

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2404298
Decision Date:	5/24/2024	Hearing Date:	04/24/2024
Hearing Officer:	Christine Therrien		

Appearance for Appellant:
Pro se

Appearances for MassHealth:
Jacob Sommer, Charlestown
Carmen Fabery, Maximus Premium Billing



*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:	Tax Intercept
Decision Date:	5/24/2024	Hearing Date:	04/24/2024
MassHealth's Reps.:	Jacob Sommer, Carmen Fabery	Appellant's Rep.:	Pro se
Hearing Location:	Charlestown MassHealth Enrollment Center - Telephonic		

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 3/4/24, the Massachusetts Department of Revenue issued to the appellant a Notice of Refund Applied to Debt or Transferred, notifying her that \$335 of her income tax refund was being intercepted by EHS to satisfy amounts owed by the appellant. (Exhibit 1).¹ The appellant filed this appeal with the Board of Hearings in a timely manner on 3/19/24. (130 CMR 610.015(B) and Exhibit 2). A Department of Revenue intercept to recover monies owed to MassHealth constitutes a valid grounds for appeal. (M.G.L. c. 62D, § 6; 130 CMR 610.032).

Action Taken by MassHealth

MassHealth reported to the Massachusetts Department of Revenue that the appellant owed amounts to EHS, which served as the basis for a tax refund intercept.

¹ The intercept consisted of \$325 plus a \$10 fee.

Issue

The appeal issue is whether MassHealth applied accurate facts to the controlling regulations when it reported to the Massachusetts Department of Revenue that the appellant owed amounts to EHS, which served as the basis for a tax refund intercept.

Summary of Evidence

The MassHealth representative testified that the appellant is a member of a household of 3, with a combined income from the appellant and her spouse of \$133,000, placing the appellant at 572.73% of the federal poverty level ("FPL"). The MassHealth representative testified that at the end of December 2022, the appellant was determined to be disabled per MassHealth regulations and became eligible for CommonHealth.

The MassHealth representative testified that MassHealth determined a CommonHealth premium amount of \$372, which was reduced by 30% because the appellant was also enrolled in her employer-sponsored insurance plan, which made the monthly CommonHealth premium \$260.40.

The Premium Billing representative testified that on 1/10/23 MassHealth sent an eligibility notice notifying the appellant that her CommonHealth eligibility began on 12/31/22 and a monthly premium of \$260.40 was due starting in February 2023. (Exhibit 5). The 1/10/23 notice stated, "[i]f you do not want to pay the premium, you must tell us to cancel your benefits within 60 days from the date you were notified of a new or changed premium. If you do not cancel your benefits by that date, you will need to pay any premium bills you get." (Exhibit 5).

The Premium Billing representative testified that due to the Federal Public Health Emergency (FPHE), MassHealth was not sending billing statements until June 2023, after the FPHE ended. The Premium Billing representative testified that MassHealth sent a notice to the appellant dated 4/14/23 that premiums would resume in June 2023, and that she had 60 days from the date of the notice to terminate coverage and avoid being charged a premium. The MassHealth representative testified that the 4/14/23 letter indicated that the appellant would be responsible for a premium of \$260.40 beginning in June 2023. This notice provided a cancellation date of 6/13/23, to avoid being charged a premium for coverage. The Premium Billing representative testified that MassHealth increased the cancellation period from 60 days to 90 days making the deadline for the appellant to cancel benefits 7/13/23. This change was not conveyed to MassHealth members.

The Premium Billing representative testified that the appellant called MassHealth to cancel her benefits on 8/22/23. (Exhibit 5). The Premium Billing representative testified that the appellant

is responsible for the premiums issued in June 2023, July 2023, and August 2023 for \$781.20 because the appellant did not cancel her CommonHealth benefits within the specified 90-day period.

The Premium Billing representative testified that MassHealth had planned to review every individual who was assessed a premium from April 2023 forward and who voluntarily canceled their benefits to determine if the correct premiums were assessed. The Premium Billing representative testified that in December 2023, MassHealth Operations determined there were too many individuals in this category to review each premium assessment and that anyone who voluntarily canceled their benefits after the 90-day period would not be reviewed. The Premium Billing representative testified that MassHealth would leave the review up to the Board of Hearings through the appeals process.

The appellant received a “Notice of Refund Applied to Debt or Transferred,” dated 3/4/24, indicating that \$325 plus a \$10 fee, for a total of \$335, was intercepted from her state tax refund to be applied toward her outstanding premium balance of \$781.20. (Exhibit 1).²

The appellant maintains that she had no idea she had coverage under MassHealth and that she thought she would be notified about the amount she owed based on the prior appeal to waive the outstanding balance of \$781.20.³ The appellant testified that she does not recall submitting a disability supplement. The appellant testified that she has coverage through an employer-sponsored plan. The appellant testified that she could not recall receiving the January 2023 or April 2023 letters and only became aware of the coverage when she started receiving a premium bill. The appellant testified that she has lived at the same address since 2013 and she confirmed the income and family size reported to MassHealth was correct.

Findings of Fact

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

1. The appellant is a member of a household of 3, with a combined income from the appellant and her spouse of \$133,000, placing the appellant at 572.73% of the FPL.
2. At the end of December 2022, the appellant was determined to be disabled per MassHealth regulations and became eligible for CommonHealth.

² \$335 was the total of the appellant’s tax refund. (Exhibit 1).

³ The hearing officer in the appellant’s prior Board of Hearings appeal on 11/20/23 to waive the outstanding balance ordered the case remanded to the Premium Billing department to review the premium assessed.

3. MassHealth determined a CommonHealth premium amount of \$372 which was adjusted down 30% leaving the appellant to pay 70% because the appellant was also enrolled in her employer-sponsored insurance plan, which made the monthly CommonHealth premium \$260.40.
4. On 1/10/23 MassHealth sent an eligibility notice notifying the appellant that her CommonHealth eligibility began on 12/31/22 and a monthly premium of \$260.40 was due starting in February 2023.
5. The 1/10/23 notice stated, “[i]f you do not want to pay the premium, you must tell us to cancel your benefits within 60 days from the date you were notified of a new or changed premium. If you do not cancel your benefits by that date, you will need to pay any premium bills you get.”
6. Due to the FPHE, MassHealth was not sending premium billing statements until June 2023, after the FPHE ended.
7. MassHealth sent a notice to the appellant dated 4/14/23 stating that premiums would resume in June 2023 and that she had 60 days from the date of that notice to terminate coverage and avoid being charged a premium.
8. The 4/14/23 letter indicated that the appellant would be responsible for a premium of \$260.40 beginning in June 2023.
9. The 4/14/24 notice provided a cancellation date of 6/13/23, to avoid being charged a premium for coverage.
10. MassHealth increased the cancelation period from 60 days to 90 days making the deadline for the appellant to cancel benefits 7/13/23. This change was not conveyed to MassHealth members.
11. On 8/22/23 the appellant called MassHealth to cancel her benefits.
12. The appellant is responsible for the premiums assessed in June 2023, July 2023, and August 2023 for \$781.20 because the appellant did not cancel her CommonHealth benefits within the specified 90-day period.

13. MassHealth had planned to review every individual who was assessed a premium from April 2023 forward and who voluntarily canceled their benefits to determine if the correct premiums were assessed.
14. In December 2023, MassHealth Operations determined there were too many individuals in this category to review each premium assessment and that anyone who voluntarily canceled their benefits after the 90-day period would not be reviewed.
15. The appellant received a "Notice of Refund Applied to Debt or Transferred," dated 3/4/24, indicating that \$325 plus a \$10 fee, for a total of \$335, were intercepted from her state tax refund to be applied toward her outstanding premium balance of \$781.20.
16. The appellant has lived at the same address since 2013 and she confirmed the income and family size reported to MassHealth was correct.

Analysis and Conclusions of Law

This appeal concerns an intercept of the appellant's Massachusetts tax refund in the amount of \$335 by MassHealth for failure to pay monthly premiums for June, July, and August 2024, authorized pursuant to M.G.L. c. 7A, M.G.L. c. 62D and 815 CMR 9.00.⁴

Unsuspected debts processed through the State accounting system, such as premium payments due to MassHealth, will be automatically referred to the State Intercept Program if the debt is 120 days past due. (815 CMR 9.07(1)). A debt that is automatically assigned to the Office of the Comptroller shall be deemed certified by the Department Head as accurate. (815 CMR 9.07(1)). The appellant's debt was over 120 days past due as she has not made a premium payment to MassHealth for the months of June, July, and August 2023. The appellant was given notice in January 2023 that she needed to cancel the CommonHealth benefits within 60 days from the date of the notice, and a second notice in April 2023 that she needed to cancel the CommonHealth before 6/13/23, or she would be liable for the premiums. MassHealth extended the cancelation deadline from 60 to 90 days giving the appellant until 7/13/23 to cancel. The appellant did not cancel her CommonHealth benefits until 8/22/23, nor did she pay the premiums for the months of June, July, and August 2023. The appellant stated that she never received these notices and was made aware of the outstanding bill when she received a bill during the summer of 2023. The appellant testified that she has lived at the same address for over a decade. The appellant did not cancel the CommonHealth benefits within the 90-day period allotted by MassHealth; therefore, she is liable for the premiums for June, July, and August 2023. The appellant's premium payments are 120 days past due, therefore the action taken to intercept was correct. This portion of the appeal is therefore **denied**.

⁴ The total outstanding balance for past due premiums for June, July, and August 2023 is \$781.20.

The appellant previously appealed the amount of the premiums she was being billed. The prior appeal hearing remanded the issue to Premium Billing to determine if the premium amount was correct since Premium Billing stated that MassHealth planned to review all member cases who were assessed a premium from April 2023 forward and who voluntarily canceled their benefits to determine if the correct premiums were assessed. Due to the high volume of members who fell into this category MassHealth Operations has left the review of these premiums up to the Board of Hearings.

The MassHealth agency may charge a monthly premium to MassHealth Standard, CommonHealth, or Family Assistance members who have income above 150% of the federal poverty level (FPL), as provided in 130 CMR 506.011. The MassHealth agency may charge a monthly premium to members of CommonHealth who have incomes at or above 150% of the FPL. MassHealth premiums amounts are calculated based on a member's household modified adjusted gross income (MAGI) and their household size as described in 130 CMR 506.002 and 506.003 and the premium billing family group (PBF) rules as described in 130 CMR 506.011(A).

The appellant was a CommonHealth recipient with evidence of employer-sponsored health insurance (ESI,) and gross household income placing the family at 572.73% of the FPL. Because the appellant's family income is above 150% of the federal poverty level for a family of two, the appellant was assessed a CommonHealth premium.

130 CMR 506.011: MassHealth Premiums and the Children's Medical Security Plan (CMSP) Premiums

(B) MassHealth and Children's Medical Security Plan (CMSP) Premium Formulas. 130 CMR 506.011(B) provides the formulas that MassHealth uses to determine the monthly CommonHealth premium for which CommonHealth members and certain MassHealth Family Assistance members who are HIV positive.

(2) The premium formulas for MassHealth CommonHealth members whose eligibility is described in 130 CMR 505.004(B): Disabled Working Adults through (G): Disabled Children Younger than 18 Years Old are as follows.

(b) The full premium formula for young adults with household income above 150% of the FPL, adults with household income above 150% of the FPL, and children with household income above 300% of the FPL is provided as follows. The full premium is charged to members who have no health insurance and to members for whom the MassHealth agency is paying a portion of their health insurance premium.

CommonHealth Full Premium Formula Young Adults and Adults Above 150% of the FPL and Children above 300% of the FPL		
Base Premium	Additional Premium Cost	Range of Premium Cost
Above 150% FPL—start at \$15	Add \$5 for each additional 10% FPL until 200% FPL	\$15 — \$35
Above 200% FPL—start at \$40	Add \$8 for each additional 10% FPL until 400% FPL	\$40 — \$192
Above 400% FPL—start at \$202	Add \$10 for each additional 10% FPL until 600% FPL	\$202 — \$392
Above 600% FPL—start at \$404	Add \$12 for each additional 10% FPL until 800% FPL	\$404 — \$632
Above 800% FPL—start at \$646	Add \$14 for each additional 10% FPL until 1000%	\$646 — \$912
Above 1000% FPL—start at \$928	Add \$16 for each additional 10% FPL	\$928 + greater

- (c) The supplemental premium formula for young adults, adults, and children with household income above 300% of the FPL is provided as follows. A lower supplemental premium is charged to members who have health insurance to which the MassHealth agency does not contribute. Members receiving a premium assistance payment from the MassHealth agency are not eligible for the supplemental premium rate.

CommonHealth Supplemental Premium Formula	
% of Federal Poverty Level (FPL)	Monthly Premium Cost
Above 150% to 200%	60% of full premium
Above 200% to 400%	65% of full premium
Above 400% to 600%	70% of full premium
Above 600% to 800%	75% of full premium
Above 800% to 1000%	80% of full premium
Above 1000%	85% of full premium,

Based on the appellant's household income, which is above 150% of FPL but not more than 600% of the FPL, the premium amount would be \$372 a month. The appellant's premium would be subject to the CommonHealth Supplemental Premium Formula above, which is 70% of the full premium for a household FPL above 400% up to 600%. The appellant's premium for the months of June, July, and August 2024 was properly calculated at \$260.40 per month. The appeal on this issue is also **denied**.

Order for MassHealth

None.

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.

Christine Therrien
Hearing Officer
Board of Hearings

cc: MassHealth Representative: Nga Tran, Charlestown MassHealth Enrollment Center.
cc: Maximus Premium Billing: Gretchen Whitworth