

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2407774
Decision Date:	10/11/2024	Hearing Date:	06/21/2024
Hearing Officer:	Scott Bernard	Record Open to:	08/29/2024

Appearance for Appellant:
Pro se via video conference

Appearance for MassHealth:
Kristine Angelari (Tewksbury MEC) *via video conference*



*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:	Community Eligibility – under 65/Income
Decision Date:	10/11/2024	Hearing Date:	06/21/2024
MassHealth's Rep.:	Kristine Angelari	Appellant's Rep.:	<i>Pro se</i>
Hearing Location:	Tewksbury MassHealth Enrollment Center	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

On May 6, 2024, MassHealth notified the appellant that her coverage would be terminated on May 20, 2024, due to ineligibility based on her income exceeding the income limit for MassHealth coverage. (See 130 CMR 502.003; 505.008; 506.007; and Exhibit (Ex.) 1). The appellant filed this appeal in a timely manner on May 13, 2024. (See 130 CMR 610.015(B) and Ex. 2). Termination of assistance is valid grounds for appeal. (See 130 CMR 610.032).

At the conclusion of the hearing, the record was left open so the appellant could submit further information concerning her income and to allow the MassHealth representative an opportunity to determine if that information would result in a change to the appellant's eligibility. (Ex. 5). The record closed on August 29, 2024 once the MassHealth representative informed the hearing officer that the information the appellant submitted would not change MassHealth's eligibility determination. (Ex. 6; Ex. 7).

Action Taken by MassHealth

MassHealth determined the appellant was not eligible for MassHealth because her income exceeded the income limit for MassHealth coverage.

Issue

The appeal issue is whether MassHealth was correct, pursuant to 130 CMR 505.008 and 506.007, in determining that the appellant's income exceeded the income limit to receive MassHealth benefits.

Summary of Evidence

A benefit eligibility representative from the Tewksbury MassHealth Enrollment Center (MEC) represented MassHealth and the appellant represented herself. Both parties attended the hearing by video conference.

The MassHealth representative testified first to the following. The appellant lives in a household of one and is under the age of 65 years old. (Testimony; Ex. 3). On January 16, 2024, MassHealth sent the appellant a letter requesting that she supply proof of her income no later than April 15, 2024. (Testimony). The appellant submitted several different documents to MassHealth prior to the due date, but these were determined to be unacceptable. (Testimony). Consequently, MassHealth sent an outreach letter listing the types of verification MassHealth could accept. (Testimony). On May 3, 2024, the appellant submitted her complete 2023 federal tax return. (Testimony). This was sufficient verification of the appellant's income, and MassHealth processed that income information on May 6, 2024. (Testimony).

In her tax return, the appellant reported self-employment income of \$3,301.83 per month, along with an IRA distribution totaling \$101,972 for the year. (Testimony). MassHealth calculated that the appellant's gross monthly income (GMI) was \$11,799.50, equal to 935.20% of the federal poverty level (FPL) for a household of one. (Testimony). This meant that the appellant was no longer eligible for her MassHealth coverage type, CarePlus, which has an income limit of \$1,670 per month or 133% of the FPL for a household of one. (Testimony). The appellant was eligible for Health Safety Net Partial. (Testimony; Ex. 1; Ex. 3). The MassHealth representative stated that the appellant could also contact the Massachusetts Health Connector in order to see what options were available for coverage. (Testimony).

The appellant testified that in October 2023 she cashed in an IRA left to her by her mother so she could make necessary repairs to her home. (Testimony). The appellant invested the remainder in a retirement fund for herself. (Testimony). Other than the distribution, however, the appellant's income had not changed. (Testimony). She simply had to use the funds from the IRA for home repairs. (Testimony). The appellant stated she had called MassHealth and offered to pay more for the year if that was required, but MassHealth informed her that they would just cancel her coverage. (Testimony). The appellant stated that she now regretted cashing in the IRA because she was not aware that it would result in the loss of her coverage. (Testimony). The appellant stated that she could not lose her coverage, and was worried because this would interrupt her cancer treatment. (Testimony).

The MassHealth representative acknowledged that while it was possible the IRA payout was a one-time occurrence, MassHealth did not possess any evidence that it was not an ongoing source of income. (Testimony). The MassHealth representative suggested that the appellant submit further documentation proving the IRA payout was a one-time event, as this could potentially assist in regaining eligibility for MassHealth. (Testimony).

For that reason, the record was left open in order to give the appellant the opportunity to submit a statement from the bank that administered the IRA showing that the disbursement from the IRA was a onetime pay out, and that the IRA was no longer open. (Ex. 5).

The appellant submitted an IRA statement by fax and the MassHealth representative confirmed that MassHealth reviewed the documents, determined they were not acceptable for purpose of the determining her 2024 income. (Ex. 7). The MassHealth representative explained that the IRA statement provided was dated for the period of January 1 through January 31, 2023 and MassHealth needed documentation showing the appellant had not received any IRA/retirement payouts in 2024. (Ex. 7).

Findings of Fact

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

1. The appellant lives in a household of one and is under the age of 65 years old. (Testimony; Ex. 3).
2. Prior to May 20, 2024, the appellant was eligible for MassHealth CarePlus. (Testimony; Ex. 3).
3. The income limit for CarePlus for a household of one is \$1,670 per month, which is 133% of the FPL. (Testimony).
4. On May 3, 2024, the appellant submitted her complete 2023 federal tax return in order to verify her income.
 - a. The appellant reported self-employment income of \$3,301.83 per month, along with an IRA distribution totaling \$101,972 for the year. (Testimony).
 - b. MassHealth calculated the appellant's GMI was \$11,799.50, which meant that it was equal to 935.20% of the FPL for a household of one. (Testimony).
5. After processing the appellant's income information on May 6, 2024, MassHealth notified the appellant that her coverage would be terminated on May 20, 2024 because her income exceeded the income limit to receive MassHealth coverage. (Testimony; Ex. 1).
6. The appellant is eligible for HSN Partial. (Testimony; Ex. 1; Ex. 3).

7. The record was left open to allow the appellant to submit a statement from the bank that administered the IRA showing that the disbursement from the IRA was a onetime pay out, and that the IRA was no longer open. (Ex. 5).
8. The appellant submitted an IRA statement for January 1 through January 31, 2023, but nothing concerning whether the IRA is an ongoing source of income. (Ex. 7).

Analysis and Conclusions of Law

Financial eligibility for coverage types that are determined using the MassHealth MAGI household rules is determined by comparing the sum of all countable income less deductions for the individual's household with the applicable income standard for the specific coverage type. (130 CMR 506.007(A)). MassHealth will construct a household for each individual who is applying for or renewing coverage; different households may exist within a single family, depending on the family members' familial and tax relationships to each other. (130 CMR 506.007(A)(1)).

Once the individual's household is established, financial eligibility is determined by using the total of all countable monthly income for each person in that individual's household. Income of all the household members forms the basis for establishing an individual's eligibility. (130 CMR 506.007(A)(2)).

A household's countable income is the sum of the gross 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. (130 CMR 506.007(A)(2)(a)). Countable income includes earned income (described below) and unearned income (not applicable in this appeal) less deductions¹. (130 CMR 506.007(A)(2)(b)). Earned income is the total amount of taxable compensation received for work or services performed less pretax deductions. (130 CMR 506.003(A)(1)). Earned income may include wages, salaries, tips, commissions, and bonuses. (Id.).

In determining monthly income, the MassHealth agency multiplies average weekly income by 4.333. ((130 CMR 506.007(A)(2)(c)). Once MassHealth determines a household's countable income, it then determines what percentage of the federal poverty level that income is and

¹ Neither the MassHealth representative nor the appellant stated that any deductions were applicable here but they are described in 130 CMR 506.003(D) and are as follows: student loan interest; educator expenses; reservist/performance artist/fee-based government official expenses; health savings account; moving expenses, for the amount and populations allowed under federal law; one-half self-employment tax; self-employment retirement account; penalty on early withdrawal of savings; alimony paid to a former spouse for individuals with alimony agreements finalized on or before December 31, 2018 (those finalized after December 31, 2018, or pre-existing agreements modified after December 31, 2018, are not deductible); individual retirement account (IRA); scholarships, awards, or fellowships used solely for educational purposes; student loan interest; and 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.

subtracts five percentage points from that number. (130 CMR 506.007(A)(3)). This adjusted income is then compared to the federal poverty level to determine the individual's eligibility. (Id.).

MassHealth CarePlus provides coverage for adults aged 21 to 64, with specific eligibility criteria detailed in 130 CMR 505.008. To qualify for MassHealth CarePlus Direct Coverage, individuals must: be aged 21-64, be a U.S. citizen or qualified noncitizen, have a household income not exceeding 133% of the federal poverty level, be ineligible for MassHealth Standard, utilize available health insurance benefits or enroll if no cost or purchased by MassHealth, and not be enrolled in Medicare Parts A or B. (130 CMR 505.008(A),(C)).

With the exception of the amount of her income, MassHealth did not dispute that the appellant was otherwise categorically eligible for MassHealth CarePlus. The income limit for CarePlus for a household of one is \$1,670 per month, which is equal to 133% of the FPL for that household size. According to the appellant's 2023 tax return, the appellant's income is \$11,799.50 per month, which is 940.20% of the FPL for a household of one. After deducting five percentage points from this raw figure, the appellant's countable income is equal to 935.20% of the FPL. Unfortunately, based on the information MassHealth currently possesses the appellant does not financially qualify for CarePlus since this countable income exceeds 133% of the FPL. In the hearing the MassHealth representative stated that a large portion of the appellant's income consisted of payment from an IRA. The appellant asserted that this was a one-time payout, and that the IRA was not a continuing source of income. The appellant was given an opportunity after the hearing to submit documentation supporting her assertion. The documents she submitted, however, did not demonstrate that the IRA was no longer a source of income. It is also noted that the appellant's reported self-employment income of \$3,301.83 alone exceeds 133% of the FPL.

For that reason, the appeal is DENIED.

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

Remove aid pending.

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.

Scott Bernard
Hearing Officer
Board of Hearings

Cc:

Sylvia Tiar, Tewksbury MassHealth Enrollment Center, 367 East Street, Tewksbury, MA 01876-1957