

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied in Part; Dismissed in Part	Appeal Number:	2401767
Decision Date:	4/10/2024	Hearing Date:	03/12/2024
Hearing Officer:	Mariah Burns	Record Open to:	

Appearance for Appellant:



Appearance for MassHealth:

Racheal Dorsey, Quincy 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 in Part; Dismissed in Part	Issue:	Under 65; Eligibility; Income
Decision Date:	4/10/2024	Hearing Date:	03/12/2024
MassHealth's Rep.:	Racheal Dorsey	Appellant's Rep.:	
Hearing Location:	Video Conference	Aid Pending:	No

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 26, 2023, MassHealth denied the appellant's application for MassHealth benefits because MassHealth determined that the appellant's income exceeded the allowed limit. *See* 130 CMR 505.007 and Exhibit 1. On December 30, 2023, MassHealth reinstated the appellant's minor child's MassHealth Family Assistance benefits with an effective start date of December 18, 2023. *See* Exhibit 1. The appellant filed this appeal in a timely manner on February 5, 2024. *See* 130 CMR 610.015(B) and Exhibit 2. Denial of assistance is valid grounds for appeal, as is scope and amount of assistance. *See* 130 CMR 610.032.

Action Taken by MassHealth

MassHealth denied the appellant's renewal application for MassHealth benefits and reinstated her child's MassHealth Family Assistance benefits with a start date of December 18, 2024.

Issue

The appeal issue is whether MassHealth correctly calculated the appellant's income in determining that she is not eligible for MassHealth benefits and correctly imposed the start date for her child's benefits.

Summary of Evidence

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

The MassHealth representative reported that on September 19, 2023, MassHealth sent a renewal notice to the appellant at the address on file. When no renewal application was received by November 10, 2023, the appellant's MassHealth Limited benefits were terminated effective November 24, 2023. (Exhibit 4, p. 2). MassHealth then received a renewal application on December 5, 2023. On December 26, 2023, MassHealth determined that the appellant's income exceeded the limit to qualify for benefits beyond the Partial Health Safety Net. On December 30, 2023, the appellant's minor son was deemed eligible for MassHealth Family Assistance with an effective start date of December 16, 2023. MassHealth reported that they had earned income on file for the family in the amount of \$2100.00 monthly for the appellant and \$1125.00 weekly for her spouse. According to the MassHealth representative, this equated to a monthly income for the household of \$6974.62, which is over the 133% of the federal poverty level needed to qualify for MassHealth benefits.

The appellant and her spouse reported that they did not receive the renewal notice or the November 10, 2023, termination notice. They explained that their son has autism and attends a special school, for which MassHealth has covered services, and it was not until the school notified them that MassHealth had ceased payments that they learned that the family's benefits were terminated. On December 5, 2023, they called MassHealth to submit a renewal application over the phone. The appellant reported that they learned of a gap in their son's coverage from November 24, 2023 to December 16, 2023. The family agreed that the husband makes approximately \$1125.00 in weekly wages, while the wife earns \$2100 monthly, which totals \$6974.62 in monthly income for the household.

The family reported that they filed this appeal mainly to challenge the gap in their son's coverage, and the termination of the appellant's benefit was a secondary issue. The MassHealth representative was able to retroactively backdate the son's Family Assistance benefit to November 23, 2023, to ensure there was no gap in his coverage. The family also reported that they will be submitting a disability supplement on behalf of their son to apply for MassHealth CommonHealth benefits for him.

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 minor child. Testimony, Exhibit 4.
2. On December 5, 2023, the appellant submitted a renewal application for MassHealth benefits on behalf of her household. Testimony.
3. On December 26, 2023, MassHealth denied the appellant's application for MassHealth benefits on the grounds that her household's income exceeded the allowed limit. Exhibit 1.
4. On December 30, 2023, MassHealth approved the appellant's child for MassHealth Family Assistance benefits with a start date of December 16, 2023. Exhibit 1.
5. The appellant filed a timely notice of appeal on February 6, 2024. Exhibit 2.
6. After hearing, MassHealth adjusted the start date for the appellant's son's Family Assistance benefits to November 23, 2024, to ensure no gap in his coverage. Testimony, Exhibit 5.
7. The appellant's household earns \$6974.62 in gross 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. The appellant was previously open on MassHealth Limited and there was no evidence presented at the hearing as to whether she is categorically eligible for any other type of MassHealth coverage.

505.006: MassHealth Limited

(A) Overview. 130 CMR 505.006 contains the categorical requirements and financial standards for MassHealth Limited coverage for children, young adults, and adults 21 through 64 years old who are parents, caretakers, adults, and disabled adults.

(B) Eligibility Requirements.

(1) MassHealth Limited is available to the following:

- (a) other noncitizens as described in 130 CMR 504.003(D): Other Noncitizens who are
 1. children younger than one year old with modified adjusted gross income of the MassHealth MAGI household that is less than or equal to 200% of the federal poverty level (FPL);
 2. children one through 18 years old with modified adjusted gross income of the MassHealth MAGI household that is less than or equal to 150% of the FPL;
 3. young adults 19 and 20 years old with modified adjusted gross income of the MassHealth MAGI household that is less than or equal to 150% of the FPL;
 4. adults 21 through 64 years old who are parents, caretakers, or adults with modified adjusted gross income of the MassHealth MAGI household that is less than or equal to 133% of the FPL; and
 5. disabled adults 21 through 64 years old with modified adjusted gross income of the MassHealth Disabled Adult household that is less than or equal to 133% of the FPL;
- (b) nonqualified PRUCOLs as described in 130 CMR 504.003(C): Nonqualified Persons Residing under Color of Law (Nonqualified PRUCOLs) who are
 1. children younger than one year old with modified adjusted gross income of the

MassHealth MAGI household that is less than or equal to 200% of the federal poverty level (FPL);

2. children one through 18 years old with modified adjusted gross income of the MassHealth MAGI household that is less than or equal to 150% of the FPL;

3. young adults 19 and 20 years old with modified adjusted gross income of the MassHealth MAGI household that is less than or equal to 150% of the FPL;

4. adults 21 through 64 years old who are parents, caretakers, or adults with modified adjusted gross income of the MassHealth MAGI household that is less than or equal to 133% of the FPL; and

5. disabled adults 21 through 64 years old with modified adjusted gross income of the MassHealth Disabled Adult household that is less than or equal to 133% of the FPL;

(c) qualified noncitizens barred, as described in 130 CMR 504.003(A)(2): Qualified Noncitizens Barred, and nonqualified individuals lawfully present, as described in 130 CMR 504.003(A)(3): Nonqualified Individuals Lawfully Present who are

1. adults, including parents and caretaker relatives, 21 through 64 years old with modified adjusted gross income of the MassHealth MAGI household that is less than or equal to 133% of the FPL;

2. disabled adults 21 through 64 years old with modified adjusted gross income of the MassHealth Disabled Adult household that is less than or equal to 133% of the FPL;

3. parents and caretakers who are 21 through 64 years old who are receiving EAEDC; and

4. adults 21 through 64 years old who are receiving EAEDC.

(2) Nonqualified PRUCOLs eligible for MassHealth Limited in 130 CMR 505.006(B)(1)(b) and qualified noncitizens barred and nonqualified individuals lawfully present eligible for MassHealth Limited in 130 CMR 505.006(B)(1)(c) may also be eligible for MassHealth CommonHealth if they meet the categorical and financial requirements in 130 CMR 505.004 or MassHealth Family Assistance if they meet the categorical and financial requirements in 130 CMR 505.005.

(3) Persons eligible for MassHealth Limited coverage are eligible for medical benefits as described in 130 CMR 450.105(F): MassHealth Limited. These individuals are eligible for medical benefits under MassHealth Limited only to the extent that such benefits are not covered by their health insurance.

(130 CMR 505.006(A), (B)).

A parent or caretaker is financially eligible for MassHealth Limited 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 505.006(B)(1)(a)(4). 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 three. Based on 2023 MassHealth Income Standards and Federal Poverty Guidelines, 133% of the federal poverty level equated to a monthly income of \$2756.00 for a household of three. 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 \$2,862.00 for a household of three. 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."

With respect to the appellant's son, the appellant and her spouse reported that they only filed an appeal for his coverage to address the gap in coverage. As MassHealth has agreed to adjust the start date for the appellant's son's MassHealth Family Assistance to November 23, 2024, to ensure that he has no gap in his coverage, the appeal as it pertains to the appellant's son is hereby DISMISSED pursuant to 130 CMR 610.035.¹

In regards to the appellant, she and her spouse testified to a monthly household income that adds up to \$6974.62. As that amount exceeds 133% of the federal poverty level for a household of three based on both 2023 and 2024 income standards, I find no error in the December 26, 2023 notice denying the appellant's renewal application for MassHealth benefits.

For the foregoing reasons, the appeal as it pertains to the appellant is hereby DENIED.

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

None, except to backdate the son's coverage to November 23, 2023 if it has not already done so.

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.

¹ This appeal makes no finding with respect to any pending application for the couple's son before MassHealth Disability Evaluation Services.

Mariah Burns
Hearing Officer
Board of Hearings

cc:

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