

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Approved	Appeal Number:	2417987
Decision Date:	02/07/2025	Hearing Date:	01/09/2025
Hearing Officer:	Scott Bernard		


Appearance for Appellant:
Pro se via telephone

Appearance for MassHealth:
Jacob Sommer (Charlestown MEC) via
telephone



*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:	Approved	Issue:	Under 65/Community Eligibility/Income/Car ePlus
Decision Date:	02/07/2025	Hearing Date:	01/09/2025
MassHealth's Rep.:	Jacob Sommer	Appellant's Rep.:	
Hearing Location:	Charlestown MassHealth Enrollment Center	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

Through a notice dated November 6, 2024, MassHealth informed the appellant that she was eligible for the Health Safety Net (HSN) starting on October 25, 2024, but was not eligible for MassHealth benefits because she was over the income limit for her household size. (See 130 CMR 505.008 and Exhibit (Ex.) 1). The appellant filed this appeal in a timely manner on November 22, 2024 and received aid pending appeal. (See 130 CMR 610.015(B) and Ex. 2). Termination and denial of assistance are valid grounds for appeal. (See 130 CMR 610.032).

Action Taken by MassHealth

MassHealth determined the appellant was not eligible for MassHealth because her income exceeded the income limit for MassHealth benefits.

Issue

The appeal issue is whether MassHealth was correct, pursuant to 130 CMR 505.008 and 506.007,

in determining that the appellant's income exceeded the income limit to be eligible to receive MassHealth benefits.

Summary of Evidence

A benefits eligibility representative from the Charlestown MassHealth Enrollment Center (MEC) spoke on behalf of MassHealth and the appellant spoke on her own behalf. Both parties attended the hearing telephonically.

The MassHealth representative presented the following testimony, which has been supplemented by other documentation included in the hearing record. The appellant, an individual under 65 years old, lives with her spouse in a household of two. (Testimony; Ex. 3). She has been receiving MassHealth CarePlus coverage since February 8, 2015, with a brief gap between June 30 and July 7, 2023. (Testimony; Ex. 3). On November 6, 2024, the appellant updated her MassHealth application, reporting self-employment income of \$77.50 per month and her husband's Social Security income of \$2,080.08 per month; such income was below the limit for MassHealth CarePlus. (Testimony). However, the verified income was higher: the appellant's self-employment income was verified to be \$106.91 per month, and her husband's Social Security income was verified to be \$2,262.90 per month. (Testimony). The appellant and her spouse have total verified gross monthly income (GMI) of \$2,369.81, or 134.4% of the federal poverty level (FPL) for a household of two, slightly exceeding the CarePlus income limit of \$2,344 per month, which is 133% of the FPL for a household of two. (Testimony; Ex. 1). As a result, MassHealth issued the notice under appeal. (Testimony; Ex. 1). The appellant's coverage is currently being protected by the Board of Hearings. (Testimony). The appellant is also eligible for a Connector Care Plan Type 2B with an Advanced Premium Tax Credit through the Massachusetts Health Connector. (Testimony; Ex. 3).

The appellant testified to the following. The appellant confirmed that she updated her MassHealth income information on November 6, 2024. (Testimony). The appellant explained that her income from the e-commerce platform was not fixed monthly and varied due to factors like fees, shipping, and inventory costs. (Testimony). She explained that her net income was much lower than the gross income. (Testimony). The appellant was concerned about being removed from the MassHealth CarePlus plan, as her net income was under \$6,000 a year. (Testimony). She also mentioned having a heart condition and that she had an appointment scheduled for the same day. (Testimony).

The MassHealth representative stated that MassHealth uses gross income to determine eligibility, which included the appellant's earnings from the e-commerce platform before any deductions. (Testimony). He explained that the income determination was based on the gross income, despite the appellant's net income being lower after accounting for expenses like fees, shipping, and inventory costs. (Testimony). The MassHealth representative also informed the appellant about the possibility of updating her application to reflect a potential disability due to her heart

condition. (Testimony). If she was determined to be disabled, she could qualify for MassHealth CommonHealth, which provides more coverage and no premiums up to 150% of the federal poverty level. (Testimony). He recommended that the appellant call MassHealth customer service to update her income and report her disability, and he agreed to send her the necessary disability supplement form. (Testimony).

The appellant acknowledged that she might need to update her application to reflect her potential disability, which could qualify her for MassHealth CommonHealth, and she agreed to follow the steps suggested by the MassHealth representative. (Testimony).

Findings of Fact

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

1. The appellant is an individual under 65 years old. (Ex. 3).
2. The appellant lives with her spouse in a household of two. (Testimony).
3. The appellant had been receiving MassHealth CarePlus coverage since February 8, 2015, with a brief gap between June 30 and July 7, 2023. (Ex. 3).
4. On November 6, 2024, the appellant updated her MassHealth application, reporting self-employment income of \$77.50 per month and her husband's Social Security income of \$2,080.08 per month. (Testimony).
5. MassHealth subsequently verified that the appellant's self-employment income was \$106.91 per month, and her husband's Social Security income was \$2,262.90 per month. (Testimony).
6. The appellant and her spouse have a total verified GMI of \$2,369.81, or 134.4% of the FPL for a household of two, slightly exceeding the CarePlus income limit of \$2,344 per month, which is 133% of the FPL for a household of two. (Testimony; Ex. 1).
7. As a result, MassHealth issued the notice under appeal. (Testimony; Ex. 1).
8. The appellant's coverage is currently being protected by the Board of Hearings. (Testimony).
9. The appellant is also eligible for a Connector Care Plan Type 2B with an Advanced Premium Tax Credit through the Massachusetts Health Connector. (Testimony; Ex. 3).

Analysis and Conclusions of Law

Financial eligibility for coverage types that are determined using the MassHealth MAGI household rules is determined by comparing the sum of all countable income less deductions for the individual's household with the applicable income standard for the specific coverage type. (130 CMR 507.006(A)). MassHealth will construct a household 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. (130 CMR 506.007(A)(1)).

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 household. Income of all the household members forms the basis for establishing an individual's eligibility. (130 CMR 506.007(A)(2)).

A household's countable income is the sum of the gross 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. (130 CMR 506.007(A)(2)(a)). Countable income includes earned income (described below) and unearned income (not applicable in this appeal) less deductions¹. (130 CMR 506.007(A)(2)(b)). Earned income is the total amount of taxable compensation received for work or services performed less pretax deductions. (130 CMR 506.003(A)(1)). Earned income may include wages, salaries, tips, commissions, and bonuses. (Id.).

In determining monthly income, the MassHealth agency multiplies average weekly income by 4.333. ((130 CMR 506.007(A)(2)(c)). Once MassHealth determines a household's countable income, it then determines what percentage of the federal poverty level that income is and subtracts five percentage points from that number. (130 CMR 506.007(A)(3)). This adjusted income is then compared to the federal poverty level to determine the individual's eligibility. (Id.).

MassHealth CarePlus provides coverage for adults aged 21 to 64, with specific eligibility criteria detailed in 130 CMR 505.008. To qualify for MassHealth CarePlus Direct Coverage, individuals must: be aged 21-64, be a U.S. citizen or qualified noncitizen, have a household income not

¹ Neither the MassHealth representative nor the appellant stated that any deductions were applicable here but they are described in 130 CMR 506.003(D) and are as follows: student loan interest; educator expenses; reservist/performance artist/fee-based government official expenses; health savings account; moving expenses, for the amount and populations allowed under federal law; one-half self-employment tax; self-employment retirement account; penalty on early withdrawal of savings; alimony paid to a former spouse for individuals with alimony agreements finalized on or before December 31, 2018 (those finalized after December 31, 2018, or pre-existing agreements modified after December 31, 2018, are not deductible); individual retirement account (IRA); scholarships, awards, or fellowships used solely for educational purposes; student loan interest; and 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.

exceeding 133% of the federal poverty level, be ineligible for MassHealth Standard, utilize available health insurance benefits or enroll if no cost or purchased by MassHealth, and not be enrolled in Medicare Parts A or B. (130 CMR 505.008(A),(C)).

The appellant meets the categorical criteria for MassHealth CarePlus. The income limit for CarePlus for a household of two is \$2,344 per month, which is equal to 133% of the FPL for that household size. The GMI of the appellant's household is \$2,369.81, which is 134.4% of the FPL for a household of two. After deducting five percentage points from this raw figure, the appellant's countable income is equal to 129.4% of the FPL. The appellant is financially eligible for MassHealth CarePlus.

For that reason, the appeal is APPROVED.

Although the appeal is approved, it should be noted that the MassHealth representative did not accurately testify to the calculation of self employment income. The MassHealth representative testified that gross self employment income is counted without consideration of expenses like fees, shipping, and inventory costs. Pursuant to MassHealth regulations, self employment income is counted as follows:

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...

(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.

(130 CMR 506.003(A)(2)).

Accordingly, MassHealth should have counted the appellant's self employment income after deducting business expenses. Such amount can be found on an applicant/member's U.S. tax return.

Order for MassHealth

Remove aid pending and approve the appellant for MassHealth CarePlus.

Implementation of this Decision

If this decision is not implemented within 30 days after the date of this decision, you should contact your MassHealth Enrollment Center. If you experience problems with the implementation

of this decision, you should report this in writing to the Director of the Board of Hearings, at the address on the first page of this decision.

Scott Bernard
Hearing Officer
Board of Hearings

cc: Thelma Lizano, Charlestown MassHealth Enrollment Center, 529 Main Street, Suite 1M,
Charlestown, MA 02129