

**Office of Medicaid
BOARD OF HEARINGS**

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2409651
Decision Date:	09/10/2024	Hearing Date:	07/23/2024
Hearing Officer:	Scott Bernard		

Appearance for Appellant:



Appearances for MassHealth:

Ba'Ran Lewis (Quincy MEC) *via* video conference

Carmen Fabery (Premium Billing Unit) *via* video conference

Interpreter:



*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:	Premium Billing/Tax Intercept
Decision Date:	09/10/2024	Hearing Date:	07/23/2024
MassHealth's Rep.:	BaRan Lewis; Carmen Fabery	Appellant's Rep.:	██████
Hearing Location:	Quincy Harbor South	Aid Pending:	N/A

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 May 14, 2024, the Department of Revenue (DOR) informed the appellant that \$680.20 of his state tax refund would be transferred to MassHealth as a result of state tax refund intercept. (See 130 CMR 501.012 and Exhibit (Ex.) 1). The appellant filed this appeal in a timely manner on June 20, 2024. (See 130 CMR 610.015(B) and Ex. 2). An agency action to recover payments for unpaid premiums through tax intercept is valid grounds for appeal. (See 130 CMR 610.032).

Action Taken by MassHealth

MassHealth, through DOR, intercepted the appellant's tax refund.

Issue

Whether MassHealth correctly intercepted the appellant's state tax refund.

Summary of Evidence

The MassHealth representative testified first and stated the following. The appellant is under the

age of 65 years old and is disabled. (Testimony; Ex. 3). In 2021, MassHealth determined that the appellant was eligible for MassHealth Standard with the Medicare Savings Program/Buy-In. (Testimony; Ex. 3). In 2023, MassHealth determined that the appellant was no longer eligible for MassHealth Standard because he was over the income limit for that coverage but was eligible for CommonHealth with a monthly premium of \$218.40. (Testimony; Ex. 5, pp. 7-9). The eligibility determination and the premium calculation were both based on the appellant having monthly income that was equivalent to 518.26% of the FPL for a household of one. (Testimony).

The MassHealth representative continued by stating that on October 17, 2023, MassHealth issued a notice informing the appellant that his CommonHealth would end on October 31, 2023 because he had past-due premiums. (Testimony; Ex. 6). Recently, on May 31, 2024, MassHealth notified the appellant that he had been approved for MassHealth CommonHealth coverage. (Testimony; Ex. 7). The appellant had again become eligible for CommonHealth because his past-due premiums had been paid. (Testimony). The appellant contacted MassHealth in order to withdraw and MassHealth issued a notice, also on May 31, 2024, stating the appellant's CommonHealth would end because he had withdrawn his application. (Testimony; Ex. 5, p. 6). The appellant is not presently receiving any MassHealth coverage. (Testimony; Ex. 3).

The Premium Billing representative testified next and stated the following. On July 7, 2023, MassHealth notified the appellant that he was eligible for MassHealth CommonHealth with a monthly premium of \$218.40 beginning in August 2023. (Testimony; Ex. 5, pp. 7-9). MassHealth then sent the appellant bills for \$218.40 in the months of August, September, and October 2023. (Testimony; Ex. 5, p. 10). MassHealth did not receive any premium payments from the appellant during that time. (Testimony). Once the appellant's arrearage for the August 2023 premium reached 60 days, MassHealth terminated his CommonHealth coverage. (Testimony; Ex. 6). After 150 days elapsed following the billing of the last premium in September 2023, MassHealth referred the debt for tax intercept. (Testimony). For that reason, the appellant's Massachusetts tax refund was intercepted, resulting in a payment of \$680.20, which MassHealth received on May 16, 2024. (Testimony; Ex. 1). The Premium Billing representative explained that \$655.20 of this represented the unpaid premiums for August, September, and October 2023, while \$25.00 were for fees. (Testimony; Ex. 1).

The MassHealth representative acknowledged that the notices sent to the appellant prior to 2024 were sent to an address that was different from that of the appellant's current address. (Testimony; Ex. 1; Ex. 5, pp. 6, 7-9). The Premium Billing representative confirmed that the three premium bills were also sent to this other address and not to the appellant's current address. (Testimony).

The appellant testified to the following. The appellant stated that he had not lived at the other address since 2021. (Testimony). The appellant also stated, however, that he did not inform MassHealth that he had moved away from that address until after he received the tax intercept notice in 2024. (Testimony; Ex. 1). The appellant stated that he had informed his doctors that he had moved and thought that he did not need to notify MassHealth of the address change

separately. (Testimony). The appellant stated that he does not presently need MassHealth coverage because he is on his wife's coverage. (Testimony). The appellant stated that he felt that he did not have sufficient notice of the fact that he owed MassHealth the premiums. (Testimony). The appellant, however, was reminded that MassHealth sent all the notices to the last address they had on record for the appellant. (Testimony).

Findings of Fact

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

1. The appellant is under the age of 65 years old and is disabled. (Testimony; Ex. 3).
2. In 2021, MassHealth determined that the appellant was eligible for MassHealth Standard with the Medicare Saving Program/Buy-In. (Testimony; Ex. 3).
3. On July 7, 2023, MassHealth notified the appellant that he was no longer eligible for MassHealth Standard because he was over the income limit for that coverage but was eligible for CommonHealth with a monthly premium of \$218.40 beginning in August 2023. (Testimony; Ex. 5, pp. 7-9).
4. The eligibility determination and the premium calculation were both based on the appellant having monthly income that was equivalent to 518.26% of the FPL for a household of one. (Testimony).
5. MassHealth sent the appellant premium bills for \$218.40 in the months of August through October 2023. (Testimony; Ex. 5, p. 10).
6. MassHealth did not receive any premium payments from the appellant during that time and MassHealth terminated his coverage in October 2023. (Testimony; Ex. 6).
7. Because the appellant still owed the amount of the premiums, MassHealth referred the debt to the State Intercept Program after 150 days. (Testimony).
8. SIP intercepted the appellant's Massachusetts tax refund, resulting in MassHealth receiving a payment of \$680.20 on May 16, 2024. (Testimony; Ex. 1).
9. \$655.20 of the intercept was applied to the unpaid premiums for August, September, and October 2023, while \$25.00 were fees. (Testimony; Ex. 1).
10. On May 31, 2024, MassHealth notified the appellant that he had been approved for MassHealth CommonHealth coverage. (Testimony; Ex. 7).
11. MassHealth determined that the appellant was eligible for CommonHealth because his past-due premiums had been paid. (Testimony).

12. The appellant contacted MassHealth in order to withdraw and MassHealth issued a notice, also on May 31, 2024, indicating that his coverage would end because he had withdrawn. (Testimony; Ex. 5, p. 6).
13. The appellant is not presently receiving any MassHealth coverage. (Testimony; Ex. 3).
14. Notices and premium bills sent to the appellant prior to 2024 were sent to an address that was different from that of the appellant's current address. (Testimony; Ex. 1; Ex. 5, pp. 6, 7-9).
15. The appellant moved from this previous address in 2021, but did not notify MassHealth that he had moved until after he received the tax intercept notice. (Testimony).

Analysis and Conclusions of Law

MassHealth may charge a monthly premium to members with MassHealth CommonHealth who have income above 150% of the FPL. (130 CMR 506.011). The premium formulas for MassHealth CommonHealth members who are adults with household income above 150% of the FPL is as follows:

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 Monthly Premium Cost
Above 150% FPL--start at \$15	Add \$5 for each additional 10% FPL until 200%	\$15 - \$35
Above 200% FPL--start at \$40	Add \$8 for each additional 10% FPL until 400%	\$40 - \$192
Above 400% FPL--start at \$202	Add \$10 for each additional 10% FPL until	\$202 - \$392
Above 600% FPL--start at \$404	Add \$12 for each additional 10% FPL until	\$404 - \$632
Above 800% FPL--start at \$646	Add \$14 for each additional 10% FPL until	\$646 - \$912
Above 1000% FPL--start at \$928	Add \$16 for each additional 10% FPL	\$928 + greater

(130 CMR 506.011(B)(2)(b)).

A lower supplemental premium is charged to adult members (and others) with household income above 300% of the FPL, who have health insurance to which MassHealth does not contribute, and is determined as follows:

CommonHealth Supplemental Premium Formula	
% of Federal Poverty Level (FPL)	Monthly Premium
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

(130 CMR 506.011(B)(2)(c)).

MassHealth members who are assessed a premium are responsible for monthly premium payments beginning with the calendar month following the date of MassHealth's eligibility determination. (130 CMR 506.011(C)(1)). If MassHealth has billed a member for a premium payment, and the member does not pay the entire amount billed within 60 days of the date on the bill, the member's eligibility for benefits is terminated and they will be sent a notice of termination before the date of termination. (130 CMR 506.011(D)(1)). MassHealth may refer a member who is 150 days or more in arrears to the State Intercept Program (SIP) in compliance with 815 CMR 9.00: Collection of Debts. (130 CMR 506.011(D)(3)). Members will not be referred to SIP for collection of a past due balance if they have and are currently paying on the payment-plan arrangement that MassHealth approved. (Id.).

MassHealth approved the appellant for MassHealth CommonHealth on July 7, 2023, with a premium of \$218.40 which would be billed beginning in August 2023. MassHealth calculated the premium based on the appellant's income being equivalent to 518.26% of the FPL. Since this is above 400% but below 600% of the FPL, MassHealth started at \$202 and added \$110 based on the appellant's income being 110% above that base FPL of 400%. The full premium was therefore \$312. Since the appellant is a recipient of Medicare, as shown by the fact that the appellant previously had MassHealth Standard with the Buy-In benefit, MassHealth then applied the Supplemental Premium formula. Again, as the appellant's income was within the 400% to 600% range, MassHealth multiplied \$312 by 70%, which equals \$218.40. Strictly speaking, the determination of the amount of the premium is beyond the scope of this appeal but nevertheless does show that the premium was correctly calculated.

MassHealth then billed the appellant \$218.40 for August, September, and October 2023, a total of \$655.20. The appellant did not pay any of these premiums. Since the appellant did not pay the entire amount MassHealth billed for August within 60 days, MassHealth terminated the appellant's eligibility for benefits and sent him a termination notice prior to the date it terminated his benefit on October 31, 2023. Once the appellant remained in arrears of these payments after 150 or more days, MassHealth referred the \$655.20 debt to the SIP. SIP then collected the debt from the appellant's tax refund in accordance with 815 CMR 9.00 and paid MassHealth the amount of the unpaid premiums.

It does appear more likely than not that the appellant was in no way aware that MassHealth had determined he was eligible for CommonHealth in July 2023, or that he was required to pay a premium, or that he had been billed the premiums, or that he had been terminated for not paying the premiums. MassHealth had sent all the letters and premium bills notifying the appellant of the above to an address that had not been the appellant's address since 2021. The appellant, however, did admit that he did not inform MassHealth he had moved from that address in 2021. The appellant was open on and received MassHealth Standard coverage up until July, 2023. Under the regulations, members must report changes that may affect eligibility to MassHealth within ten days or as soon as possible. (See 130 CMR 501.010(B)). This would, of course, include changes of address. Despite the likelihood that the appellant was not aware that MassHealth sent the appellant notices and premium bills to this prior address, since this was the appellant's last known address, the appellant still remains responsible for the unfortunate result.

For the above reasons, the appeal is 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.

Scott Bernard
Hearing Officer
Board of Hearings

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

Maximus Premium Billing, Attn: Carmen Fabery, 1 Enterprise Drive, Suite 310, Quincy, MA 02169