

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2404983
Decision Date:	05/28/2024	Hearing Date:	05/02/2024
Hearing Officer:	Mariah Burns		

Appearance for Appellant:
Pro se

Appearance for MassHealth:
Corey Rosinski, Charlestown MassHealth
Enrollment Center; 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:	Under 65; Eligibility; Income; Premium
Decision Date:	05/28/2024	Hearing Date:	05/02/2024
MassHealth's Rep.:	Corey Rosinski, Carmen Fabery	Appellant's Rep.:	Pro se
Hearing Location:	Remote	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 February 21, 2024, MassHealth downgraded the appellant's benefits from MassHealth Standard to MassHealth CommonHealth after finding the appellant exceeds the income limits and imposed a \$56.00 monthly premium. *See* 130 CMR 505.002 and Exhibit 1. The appellant filed this appeal in a timely manner on March 25, 2024. *See* 130 CMR 610.015(B) and Exhibit 2. Agency action related to scope and amount of assistance is valid grounds for appeal. *See* 130 CMR 610.032.

Action Taken by MassHealth

MassHealth downgraded the appellant's benefits to MassHealth CommonHealth and imposed a monthly premium.

Issue

The appeal issue is whether MassHealth correctly calculated the appellant's income when downgrading his benefits and imposing a monthly premium.

Summary of Evidence

The appellant is an adult over the age of 65 who resides in a household of one. MassHealth was represented by a worker from the Springfield MassHealth Enrollment Center and a worker from Maximus Premium Billing. All parties appeared by telephone. The following is a summary of the testimony and evidence presented at hearing:

On February 11, 2024, the appellant updated his income with MassHealth. The agency was able to verify his bi-weekly gross income to be \$1300 in wages, which equates to \$2802.22 monthly, or 226% of the federal poverty level (FPL) for a household of one. The appellant was assessed a monthly premium of \$56.00 based on the regulatory premium charts, which impose a premium of that amount on members whose income is at least 150% of the FPL. The appellant agreed with MassHealth's calculation of his income and reported that he cannot afford to pay the imposed monthly premium.

Findings of Fact

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

1. The appellant is a disabled adult under the age of 65 who resides in a household of one. Exhibit 4, Testimony.
2. On February 11, 2024, the appellant reported an income change to MassHealth, leading to a redetermination of his eligibility. Testimony.
3. On February 21, 2024, MassHealth issued a notice downgrading the benefits from MassHealth Standard to MassHealth CommonHealth and imposed a \$56.00 monthly premium based on the appellant's monthly income. Exhibit 1.
3. The appellant filed a timely notice of appeal on March 25, 2024. Exhibit 2.
4. The appellant earns gross monthly of \$2802.22. 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 disabled individual, the appellant meets the categorical requirements for MassHealth Standard. The question then remains as to whether he meets the income requirements to qualify.

A disabled individual 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). 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 he resides in a household of one. Based on 2023 MassHealth Income Standards and Federal Poverty Guidelines, 133% of the federal poverty level equated to a monthly income of \$1616.00 for a household of one. 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 \$1670.00 for a household of one. 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, MassHealth determined, and the appellant agrees, that his monthly income is \$2802.22. As that amount exceeds 133% of the federal poverty level by both 2023 and 2024

standards, the appellant is not eligible for MassHealth Standard benefits. Thus, I find no error in MassHealth's decision to downgrade his benefits to MassHealth CommonHealth. The question remains, however, as to whether his premium was properly calculated.

Individuals eligible for MassHealth CommonHealth may be assessed a premium if their total household income exceeds certain limits. See 130 CMR 505.004(I). That premium may be charged 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(B)(2)(b):

(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.

The regulation includes a formula for young adults and adults above 150% and children above 300% of the FPL. This formula would apply in this instance because the appellant's household monthly income is approximately \$2802.22, or 226% of the federal poverty level for a household of one. For households whose income exceeds 200%, the base premium is \$40.00 per month and is increased by \$8 for every 10% of the FPL the household income exceeds. 130 CMR 506.011(B)(2)(b).

Here, as the appellant's income is over 200% of the FPL but less than 230%, the appellant is obligated to pay the \$40.00 base premium, plus \$16.00 for being an additional 20% over the FPL. In other words, MassHealth correctly calculated the appellant's monthly premium to be \$56.00. Therefore, I find no error with MassHealth's issuance of the February 21, 2024 notice downgrading the appellant's benefits to MassHealth CommonHealth and imposing a \$56.00 monthly premium.

For the foregoing reasons, the appeal is hereby 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.

Mariah Burns
Hearing Officer
Board of Hearings

cc:

MassHealth Representative: Nga Tran, Charlestown MassHealth Enrollment Center, 529 Main Street, Suite 1M, Charlestown, MA 02129

Cc:

MassHealth Representative: Maximus Premium Billing