

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



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|------------------|-----------------|----------------|------------|
| Appeal Decision: | Denied | Appeal Number: | 2404445 |
| Decision Date: | 05/17/2024 | Hearing Date: | 04/25/2024 |
| Hearing Officer: | Thomas J. Goode | | |

Appearance for Appellant:



Appearance for MassHealth:

Monica Ramirez, Quincy 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

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|---------------------------|----------------|--------------------------|-----------------------|
| Appeal Decision: | Denied | Issue: | Eligibility; Under 65 |
| Decision Date: | 05/17/2024 | Hearing Date: | 04/25/2024 |
| MassHealth's Rep.: | Monica Ramirez | Appellant's Rep.: | [REDACTED] |
| 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 March 15, 2024, MassHealth notified Appellant that her MassHealth coverage was downgraded effective March 5, 2024 to Health Safety Net and eligibility for a ConnectorCare plan through the Health Connector (130 CMR 505.001, 506.003 and Exhibit 1). Appellant filed this appeal in a timely manner on March 21, 2024 and has been receiving aid pending the outcome of the appeal (130 CMR 610.015(B), 610.036 and Exhibit 2). A reduction in assistance is valid grounds for appeal (see 130 CMR 610.032).

Action Taken by MassHealth

MassHealth notified Appellant that she is no longer eligible for MassHealth CarePlus because income exceeds program limits.

Issue

The appeal issue is whether MassHealth was correct, pursuant to 130 CMR 505.001, 506.003 in determining that Appellant's income is too high for MassHealth CarePlus coverage.

Summary of Evidence

The MassHealth representative testified that Appellant is an adult under the age of 65 who lives in a two-person household with her spouse. Appellant has been open on MassHealth CarePlus. Appellant and her spouse file taxes jointly. Household income consists of Appellant's spouse's Social Security Disability income of \$1,993 per month, and Appellant's Social Security income of \$477 per month. Appellant has not been determined disabled and is not enrolled in Medicare. The MassHealth representative testified that previous household income equated to 131% of the federal poverty level, and current household income equates to 140% of the federal poverty level, which exceeds the \$2,266 program limit for CarePlus based on a household size of 2. Appellant is eligible to enroll in a ConnectorCare plan through the Health Connector and is also eligible for Health Safety Net for a limited time.

Appellant and her spouse confirmed that household income and household size is accurately reflected in MassHealth records. Appellant's spouse testified that he contacted the Connector, and health plan premiums offered were more than they can afford.

Findings of Fact

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

1. Appellant is under age 65 and lives with her spouse in a two-person household.
2. Appellant and her spouse file taxes jointly.
3. Household income consists of Appellant's spouse's Social Security Disability income of \$1,993 per month, and Appellant's Social Security income of \$477 per month for total monthly income of \$2,470 per month.
4. Appellant has not been determined disabled and is not enrolled in Medicare.
5. 133% of the federal poverty level for a household of 2 is \$2,266.

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*.

(A) The MassHealth coverage types are the following:

- (1) MassHealth Standard - for people who are pregnant, 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) MassHealth CommonHealth - for disabled adults, disabled young adults, and disabled children who are not eligible for MassHealth Standard;
- (3) MassHealth CarePlus - for adults 21 through 64 years of age who are not eligible for MassHealth Standard;
- (4) MassHealth 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) MassHealth 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
- (6) MassHealth Medicare Savings Programs (MSP, also called Senior Buy-In and Buy-In) for certain Medicare beneficiaries.

130 CMR 505.001(A).

To establish eligibility for MassHealth benefits, applicants must meet categorical and financial requirements. Appellant is not disabled and is not enrolled in Medicare. Thus, Appellant is not eligible for MassHealth Standard, or CommonHealth; however, she meets the categorical requirements for MassHealth CarePlus. An individual between the ages of 21 and 64 is eligible for MassHealth CarePlus 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 505.008(A)(2); [dq-fpl-0324.docx | Mass.gov](#). 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.

The appellant is over 21 years of age but under 65 years of age, non-disabled, and lives in a MAGI household size of two. Combined household income is \$2,470 per month consisting of Appellant's spouse's SSDI income and Appellant's Social Security income. Based on current MassHealth Income Standards and Federal Poverty Guidelines, 133% of the federal poverty level for a household of 2 equates to a monthly income of \$2,266. See chart at [dg-fpl-0324.docx | Mass.gov](#)

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 as 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.

Pursuant to 130 CMR 506.003(B), countable income includes, in relevant part, unearned income, which "may include, but is 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."

Additionally, under federal law, the following deductions are allowed when calculating MAGI countable income. Changes to federal law may impact the availability of these deductions:

- (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

See 130 CMR 506.003(D).

The appellant lives in a two-person MAGI household and has total gross monthly income of \$2,470. Pursuant to 130 CMR 506.007(A), 5 percentage points of the current FPL is deducted to determine countable income. See 130 CMR 506.007(A)(3). For a household of two, 5 percentage points of the current FPL \$2,266 equals \$113 a month. Accordingly, the appellant's countable income for eligibility purposes is \$2,357. The income limit for MassHealth CarePlus is 133% of the federal poverty level, or \$2,260 a month for a household of two. Because Appellant's income exceeds 133% of the federal poverty level, Appellant is not financially eligible for MassHealth CarePlus benefits.

For the foregoing reasons, MassHealth's action is upheld, and the appeal is DENIED.

The appellant can direct any questions about the Health Connector to 1-877-623-6765 and can direct any question about the Health Safety Net to 877-910-2100.

Order for MassHealth

None, other than rescind aid pending protection.

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.

Thomas J. Goode
Hearing Officer
Board of Hearing

cc:

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