

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2417162
Decision Date:	1/27/2025	Hearing Date:	12/20/2024
Hearing Officer:	Cynthia Kopka		

Appearance for Appellant:
Pro se

Appearance for MassHealth:
Monica Ramirez, Quincy

Interpreter:



*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:	Community eligibility, over and under 65, income
Decision Date:	1/27/2025	Hearing Date:	12/20/2024
MassHealth's Rep.:	Monica Ramirez	Appellant's Rep.:	Pro se
Hearing Location:	Quincy (remote)	Aid Pending:	Yes

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 October 30, 2024, MassHealth downgraded Appellant's coverage from MassHealth Standard to Health Safety Net, ending MassHealth Standard effective November 13, 2024. Exhibit 1. Appellant filed this appeal in a timely manner on November 7, 2024 and was eligible to keep the previous benefit level pending the outcome of the appeal. Exhibit 2. 130 CMR 610.015(B), 130 CMR 610.036. Termination, modification, or denial of assistance is a valid basis for appeal. 130 CMR 610.032.

Action Taken by MassHealth

MassHealth notified Appellant that coverage would downgrade from MassHealth Standard to Health Safety Net.

Issue

The appeal issue is whether MassHealth was correct in determining that Appellant no longer qualified for MassHealth Standard.

Summary of Evidence

The MassHealth representative appeared by phone and testified as follows. Appellant is over the age of 65 and had been receiving MassHealth's Standard benefit with Senior Buy In (Medicare Savings Program or MSP). Appellant's household size is five and the household yearly income is \$59,334, which MassHealth calculated is 158.39% of the federal poverty level (FPL). In order for Appellant to be eligible for MassHealth Standard, the household income would have to be below 133% of the FPL, or \$48,660 yearly.

According to an MMIS screen included in the file from the time the fair hearing form was submitted, Appellant was active on MassHealth's CommonHealth benefit as a working disabled adult, aid category 52, beginning May 24, 2016. Exhibit 4. The MassHealth representative testified that MassHealth's MA-21 system did not indicate that Appellant is disabled or that Appellant had an active benefit. The MassHealth representative testified that Appellant's eligibility was processed through MassHealth's HIX system for individuals under the age of 65 because Appellant's household includes minor dependents. On October 30, 2024, MassHealth's HIX system generated the appealed notice, which downgraded Appellant's coverage type to Health Safety Net. Exhibit 1. The MassHealth representative testified that MassHealth's HIX system did not have an application for MSP benefits and agreed to send Appellant an MSP application.

Appellant appeared by phone and testified with the assistance of an interpreter. Appellant testified that he understood MassHealth's decision. Appellant had questions about whether he could go to the hospital or emergency room with his coverage. The MassHealth representative explained that Health Safety Net covers emergencies and services from community health centers. Appellant testified that he may have applied for disability years ago but then went into retirement.

Findings of Fact

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

1. Appellant is in a household of five and over the age of 65. Appellant's household includes dependent children.
2. Appellant's yearly household income is \$59,334.
3. In 2024, the monthly FPL for a household of five was \$4,055; 133% of the FPL was \$48,660.
4. On October 30, 2024, MassHealth downgraded Appellant's coverage from MassHealth Standard to Health Safety Net, ending MassHealth Standard effective November 13, 2024. Exhibit 1.

5. Appellant filed this timely appeal on November 7, 2024 and was eligible to keep the previous benefit level pending the outcome of the appeal. Exhibit 2.

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.¹ 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

¹ Generally, MassHealth's regulations at 130 CMR 515.000 through 522.000 provide the requirements for persons who are 65 years of age or older and 130 CMR 501.000 through 508.000 provide the requirements for individuals younger than 65 years old. 130 CMR 515.002(B) and (C). However, there are times when an applicant's circumstances apart from age dictate which regulations MassHealth will follow in determining eligibility, such as individuals who are over the age of 65 but also legal caretakers of minor children. *See*, 130 CMR 519.005(C).

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.

A caretaker relative is eligible for MassHealth Standard if their income at or below 133% of the FPL. 130 CMR 505.002(C)(1)(a).

Individuals not eligible for MassHealth Standard may still be eligible to have MassHealth pay the individual's Medicare premium if they qualify for a Medicaid Savings Program (MSP or Buy-in) plan. MassHealth offers three MSP coverage types: Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB), and Qualifying Individuals (QI). Individuals are eligible for MSP QMB if they meet the eligibility requirements, including income that is less than or equal to 190% of the FPL. 130 CMR 519.010(A). Individuals are eligible for MSP SLMB if, *inter alia*, their income is between 190% and 210% of the FPL. 130 CMR 519.011(A). Individuals are eligible for MSP QI if, *inter alia*, their income is between 210% and 225% of the FPL. 130 CMR 519.011(B).

Here, Appellant's household income is \$59,334. This is higher than the 133% limit to qualify for MassHealth Standard. Accordingly, Appellant's income is too high for Appellant to be eligible for a MassHealth benefit. Appellant can direct any inquiries concerning Health Safety Net to 877-910-2100.

Appellant's income is within the limit for an MSP plan pursuant to 130 CMR 519.010. Appellant is encouraged to submit an MSP application for assistance in paying his Medicare premium.

This appeal is denied.

Order for MassHealth

Remove aid pending.

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.

Cynthia Kopka
Hearing Officer
Board of Hearings

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