

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Approved in Part; Denied in Part	Appeal Number:	2401238
Decision Date:	6/3/2024	Hearing Date:	04/25/2024
Hearing Officer:	Mariah Burns	Record Open to:	

Appearance for Appellant:
Pro se

Appearance for MassHealth:
Jesus Tijero, Quincy MassHealth Enrollment
Center

Interpreter:



*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:	Approved in Part; Denied in Part	Issue:	Under 65; Eligibility; Income
Decision Date:	6/3/2024	Hearing Date:	04/25/2024
MassHealth's Rep.:	Jesus Tijero	Appellant's Rep.:	Pro se
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 January 17, 2024, MassHealth terminated the MassHealth benefits of the appellant and her minor child because MassHealth determined that their household income exceeds the allowed amount. *See* 130 CMR 502.003 and Exhibit 1. The appellant filed this appeal in a timely manner on January 24, 2024. *See* 130 CMR 610.015(B) and Exhibit 2. Termination of assistance is valid grounds for appeal. *See* 130 CMR 610.032.

Action Taken by MassHealth

MassHealth denied the appellant and her minor child MassHealth benefits.

Issue

The appeal issue is whether MassHealth correctly calculated the appellant's income in determining that her household does not qualify for MassHealth benefits.

Summary of Evidence

The appellant is an adult under the age of 65 who resides in a household of four with her spouse,

her adult child, and her minor child. MassHealth was represented by a worker from the Quincy MassHealth Enrollment Center. All parties appeared by telephone. The following is a summary of the testimony and evidence provided at hearing:

The appellant submitted a renewal application for benefits on January 18, 2024. MassHealth verified the total monthly household income to be \$7800.00. This amount is over the income limit to qualify for benefits, leading to MassHealth issuing the notice on appeal, terminating the benefits of the appellant and her minor child.

The appellant reported that she does not have breast or cervical cancer, nor is she pregnant. She and her husband are both independent contractors who file taxes jointly and have two dependent children. At hearing, she submitted several documents to verify her income and her spouse's income. The appellant's letter from her employer states that she earns a weekly paycheck of \$1030.00. She also provided her spouse's self-employed income and expenses statement from January through March of 2024 reporting a total loss of \$4649.62. The MassHealth worker explained that, when reviewing such documents, MassHealth considers the "overall total" as the individual's income, even if that amount shows a loss. In this case, MassHealth considers the appellant's spouse's income for quarter one of 2024 to be -\$4649.62, which equates to a monthly income of -\$1549.87. Finally, MassHealth reported, and the appellant agreed, that the appellant's adult son who is currently residing in the household earns a monthly income of \$1169.91. When added together, this equals a total monthly income of \$4083.03 for the entire household.

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 four with her spouse, their adult child, and their minor child. Exhibit 4, Testimony.
2. On January 17, 2024, the appellant submitted a renewal application for MassHealth benefits. That same day, MassHealth issued a notice terminating benefits of the appellant and her minor son due to the household exceeding the income limits. Testimony, Exhibit 1.
3. The appellant filed a timely notice of appeal on January 24, 2024. Exhibit 2.
4. The appellant's household's total gross monthly income is \$4083.03. Testimony, Exhibit 5.
5. The appellant does not have breast or cervical cancer or an HIV diagnosis, nor is she pregnant. 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, as a caretaker for her minor child, the appellant meets the categorical requirements for MassHealth Standard. Meanwhile, her minor son under the age of 19 also meets the categorical requirements for MassHealth Family Assistance. The question then remains as to whether they meet the income requirements to qualify.

A parent or caretaker is financially eligible for MassHealth Standard 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 505.002(C)(1)(a). The requirements for MassHealth Family Assistance can be found at 130 CMR 505.005(B)(1), which states that children younger than 19 years old are eligible if “the child’s modified adjusted gross income of the MassHealth MAGI household is greater than 150 and less than or equal to 300% of the federal poverty level.”

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 appellant does not dispute that she resides in a household of four. Based on 2023 MassHealth Income Standards and Federal Poverty Guidelines, 133% of the federal poverty level equated to a monthly income of \$3325.00 for a household of four, while 300% was \$7500.00. New income standards went into effect on March 1, 2024. Based on 2024 MassHealth Income Standards and Federal Poverty Guidelines, 133% of the federal poverty level equates to a monthly income of \$3458.00 for a household of four, while 300% is \$7800.00. See chart at <https://www.mass.gov/doc/2024-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(A), countable income includes, in relevant part, “the total amount of taxable compensation received for work or services performed less pretax deductions. Earned income may include wages, salaries, tips, commissions, and bonuses.”

In this case, it was determined at hearing that the appellant’s monthly household income is \$4083.03. As that amount exceeds the income limit based on both 2023 and 2024 income standards, MassHealth correctly determined that the appellant is not financially eligible for MassHealth Standard benefits. However, that amount is under 300% of the federal poverty level for a household of four, making the appellant’s minor son eligible for MassHealth Family Assistance. Thus, I find no error in the January 17, 2024, notice terminating the appellant’s MassHealth Standard benefits, but I do find that the notice terminating the appellant’s son’s Family Assistance benefits was issued in error and should be rescinded.

For the foregoing reasons, the appeal is hereby APPROVED in part, and DENIED in part.

The appellant can direct any questions about Health Connector plans to 1-877-MA-ENROLL (1-877-623-6765), or inquiries concerning Health Safety Net to 877-910-2100.

Order for MassHealth

Approve the appellant’s minor child for MassHealth Family Assistance benefits retroactive to the termination date. 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.

Implementation of this Decision

If this decision is not implemented within 30 days after the date of this decision, you should contact your MassHealth Enrollment Center. If you experience problems with the implementation

of this decision, you should report this in writing to the Director of the Board of Hearings, at the address on the first page of this decision.

Mariah Burns
Hearing Officer
Board of Hearings

CC:

[REDACTED]