI income:

- (1) educator expenses;
- (2) reservist/performance artist/fee-based government official expenses;
- (3) health savings account;
- (4) moving expenses, for the amount and populations allowed under federal law;
- (5) one-half self-employment tax;
- (6) self-employment retirement account;
- (7) penalty on early withdrawal of savings;
- (8) alimony paid to a former spouse for individuals with alimony agreements finalized on or before December 31, 2018. Alimony payments under separation or divorce agreements finalized after December 31, 2018, or pre-existing agreements modified after December 31, 2018, are not deductible;
- (9) individual retirement account (IRA);
- (10) student loan interest;
- (11) scholarships, awards, or fellowships used solely for educational purposes; and
- (12) other deductions described in the Tax Cut and Jobs Act of 2017, Public Law 115-97 for as long as those deductions are in effect under federal law..

(130 CMR 506.003(D).)

Financial eligibility is “determined by using the total of all countable monthly income for each person in that individual's ... household. ... In determining monthly income, the MassHealth agency multiplies average weekly income by 4.333.” Then “[f]ive percentage points of the current federal poverty level ... is subtracted from the applicable household total countable income to determine eligibility of the individual under the coverage type with the highest income standard.” (130 CMR 506.007(A)(2), (3).) The federal poverty level for a household of four in 2023 was \$2,500 in monthly income, or \$30,000 annually.¹ (Available at <https://www.mass.gov/doc/2023-masshealth-income-standards-and-federal-poverty-guidelines-0/download> (last visited August 21, 2023).)

¹ This amount has recently been updated. The federal poverty level for a household of four in 2024 is now \$ \$2,600 per month, or \$32,400 annually. (Available at <https://www.mass.gov/doc/2024-masshealth-income-standards-and-federal-poverty-guidelines-0/download>; last visited March 11, 2024.)

Five percent of the annual federal poverty level was \$1,500. Reducing the agreed annual income by \$1,500 results in annual income of \$97,261; dividing that by the annual federal poverty rate results in a household income of 324.2% of the federal poverty level in 2023.²

The appellant has not identified any error in MassHealth's decision at the time it was made, and this appeal is DENIED.³

Order for MassHealth

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.

Christopher Jones
Hearing Officer
Board of Hearings

cc: MassHealth Representative: Quincy MEC, c/o Tosin Adebisi, Appeals Coordinator, 100 Hancock Street, 6th Floor, Quincy, MA 02171

² It is possible that MassHealth's figure already deducted five percentage of the federal poverty under 130 CMR 506.007, as this figure is five percent less than MassHealth's calculation. This difference is ultimately irrelevant.

³ If the appellant's income remains the same, her children could be eligible for the Family Assistance coverage now. Divided by the current federal poverty level, the appellant's income would be 286.3% of the 2024 federal poverty level. She would need to update her income with MassHealth to explore this possibility.