

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Approved	Appeal Number:	2412543
Decision Date:	11/19/2024	Hearing Date:	9/17/2024
Hearing Officer:	Cynthia Kopka	Record Open to:	10/4/2024

Appearance for Appellant:
Pro se

Appearance for MassHealth:
Nancy Derisma, Charlestown



*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	Issue:	Community eligibility, under 65, income
Decision Date:	11/19/2024	Hearing Date:	9/17/2024
MassHealth's Rep.:	Nancy Derisma	Appellant's Rep.:	Pro se
Hearing Location:	Charlestown (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

By notice dated July 29, 2024, MassHealth determined that Appellant did not qualify for benefits. Exhibit 1. Appellant filed this appeal in a timely manner on August 12, 2024. Exhibit 2. 130 CMR 610.015(B). Denial of assistance is a valid basis for appeal. 130 CMR 610.032.

Action Taken by MassHealth

MassHealth determined that Appellant did not qualify for benefits due to income.

Issue

The appeal issue is whether MassHealth was correct in calculating Appellant's income and denying Appellant coverage.

Summary of Evidence

The MassHealth representative appeared by phone and testified as follows. Appellant is under the age of 65, and lives in a household of two with her minor child. On February 6, 2024, MassHealth

sent Appellant a renewal application. Appellant returned the completed renewal on April 5, 2024. On July 29, 2024, MassHealth notified Appellant that she was not eligible for MassHealth due to income. This notice provides that Appellant's household income was 158.45% of the 2024 federal poverty level (FPL) for a household of two. However, MassHealth noted that the system listed both unemployment income and income from Appellant's employer simultaneously, which inflated Appellant's income.

Appellant appeared by phone and testified as follows. Appellant works seasonally as a school bus driver. During the school year she is employed, but is laid off each summer. Appellant collects unemployment benefits during the summer. She does not receive the two incomes simultaneously. Additionally, Appellant is working fewer hours each week than in years past. Appellant currently works 20 hours per week for 26 weeks per year. Appellant submitted with her hearing request unemployment stubs, and asked for an opportunity to provide updated paystubs from her employer. The hearing record was held open through September 27, 2024 for Appellant to submit paystubs showing her income, and for MassHealth to review and respond. Exhibit 4. Appellant sought MassHealth coverage retroactive back to August 8, 2024, when she incurred medical expenses. Exhibit 7.

With the request for hearing, Appellant provided a screenshot from unemployment showing that on August 7, 2024, Appellant received a weekly benefit amount of \$371 and a dependency allowance of \$75. Exhibit 2. In her record open submission, Appellant provided an updated unemployment record showing the same weekly amounts and the last requested date as August 31, 2024. Exhibit 4. Appellant also provided paystubs for her job dated September 1, 2024 through September 21, 2024:

- September 1-7, 2024: 15.99 hours, \$468.99 gross pay
- September 8-14, 2024: 20 hours, \$586.60 gross pay
- September 15-21, 2024: 18.01 hours, \$528.24 gross pay

Id.

Based on Appellant's submission, the MassHealth representative updated the income and found Appellant's household income was now 106.92% of the FPL. On October 1, 2024, MassHealth notified Appellant that she was eligible for MassHealth Standard effective September 21, 2024. Exhibit 6.

Findings of Fact

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

1. On July 29, 2024, MassHealth determined that Appellant did not qualify for benefits.

Exhibit 1.

2. Appellant filed this appeal in a timely manner on August 12, 2024. Exhibit 2.
3. Appellant is under the age of 65 and in a household of two with her minor child.
4. Appellant's gross weekly pay from her employer was \$468.99 from September 1-7, 2024, \$586.60 from September 8-14, 2024, and \$528.24 from September 15-21, 2024.
5. Appellant's unemployment income on August 7, 2024 was \$371 with a dependency allowance of \$75. Exhibit 2.
6. In 2024, the FPL for a household of two was \$1,704 monthly and \$20,448 yearly.
7. On October 1, 2024, MassHealth notified Appellant that she was eligible for MassHealth Standard effective September 21, 2024. Exhibit 6.
8. MassHealth calculated Appellant's household income as 106.92% of the FPL. *Id.*

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 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) 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 (DMH) 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, MassHealth CommonHealth, or MassHealth CarePlus;
- (5) MassHealth Limited – for certain lawfully present immigrants as described in 130 CMR 504.003(A): *Lawfully Present Immigrants*, nonqualified PRUCOLs, and other noncitizens as described in 130 CMR 504.003: *Immigrants*; and

(6) MassHealth Medicare Savings Programs – for certain Medicare beneficiaries.

130 CMR 505.001(A).

In order to establish eligibility for MassHealth benefits, applicants must meet both the categorical and financial requirements. MassHealth determines financial eligibility based on an applicant's modified adjusted gross income. MassHealth takes 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) and subtracts deductions described in 130 CMR 506.003(D). 130 CMR 506.007. Per 130 CMR 506.003, the regulatory definitions of earned income, unearned income and deductions are as follows:

(A) Earned Income.

(1) Earned income is 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.

(2) Earned taxable income for the self-employed is the total amount of taxable annual income from self-employment after deducting annual business expenses listed or allowable on a U.S. Individual Tax Return. Self-employment income may be a profit or a loss.

(3) Earned income from S-Corporations or Partnerships is the total amount of taxable annual profit (or loss) after deducting business expenses listed or allowable on a U.S. Individual Tax Return.

(4) Seasonal income or other reasonably predictable future income is taxable income derived from an income source that may fluctuate during the year. Annual gross taxable income is divided by 12 to obtain a monthly taxable gross income with the following exception: if the applicant or member has a disabling illness or accident during or after the seasonal employment or other reasonably predictable future income period that prevents the person's continued or future employment, only current taxable income will be considered in the eligibility determination.

(B) Unearned Income.

(1) Unearned income is the total amount of taxable income that does not directly result from the individual's own labor after allowable deductions on the U.S Individual Tax Return.

(2) Unearned income 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.

(C) Rental Income. Rental income is the total amount of taxable income less any

deductions listed or allowable on an applicant's or member's U.S. Individual Tax Return.

(D) Deductions. 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.

An adult under the age of 64 is eligible for MassHealth Standard as a parent if their income at or below 133% of the FPL. 130 CMR 505.002(C)(1)(a). Children between the ages of one and eighteen are eligible if their household income is at or below 150% of the FPL. 130 CMR 505.002(B)(2). MassHealth determines monthly income by multiplying weekly income by 4.333. 130 CMR 506.007(A)(2)(c).

On July 29, 2024 MassHealth notified Appellant that she was not eligible for benefits due to her income. Subsequently, Appellant verified to MassHealth's satisfaction with verifications dated August 7, 2024 through September 21, 2024 that her income with deductions was 106.92% of the FPL. MassHealth approved MassHealth Standard effective September 21, 2024, ten days prior to the date of the approval notice.

Under the fair hearing regulations, if a member submits evidence to MassHealth and MassHealth has an opportunity to review and respond to newly submitted evidence, "the effective date of any adjustments to the appellant's eligibility status is the date on which all eligibility conditions were met, regardless of when the supporting evidence was submitted." 130 CMR 610.071(A)(2). The evidence Appellant provided to MassHealth demonstrating that she was income eligible for

MassHealth Standard was dated as of August 7, 2024. Appellant seeks an eligibility determination effective August 8, 2024. Pursuant to 130 CMR 610.071(A)(2), this appeal is approved for retroactive coverage of MassHealth Standard from August 7, 2024.

Order for MassHealth

Adjust Appellant's and her child's start date for MassHealth Standard to August 7, 2024.

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.

Cynthia Kopka
Hearing Officer
Board of Hearings

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