

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



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| Appeal Decision: | Denied | Appeal Number: | 2414732 |
| Decision Date: | 12/11/2024 | Hearing Date: | 10/24/2024 |
| Hearing Officer: | Mariah Burns | | |

Appearances for Appellant:



Appearances for MassHealth:

Jeffrey Pamphile, Charlestown MassHealth
Enrollment Center; Carmen Fabery, Premium
Billing Department



*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; CommonHealth; Premium Calculation |
| Decision Date: | 12/11/2024 | Hearing Date: | 10/24/2024 |
| MassHealth's Reps.: | Jeffrey Pamphile, et. al. | Appellant's Reps.: | Pro se, et. al. |
| Hearing Location: | Video Conference | 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 23, 2024, MassHealth approved the appellant for MassHealth CommonHealth benefits and imposed a monthly premium of \$2856.00. *See* 130 CMR 506.011(B)(2)(b) and Exhibit 1. The appellant filed this appeal in a timely manner on September 25, 2024. *See* 130 CMR 610.015(B) and Exhibit 2. Challenging the calculation of a monthly premium is valid grounds for appeal. *See* 130 CMR 610.032.

Action Taken by MassHealth

MassHealth approved the appellant for MassHealth CommonHealth benefits and imposed a monthly premium of \$2856.00.

Issue

The appeal issue is whether MassHealth correctly calculated the appellant's monthly premium.

Summary of Evidence

The appellant is an adult under the age of 65 who resides in a household of one. He was assisted at the hearing by his father. MassHealth was represented by a worker from the Charlestown MassHealth Enrollment Center and a worker from the MassHealth Premium Billing Department. All parties appeared by video conference. The following is a summary of the testimony and evidence presented at the hearing:

The appellant is a verified disabled adult who has received MassHealth CommonHealth benefits since 2019. The MassHealth representative reported that on August 16, 2024, MassHealth received the appellant's 2023 tax returns that led to a change in the appellant's calculated income and, therefore, his premium amount. MassHealth calculated the appellant's gross yearly income to be \$379,706.00, consisting of taxable interest, dividends, and social security benefits. This put the appellant at approximately 2527.97% of the federal poverty level. Based on this, MassHealth calculated the appellant's premium to be \$2856.00 per month.

The appellant agreed with MassHealth's calculation of his income and reported this income is likely to be similar in the coming years. The parties agreed that the appellant also receives private insurance. The parties discussed MassHealth's calculation of the appellant's premium; the appellant and his father generally agreed with how it was done but asked the hearing officer to take the matter under advisement to verify the conclusion.

Findings of Fact

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

1. The appellant is a verified disabled adult under the age of 65 who resides in a household of one and is currently receiving MassHealth CommonHealth benefits. Testimony, Exhibit 1, Exhibit 4.
2. On August 16, 2024, the appellant submitted his 2023 tax return to MassHealth, leading to a recalculation of his income and his monthly CommonHealth premium. Testimony.
3. On August 23, 2024, MassHealth approved the appellant for MassHealth CommonHealth benefits and imposed a monthly premium of \$2856.00. Exhibit 1.
4. The appellant filed a timely request for fair hearing on September 25, 2024. Exhibit 2.
5. The appellant has a yearly income of \$379,706.00 from interest, dividends, and social security benefits. Testimony, Exhibit 5.

6. The appellant has private insurance in addition to his MassHealth benefits. 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 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*. Among those coverage types is MassHealth CommonHealth, which is for “for disabled adults, disabled young adults, and disabled children who are not eligible for MassHealth Standard...” 130 CMR 505.001(A)(2).

Individuals eligible for MassHealth CommonHealth may be assessed a premium if their total household income exceeds certain limits. See 130 CMR 505.004(I). 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(B), countable income includes, in relevant part, unearned income "including, but 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."

As stated, *supra*, a monthly premium may be charged to MassHealth Standard, CommonHealth or Family Assistance members who have income above 150% of the federal poverty level (FPL), as provided in 130 CMR 506.011(B)(2)(b):

(b) The full premium formula for young adults with household income above 150% of the FPL, adults with household income above 150% of the FPL, and children with household income above 300% of the FPL is provided as follows. The full premium is charged to members who have no health insurance and to members for whom the MassHealth agency is paying a portion of their health insurance premium.

The regulation includes a formula for young adults and adults above 150% and children above 300% of the FPL. For a household whose income exceeds 1000%, the base premium is \$928.00 per month and is increased by \$16 for every 10% of the FPL the household income exceeds. 130 CMR 506.011(B)(2)(b). Additionally, members who have health insurance “to which the MassHealth agency does not contribute” are eligible for a supplemental premium formula. *Id.* at 506.011(B)(2)(c). Any such individual whose income is above 1000% of the federal poverty level will be expected to contribute a monthly premium that is 85% of the full premium amount.

An appellant bears the burden of proof at fair hearings “to demonstrate the invalidity of the administrative determination.” *Andrews v. Division of Medical Assistance*, 68 Mass. App. Ct. 228, 231 (2006). The fair hearing decision, established by a preponderance of evidence, is based upon “evidence, testimony, materials, and legal rules, presented at hearing, including the MassHealth agency’s interpretation of its rules, policies and regulations.” 130 CMR 610.085(A).

Here, there is no dispute that the appellant’s total income is 2527.97% of the federal poverty level. Because it is greater than 1000% of the federal poverty level, he is first obligated to contribute a base monthly premium of \$928.00 per month. That base premium is then increased by \$16.00 for each additional 10% of the federal poverty level. In this case, that equates to 16 x 152, or an additional \$2432.00, or a total full amount of \$3360.00. Because the appellant has private insurance, he is entitled to the supplemental premium formula which, for him, would be 85% of his total premium amount. 85% of \$3360.00 is \$2856.00. As that is the amount that MassHealth imposed, I find no error with MassHealth’s issuance of the August 23, 2024, notice.

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