

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Approved in part; Denied in part	Appeal Number:	2404415
Decision Date:	06/14/2024	Hearing Date:	05/02/2024
Hearing Officer:	Kimberly Scanlon		

Appearance for Appellant:



Appearance for MassHealth:


Via telephone

Elizabeth Cruz – Tewksbury MEC



*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:	Eligibility; Under 65; Downgrade; Over income
Decision Date:	06/14/2024	Hearing Date:	05/02/2024
MassHealth's Rep.:	Elizabeth Cruz	Appellant's Rep.:	
Hearing Location:	Tewksbury MassHealth Enrollment Center Room 1 (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 March 20, 2024, MassHealth notified the appellant that her benefits were being downgraded from MassHealth Standard to Health Safety Net because MassHealth determined there was a change in circumstances (Exhibit 1). The appellant filed this appeal in a timely manner on March 20, 2024 (130 CMR 610.015(B); Exhibit 2). Termination and/or reduction of assistance are valid grounds for appeal (130 CMR 610.032).

Action Taken by MassHealth

MassHealth notified the appellant that her MassHealth benefits were downgraded from MassHealth Standard to Health Safety Net.

Issue

The appeal issue is whether MassHealth was correct in downgrading the appellant's benefits from MassHealth Standard to Health Safety Net.

Summary of Evidence

The MassHealth representative and the appellant appeared at the hearing telephonically and testified as follows: The appellant is an adult between the ages of 21 and 64 and resides in a household of one. She previously received MassHealth Standard benefits based on her household size at that time. The appellant completed a renewal application on or about March 20, 2024. The appellant is a citizen, with no verified disabilities nor access to other health insurance. The appellant's verified gross monthly income from employment amounts to \$2,238.50, which equates to 173.37% of the Federal Poverty Level (FPL). To qualify for MassHealth benefits, the appellant's income must be at or below 133% of the FPL, or \$1,670.00 per month. On March 20, 2024, MassHealth notified the appellant that her benefits were being downgraded from MassHealth Standard to Health Safety Net because of a change in her circumstances (Exhibit 1). The appellant is eligible to receive Health Safety Net coverage and she is eligible for a ConnectorCare plan through the Massachusetts Health Connector. *Id.*

The appellant inquired about the yearly gross income limit for MassHealth benefits. She explained that she grosses \$33,780.00 per year. In response, the MassHealth representative explained that an applicant's gross income cannot exceed \$20,040.00 per year. The appellant testified that her son occasionally resides with her and asked whether that would change her household size. The MassHealth representative explained that the household size is based on whether an applicant claims another individual as a tax dependent. Here, it does not appear that the appellant claimed her child as a tax dependent, therefore MassHealth did not include the child as part of her household.

The appellant stated that her son is [REDACTED], and she alternates claiming him as a tax dependent with his father. She testified about the numerous health issues that she has experienced, including open-heart surgeries, seizures, and blood infections in a 9-month span. She expressed her concerns surrounding the downgrade of her MassHealth coverage because of her upcoming physician appointments and scheduled surgeries. Due to her ongoing health issues, the appellant recently filed an Adult Disability Supplement with Disability Evaluation Services (DES) for review. There has not been a determination made yet. The MassHealth representative stated that DES may take up to 90 days to make a determination.

Findings of Fact

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

1. The appellant is an adult between the ages of 21 and 64 and lives in a household of one.
2. The appellant has filed a Disability Supplement with MassHealth but to date has not been determined disabled by DES.
3. The appellant previously received MassHealth Standard benefits. At that time, she lived in a household of two.
4. In March of 2024, the appellant completed her renewal application for MassHealth benefits.
5. On March 20, 2024, MassHealth notified the appellant that her benefits were downgraded from MassHealth Standard to Health Safety Net coverage because of a change in her circumstances.
6. The appellant's verified gross monthly income from employment is \$2,238.50, which equates to 173.37% of the FPL for a household of one.
7. 133% of the FPL limit for a family size of 1 is \$1,670.00 per month.
8. The appellant timely appealed this MassHealth action.

Analysis and Conclusions of Law

The MassHealth regulations found at 130 CMR 505.000 *et. seq.* set forth 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 parent, the appellant meets the categorical requirements for MassHealth Standard and CarePlus benefits.¹ The question then remains as to whether she meets the income requirements to qualify.

An applicant is financially eligible for MassHealth Standard and/or CarePlus benefits 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); 505.008(A)(2)(c)). To determine financial eligibility, 130 CMR 506.007 requires MassHealth to construct a household for each individual person applying for or renewing coverage. That regulation provides in relevant part as follows:

- (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;

¹ The appellant, who is between the ages of 21 and 64, meets the categorical requirements for MassHealth CarePlus benefits as well.

- (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.

In the present case, the appellant does not dispute that she resides in a household of one, after hearing the explanation given by the MassHealth representative.

130 CMR 506.007 describes how an applicant's modified adjusted gross income (MAGI) is calculated. It provides in relevant part, as follows:

(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 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.

The appellant's verified MAGI is \$2,238.50.² This amount exceeds 133% of the FPL for a household of one, which is \$1,670.00. Because the appellant's verified income is over the allowable limit to qualify for a MassHealth coverage type, I find that the action taken by MassHealth was within the

² In accordance with 130 CMR 506.003(A), countable income includes, in pertinent 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."

regulations and therefore the appeal is denied in part.³

However, the appellant has claimed a disability and currently has a Disability Supplement pending with MassHealth. This appeal is therefore approved in part – MassHealth should keep appellant’s MassHealth Standard benefits active until DES determination is made.

Order for MassHealth

Keep MassHealth Standard benefits open until DES renders its decision. Notify the appellant of DES determination, with appeal rights.

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.

³ The appellant may qualify for MassHealth CommonHealth in the future, pending MassHealth’s review of the Adult Disability Supplement submitted; however, that determination is outside the scope of this appeal.

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.

Kimberly Scanlon
Hearing Officer
Board of Hearings

MassHealth Representative: Sylvia Tiar, Tewksbury MassHealth Enrollment Center, 367 East Street, Tewksbury, MA 01876-1957, 978-863-9290