

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



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|-------------------------|--------------|-----------------------|------------|
| Appeal Decision: | Denied | Appeal Number: | 2413058 |
| Decision Date: | 10/24/2024 | Hearing Date: | 09/24/2024 |
| Hearing Officer: | Mariah Burns | | |

Appearance for Appellant:



Appearance for MassHealth:

Timothy O'Donnell, Tewksbury 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

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|--------------------|------------|-------------------|-------------------------------|
| Appeal Decision: | Denied | Issue: | Under 65; Eligibility; Income |
| Decision Date: | 10/24/2024 | Hearing Date: | 09/24/2024 |
| MassHealth's Rep.: | ██████████ | Appellant's Rep.: | Marcella Quiros |
| 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 August 12, 2024, MassHealth denied the appellant's MassHealth Standard benefits because MassHealth determined that the appellant's income is too high. *See* 130 CMR 505.002 and Exhibit 1. The appellant filed this appeal in a timely manner on August 21, 2024. *See* 130 CMR 610.015(B) and Exhibit 2. Denial of assistance is valid grounds for appeal. *See* 130 CMR 610.032.

Action Taken by MassHealth

MassHealth terminated the appellant's MassHealth Standard benefits.

Issue

The appeal issue is whether MassHealth correctly calculated the appellant's income in terminating his MassHealth Standard benefits.

Summary of Evidence

The appellant was, at the time of the hearing, a young adult between the ages of █████ and █████ who

lives in a household of three with his mother and a minor sibling. He was represented at the hearing by his mother. MassHealth was represented by a worker from the Tewksbury MassHealth Enrollment Center. The following is a summary of the testimony and evidence provided at the hearing:

Prior to the issuance of the notice on appeal, the appellant received MassHealth Standard benefits. On August 12, 2024, the appellant's mother removed a member from the family's household, reducing the household size from 4 to 3, which resulted in an overall increase to the family's federal poverty level calculation. Based on that increase, MassHealth terminated the appellant's benefits on August 12 and placed him on the Health Safety Net. The MassHealth representative reported that they verified that the appellant's mother earns \$900.00 per week in wages, which equates to \$3899.97 per month, or approximately 176% of the federal poverty level for a household of three.

The appellant's mother reported that she earns \$24.00 an hour working 45 hours a week, which equates to approximately \$1080.00. She stated that she infrequently works overtime, for which her pay is between \$33.00 and \$34.00 an hour. She also testified that she submitted a Disability Supplement on behalf of the appellant back in August, as the appellant has a diagnosis of autism spectrum disorder.

Findings of Fact

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

1. As of the date of the hearing, the appellant is a young adult between the age of [REDACTED] who resides in a household of three with his mother and his younger sibling. Testimony, Exhibit 4.
2. The appellant was receiving MassHealth Standard benefits as a young adult prior to the issuance of the notice at issue. Testimony, Exhibit 1.
3. On August 12, 2024, the appellant's mother notified MassHealth that a member was being removed from their household, reducing their household size from 4 to 3. Testimony
4. On that day, MassHealth determined that the appellant is no longer eligible for MassHealth Standard based on his household income and issued a notice downgrading his benefits from MassHealth Standard to the Health Safety Net. Testimony, Exhibit 1.
5. The appellant filed a timely request for fair hearing on August 21, 2024. Exhibit 2.
6. The appellant's mother earns a monthly gross income of at least \$3899.97 in wages. Testimony. The household has no other income. 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 the age of 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). Young adults are defined as individuals between the age of 19 and 20. *Id.* at 505.002(B)(3).

To establish eligibility for MassHealth benefits, applicants must meet both the categorical and financial requirements. In this case, because, at the time of this hearing, the appellant was between the ages of 19 and 20, he meets the categorical requirements for MassHealth Standard.

The question then remains as to whether he meets the income requirements to qualify.

A young adult age [REDACTED] is eligible for MassHealth Standard if “the modified adjusted gross income of the MassHealth MAGI household is less than or equal to 150% of the federal poverty level.” 130 CMR 505.008(A)(2). 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:

(2) Individuals Claimed as a Tax Dependent on Federal Income Taxes.

(a) For an individual who expects to be claimed as a tax dependent by another taxpayer for the taxable year in which the initial determination or renewal of eligibility is being made and who does not otherwise meet the Medicaid exception rules as described in 130 CMR 506.002(B)(2)(b)1., 2., or 3., the household consists of

1. the individual;
2. the individual’s spouse, if living with them;
3. the taxpayer claiming the individual as a tax dependent;
4. any of the taxpayer’s tax dependents; and
5. if any individual described in 130 CMR 506.002(B)(2)(a)1. through 4. is pregnant, the number of expected children.

Here, the appellant does not challenge that he resides in a household of three with his mother and younger sibling. Based on 2024 MassHealth Income Standards and Federal Poverty Guidelines, 150% of the federal poverty level equates to a monthly income of \$3228.00 for a household of that size. 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 “wages, salaries, tips, commissions, and bonuses.”

In this case, MassHealth determined, and the appellant agreed, that the appellant’s mother earns at least \$3899.97 in gross monthly income. That amount exceeds 150% of the federal poverty level for a household of five based on the income standards for 2024. The appellant is therefore no longer financially eligible for MassHealth benefits beyond the Health Safety Net while he remains a tax dependent of his mother. Thus, I find that MassHealth did not err in issuing the August 12, 2024, notice downgrading the appellant’s benefits from MassHealth Standard to the Health Safety Net.¹

For the foregoing reasons, the appeal is denied.

The 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

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: Sylvia Tiar, Tewksbury MassHealth Enrollment Center

¹ This decision has no impact on the appellant’s disability supplement and application for MassHealth CommonHealth benefits.