

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2412552
Decision Date:	10/31/2024	Hearing Date:	09/03/2024
Hearing Officer:	Mariah Burns		

Appearance for Appellant:




Appearance for MassHealth:

Lorenzo Paulino De La Cruz, Quincy
MassHealth Enrollment Center



*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; Household Size
Decision Date:	10/31/2024	Hearing Date:	09/03/2024
MassHealth's Rep.:	Lorenzo Paulino De La Cruz	Appellant's Rep.:	
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 July 25, 2024, MassHealth downgraded the appellant's benefits from MassHealth CarePlus to the Health Safety Net because his income exceeds the regulatory limit. *See* 130 CMR 505.008 and Exhibit 1. The appellant filed this appeal in a timely manner on August 13, 2024. *See* 130 CMR 610.015(B) and Exhibit 2. Termination of assistance is valid grounds for appeal. *See* 130 CMR 610.032.

Action Taken by MassHealth

MassHealth terminated the appellant's benefits after deeming his income too high.

Issue

The appeal issue is whether MassHealth correctly calculated the appellant's household size and income in deeming him ineligible for MassHealth benefits.

Summary of Evidence

The appellant is an adult under the age of 65 who, prior to the issuance of the notice at issue, received MassHealth CarePlus benefits. MassHealth was represented by a worker from the Quincy MassHealth Enrollment Center. The following is a summary of the testimony and evidence provided at hearing.

The MassHealth representative reported that on July 11, 2024, the appellant updated his income with MassHealth, increasing it from \$15,000 per year to \$25,000 per year. MassHealth had on file that the appellant resides in a household of one, and therefore his countable income was approximately 161% of the federal poverty level for a household of that size. For those reasons, on July 25, 2024, MassHealth downgraded the appellant's benefits from MassHealth CarePlus to the Health Safety Net, finding him no longer eligible.

The appellant reported that he earns \$25,000 per year and has for many years. He was unsure why MassHealth ever had \$15,000 on file for him. He also stated that he has three children under the age of 19 and that he and his ex-spouse share claiming the children as tax dependents. He reported that he pays \$180 per week in child support and has since his divorce in January of 2022.

Findings of Fact

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

1. The appellant is an adult over the age of 65 who, prior to the issuance of the notice on appeal, received MassHealth CarePlus benefits. Testimony, Exhibit 1, Exhibit 5.
2. On July 11, 2024, the appellant's income was updated within MassHealth's system. Based on this update, MassHealth deemed the appellant's income was too high for him to qualify for benefits beyond the Health Safety Net. Testimony.
3. On July 25, 2024, MassHealth generated a notice downgrading the appellant's benefits from MassHealth CarePlus to the Health Safety Net with an effective date of August 31, 2024. Exhibit 1.
4. The appellant filed a timely request for fair hearing on August 13, 2024. Exhibit 2.
5. The appellant has three minor children. Testimony. The appellant claims that both he and his ex-spouse claim their children on their respective taxes. Testimony.
6. The appellant earns a yearly income of \$25,000. 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 for individuals who are under age 65. 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, the appellant is over the age of 21 but under 65 and is the parent of minor children. Thus, he meets the categorical requirements to qualify for MassHealth Standard, and CarePlus. A parent or caretaker is financially eligible for MassHealth Standard if “the modified adjusted gross income of the MassHealth Modified Adjusted Gross Income (MAGI) household is less than or equal to 133% of the federal poverty level.” 130 CMR 505.002(C)(1)(a). The same income limit of 133% of the federal poverty level, applies to eligibility for CarePlus. 130

CMR 505.008. The question then remains as to whether the appellant meets the income requirements to qualify for Standard or CarePlus; to determine this, both his household size and his income must be calculated.¹

(I) Calculating the Appellant's Household Size

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 regulations make clear that household size is calculated "at the individual member level." 130 CMR 506.002(A).

In this case, MassHealth argues that the appellant resides in a household of one because his children reside with their mother and cannot be a part of both parents' household. However, this argument contrasts with the provisions of 130 CMR 506.002. What is at issue for this appeal is the MAGI household size of the appellant, not that of his children. The appellant is entitled to have his household size calculated pursuant to 130 CMR 506.002(B). As a tax filer, the only factors that influence the size of his MAGI household are with whom he files taxes and any dependents he claims. The appellant testified that both he and his ex-spouse each claim their children as tax dependents. It was not clear if the appellant and his spouse switch off each year claiming the children on their tax returns, but a child cannot be claimed on two different tax returns in a given year. Without documentation of the appellant's most recent tax returns I do not find, by a preponderance of the evidence, that the appellant has demonstrated that he claims his children as tax dependents. Therefore, I agree with MassHealth that the evidence supports that the appellant resides in a household of one.²

¹ It should be noted that MassHealth Standard and MassHealth CarePlus share the same income standards for someone in the appellant's circumstances. See 130 CMR 505.008(A)(2)(c).

² The appellant may, at any point, submit his most recent tax returns to MassHealth in an effort to demonstrate that he resides in a MAGI household with his children.

(II) Calculating the Appellant's Income and Federal Poverty Level Percentage

Once an applicant's MAGI household size is established, MassHealth compares the household's income to that of the federal poverty level. Based on 2024 MassHealth Income Standards and Federal Poverty Guidelines, 133% of the federal poverty level equates to a yearly income of \$20,040.00 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 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 "wages, salaries, tips, commissions, and bonuses."

In this case, the parties agree that the appellant earns \$25,000 in gross yearly income, which is 166% of the federal poverty level. After the regulatory deduction of 5 percentage points, the appellant's countable income is 161% of the federal poverty level. As that amount exceeds 133% of the federal poverty level for a household of one, the appellant is not eligible for MassHealth Standard or CarePlus benefits. I find no error with MassHealth's July 25, 2024, notice and MassHealth's action is upheld.

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

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