

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2419218
Decision Date:	01/28/2025	Hearing Date:	01/22/2025
Hearing Officer:	Radha Tilva		

Appearance for Appellant:



Appearance for MassHealth:

Pamela Thomas (Springfield MEC Rep.)



*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:	Eligibility – under 65 – over income
Decision Date:	01/28/2025	Hearing Date:	01/22/2025
MassHealth’s Rep.:	Pamela Thomas	Appellant’s Rep.:	██████
Hearing Location:	Springfield MEC (telephonic)	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 November 2, 2024, MassHealth determined that appellant does not qualify for MassHealth benefits because his income is too high (Exhibit 1). The appellant filed this appeal in a timely manner on December 16, 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 denied appellant MassHealth benefits because his income is too high.

Issue

The appeal issue is whether MassHealth was correct in determining that appellant is ineligible for MassHealth benefits because his income is too high.

Summary of Evidence

The MassHealth representative and appellant both appeared by telephone. The MassHealth representative testified that appellant, who is under the age of 65, was previously on MassHealth CarePlus when he had income reported at under \$10,000 a year. The renewal which prompted this determination was completed on October 21, 2024. The appellant reported income of approximately \$700.00 gross weekly which amounts to roughly 236.68% of the federal poverty level for a household size of one. The income limit for MassHealth benefits is 133% of the federal poverty level, or \$1,670.00 per month, as explained by the MassHealth representative. The appellant has no disability or other category of eligibility that would allow MassHealth to look at other levels of benefits such as CommonHealth. It was explained to appellant that he can enroll in a plan through the Health Connector.

The appellant stated that he is living in poverty and cannot afford to pay for health insurance. The appellant has credit card debt, and feels that MassHealth is not taking into consideration that debt and his expenses when setting the financial limits for MassHealth. The appellant submitted numerous documents evidencing the debt and bills that appellant has (see Exhibit 5).

Findings of Fact

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

1. The appellant is under the age of 65 years, not disabled, and has a household size of one with a weekly gross income of \$700.00.
2. The appellant was previously on MassHealth CarePlus with a then reported yearly income of \$10,000.00.
3. The 2024 income limit for MassHealth benefits is 133% of the federal poverty level, or \$1,670.00.
4. The appellant is eligible for a plan through the Health Connector.
5. The appellant has credit card debt and bills which prevent him from purchasing health insurance.

Analysis and Conclusions of Law

130 CMR 505.000 explains the categorical requirements and financial standards that must be met to qualify for a MassHealth coverage type. The rules of financial responsibility and calculation of financial eligibility are detailed in 130 CMR 506.000: *Health Care Reform: MassHealth: Financial Requirements*.

- (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.

In order to establish eligibility for MassHealth benefits, applicants must meet both the categorical and financial requirements. The appellant is not categorically eligible for any category of MassHealth aside from MassHealth CarePlus as there is no evidence he is disabled, HIV positive, medically frail, a child, a young adult, a parent or caretaker relative, a noncitizen or immigrant, or a Medicare beneficiary. The categorical requirements and financial standards for MassHealth CarePlus are set forth at 130 CMR 505.008(A)(2) and state the following:

- (a) The individual is an adult 21 through 64 years of age.
- (b) The individual is a citizen, as described in 130 CMR 504.002: *U.S. Citizens*, or a qualified noncitizen, as described in 130 CMR 504.003(A)(1): *Qualified Noncitizens*.
- (c) *The individual's modified adjusted gross income of the MassHealth Modified Adjusted Gross Income (MAGI) household is less than or equal to 133 percent of the federal poverty level.***

- (d) The individual is ineligible for MassHealth Standard.
- (e) The adult complies with 130 CMR 505.008(C).
- (f) The individual is not enrolled in or eligible for Medicare Parts A or B.

(Emphasis added)

As appellant meets categorical eligibility the only question that remains is to determine whether he is financially eligible pursuant to 130 CMR 505.008(A)(2)(c), described above. The MassHealth MAGI regulations require that the household composition be established in order to determine financial eligibility. 130 CMR 506.002(B)(2) below describes the MassHealth MAGI household composition for individuals claimed as a tax dependent on federal income taxes such as appellant:

(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)(i), (ii), or (iii), ***the household consists of***
 - (i) the individual;***
 - (ii) the individual's spouse, if living with him or her;***
 - (iii) the taxpayer claiming the individual as a tax dependent;***
 - (iv) any of the taxpayer's tax dependents;*** and
 - (v) if any woman described in 130 CMR 506.002(B)(2)(a)(i) through (iii) is pregnant, the number of expected children.
- (b) Medicaid Exceptions. Household size must be determined in accordance with non-tax filer rules for any of the following individuals
 - (i) individuals other than the spouse or natural, adopted, or stepchild who expect to be claimed as a tax dependent by the taxpayer;
 - (ii) individuals younger than 19 years old who expect to be claimed by one parent as a tax dependent and are living with both natural, adopted or stepparents, but whose natural, adopted, or stepparents do not expect to file a joint tax return;
 - (iii) individuals younger than 19 years old who expect to be claimed as a tax dependent by a noncustodial parent. For the purpose of determining custody, MassHealth uses a court order or binding separation, divorce, or custody agreement establishing physical custody controls or, if there is no such order or agreement or in the event of a shared custody agreement, the custodial parent is the parent with whom the child spends most nights.

Based on the above, I agree with MassHealth that the household size is one as appellant has presented no evidence to support there are any tax dependents. The income limit for MassHealth CarePlus is 133% of the federal poverty level which is determined by taking the modified adjusted gross income of the MassHealth MAGI household (see, 130 CMR 505.008(A)(2)(c)). 133% of the federal poverty level for a household size of one is equal to \$1,670.00.¹ Therefore, appellant's income has to be less than or equal to \$1,670.00 to qualify for MassHealth CarePlus.

The next step is to determine appellant's modified adjusted gross income which is determined 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) (see 130 CMR 506.007). Regulation 130 CMR 506.003 which is below defines earned income, unearned income and deductions:

(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,

¹ See, <https://www.mass.gov/info-details/program-financial-guidelines-for-certain-masshealth-applicants-and-members#2024-masshealth-income-standards-and-federal-poverty-guidelines-> (last seen January 22, 2025).

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. The following are allowable deductions from countable income when determining MAGI:

- (1) educator expenses;
- (2) reservist/performance artist/fee-based government official expenses;
- (3) health savings account;
- (4) moving expenses;
- (5) self-employment tax;
- (6) self-employment retirement account;
- (7) penalty on early withdrawal of savings;
- (8) alimony paid to a former spouse;
- (9) individual retirement account (IRA);
- (10) student loan interest; and
- (11) higher education tuition and fees.

At the time of appellant's renewal, it was determined that his gross income was \$700.00 weekly which equates to roughly \$3,033.10 monthly. There is no evidence he has any unearned income or qualifies for any deductions outlined above.

Since appellant's monthly income of \$3,033.10 is greater than the income limit for MassHealth CarePlus, which is \$1,670.00, MassHealth was correct in determining that appellant does not qualify for MassHealth CarePlus.

For the reasons above, the appeal is 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.

Radha Tilva
Hearing Officer
Board of Hearings

MassHealth Representative: Dori Mathieu, Springfield MassHealth Enrollment Center, 88
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