

# Office of Medicaid BOARD OF HEARINGS

**Appellant Name and Address:**



|                         |            |                       |            |
|-------------------------|------------|-----------------------|------------|
| <b>Appeal Decision:</b> | Denied     | <b>Appeal Number:</b> | 2414366    |
| <b>Decision Date:</b>   | 12/6/2024  | <b>Hearing Date:</b>  | 10/25/2024 |
| <b>Hearing Officer:</b> | Emily Sabo |                       |            |

**Appearance for Appellant:**



**Appearance for MassHealth:**

Maribel Sepulveda, Springfield MEC



*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

|                           |   |                          |                                    |
|---------------------------|---|--------------------------|------------------------------------|
| <b>Appeal Decision:</b>   | Denied  | <b>Issue:</b>            | Community Eligibility;<br>Under 65 |
| <b>Decision Date:</b>     | 12/6/2024   | <b>Hearing Date:</b>     | 10/25/2024                         |
| <b>MassHealth's Rep.:</b> | Maribel Sepulveda   | <b>Appellant's Rep.:</b> | ██████                             |
| <b>Hearing Location:</b>  | Springfield<br>MassHealth<br>Enrollment Center<br>(Telephone) | <b>Aid Pending:</b>      | 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 September 18, 2024, MassHealth denied the Appellant's application for MassHealth benefits because MassHealth determined that the Appellant's income is too high. 130 CMR 506.007(B), 130 CMR 502.003, and Exhibit 1. The Appellant filed this appeal in a timely manner on September 18, 2024. 130 CMR 610.015(B) and Exhibit 2. Denial of assistance is valid grounds for appeal. 130 CMR 610.032.

### Action Taken by MassHealth

MassHealth denied the Appellant's application for MassHealth benefits on the grounds that his income is too high.

### Issue

The appeal issue is whether MassHealth was correct, pursuant to 130 CMR 506.007(B) and 130 CMR 502.003, in denying the Appellant's application for MassHealth benefits because it

determined his income exceeded program limits.

## Summary of Evidence

The hearing was held telephonically. The MassHealth representative testified that the Appellant is [REDACTED], and has a household size of one. The MassHealth representative testified that the Appellant's income is \$458.31 weekly, based on four recent pay stubs which he submitted in September 2024. The MassHealth representative testified that this equates to \$1,985/monthly, and 153.24% of the 2024 federal poverty level (FPL). The MassHealth representative testified that in order to be eligible for MassHealth CarePlus, the Appellant's income would have to be 133% of the federal poverty level or less.

The Appellant verified his identity. The Appellant testified that he worked part time as a cashier. The Appellant testified that he is paid weekly, and that his last paycheck was for \$569.38. The Appellant testified that he usually works 25 hours per week, and that he was only scheduled to work seven hours the following week. The Appellant testified that in the past year, he has gone on and off his father's insurance. The Appellant testified that he spoke with a customer service representative from MassHealth who told him that everything was fine with his account, and that he was frustrated because he had gotten conflicting messages from MassHealth. The Appellant was concerned that a Health Connector plan would be too expensive because all of his income goes toward rent and a storage unit, and he is struggling to buy food. The Appellant also stated that he also had enrolled in an insurance plan for \$73/month that turned out to be a scam, and that MassHealth confirmed that it was fraudulent.

## Findings of Fact

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

1. The Appellant is [REDACTED] and has a household size of one. Testimony, Exhibit 4.
2. The Appellant's current income source is based on his part-time work. Based on four pay stubs provided to MassHealth in September 2024, his income averages to \$458.31 weekly. Testimony.
3. On September 18, 2024, MassHealth denied the Appellant's application for MassHealth benefits on the grounds that his income is too high. Exhibit 1.
4. On September 18, 2024, the Appellant timely filed an appeal with the Board of Hearings. Exhibit 2.

## Analysis and Conclusions of Law

The issue on appeal is whether MassHealth correctly determined that the Appellant's modified adjusted gross income exceeded program limits to qualify for MassHealth benefits, specifically MassHealth CarePlus.<sup>1</sup> As described in its regulations, MassHealth provides individuals with access to health care by determining the coverage type that provides the applicant with the most comprehensive benefit for which they are eligible. 130 CMR 501.003(A). The MassHealth coverage types are listed as follows:

- (1) Standard for pregnant women, children, parents and caretaker relatives, young adults,<sup>2</sup> 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 ....
- (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, applicants must meet both the categorical and financial requirements. To calculate financial eligibility, MassHealth regulations at 130 CMR 506.007 provide that:

- (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

---

<sup>1</sup> Based on the testimony at hearing, the Appellant and MassHealth representative did not indicate that the Appellant would categorically qualify for another type of coverage, such as MassHealth Standard or CommonHealth.

<sup>2</sup> "Young adults" are defined at 130 CMR 501.001 as those aged 19 and 20.

as described at 130 CMR 506.002 with the applicable income standard for the specific coverage type.

(1) The MassHealth agency will construct a household as described in 130 CMR 506.002 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.

(2) 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 MassHealth MAGI or Disabled Adult household. Income of all the household members forms the basis for establishing an individual's eligibility.

(a) 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(M).

(b) 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(D).

(c) In determining monthly income, the MassHealth agency multiplies average weekly income by 4.333.

(3) 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) Multiply the annual 100% figure posted in the *Federal Register* by the applicable federal poverty level income standard.

(2) Round these annual figures up to the nearest hundredth.

(3) Divide by 12 to arrive at the monthly income standards.

130 CMR 506.007.

130 CMR 506.003: Countable Household Income

Countable household 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(D).

(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.

130 CMR 506.003.

506.004: Noncountable Household Income

Because of state or federal law, the following types of income are noncountable in the determination of eligibility for individuals described at 130 CMR 506.002. Changes to state or federal law may affect whether the following remain noncountable:

- (A) TAFDC, EAEDC, or SSI income;
- (B) federal veteran benefits that are not taxable in accordance with IRS rules;
- (C) income-in-kind;
- (D) roomer and boarder income derived from persons residing in the applicant's or member's principal place of residence;
- (E) most workers' compensation income;
- (F) pretax contributions to salary reduction plans for payment of dependent care, transportation, and certain health expenses within allowable limits;
- (G) child support received;
- (H) alimony payments under separation or divorce agreements finalized after December 31, 2018, or pre-existing agreements modified after December 31, 2018. For individuals with alimony agreements finalized on or before December 31, 2018, alimony continues to be included in the income of the recipient for the duration of the agreement unless or until the agreement is modified;
- (I) taxable amounts received as a lump sum, except those sums that are counted in the month received; in the case of lottery or gambling winnings, those sums that are counted in the month or months required under federal law, including the Tax Cut and Jobs Act of 2017, Public Law 115-97;
- (J) money received for acting as a Parent Mentor as defined under section 1397 mm(f)(5) of chapter 42 of the United States Code of the Social Security Act;

(K) income received by independent foster-care adolescents described at 130 CMR 505.002(H): Eligibility Requirements for Former Foster-care Individuals;

(L) income from children and tax dependents who are not expected to be required to file a tax return under Internal Revenue Code, U.S.C. Title 26, § 6012(a)(1) for the taxable year in which eligibility for MassHealth is being determined, whether or not the children or the tax dependents files a tax return; and

(M) any other income that is excluded by federal laws other than the Social Security Act.

130 CMR 506.004.

Here, to be eligible for MassHealth CarePlus, an individual's modified adjusted gross income must be less than or equal to 133% of the federal poverty level. 130 CMR 505.008(A)(2)(c). While the Appellant explained that his income fluctuates based on the number of hours that he works, his income the week prior to the hearing was higher than the average that MassHealth relied on in making its determination. Additionally, 130 CMR 506.003(A)(4) provides for earned income that fluctuates over the course of the year by calculating a monthly average. The Appellant's average weekly income of \$458.31 equals a monthly income of \$1,985.86. 130 CMR 506.007(A)(2)(c).

In 2024, 133% of the FPL equaled \$1,670/monthly for a household of one.<sup>3</sup> Because the Appellant's income currently exceeds 133% of the FPL, the Appellant does not meet the financial requirements to qualify for MassHealth CarePlus. Therefore, MassHealth did not err in issuing the September 18, 2024 notice, and the appeal is denied.<sup>4</sup>

## 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

---

<sup>3</sup> The 2024 income standards are available here: <https://www.mahealthconnector.org/help-center-answers/eligibility/federal-poverty-level-fpl>.

<sup>4</sup> The Appellant can direct any questions about Health Connector plans to 1-877-MA-ENROLL (1-877-623-6765). If the Appellant wishes to inquire into the legitimacy of an insurance company or report his experience with a fraudulent insurer, he can contact the Massachusetts Division of Insurance: <https://www.mass.gov/info-details/how-to-contact-the-division-of-insurance>.



receipt of this decision.

---

Emily Sabo  
Hearing Officer  
Board of Hearings

MassHealth Representative: Dori Mathieu, Springfield MassHealth Enrollment Center, 88  
Industry Avenue, Springfield, MA 01104