

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	DENIED	Appeal Number:	2419686
Decision Date:	02/20/2025	Hearing Date:	01/30/2025
Hearing Officer:	Sharon Dehmand		

Appearance for Appellant:
Pro se

Appearance for MassHealth:
Jose Berrios, 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

Appeal Decision:	DENIED	Issue:	Community Eligibility – under 65; Income
Decision Date:	02/20/2025	Hearing Date:	01/30/2025
MassHealth’s Rep.:	Jose Berrios	Appellant’s Rep.:	Pro se
Hearing Location:	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

Through a notice dated December 2, 2024, MassHealth downgraded the appellant’s MassHealth benefits from MassHealth Standard to Health Safety Net for a limited time and approved her for a ConnectorCare plan through the Massachusetts Health Connector because MassHealth determined that the appellant’s income exceeded the allowed threshold for MassHealth. See 130 CMR 505.002; 130 CMR 506.002; 130 CMR 506.003; 130 CMR 506.007; and Exhibit 1. The appellant filed this appeal in a timely manner on December 23, 2024. See 130 CMR 610.015(B) and Exhibit 2. An aid pending protection was put in place to protect the appellant’s MassHealth benefits. Any MassHealth decision to suspend, reduce, terminate, or restrict a member’s assistance is valid grounds for appeal before the Board of Hearings. See 130 CMR 610.032(A)(3).

Action Taken by MassHealth

MassHealth downgraded the appellant’s benefits from MassHealth Standard to the Health Safety Net.

Issue

Whether MassHealth was correct in downgrading the appellant’s benefits pursuant to 130 CMR

505.002; 130 CMR 506.002; 130 CMR 506.003; and 130 CMR 506.007.

Summary of Evidence

All parties appeared virtually. MassHealth was represented by a worker from the Springfield MassHealth Enrollment Center. The appellant appeared pro se and verified her identity. The following is a summary of the testimonies and evidence provided at the hearing:

The MassHealth representative testified that the appellant is an adult under the age of 65 who resides in a household of two, including her child. The appellant was on MassHealth Standard since November 7, 2021. On November 1, 2023, the appellant was approved for MassHealth Standard coverage through the Transitional Medical Assistance program¹ for 12 months. On November 30, 2024, an income update was requested to redetermine eligibility. Based on the reported income and submitted paystubs MassHealth calculated the appellant's income to equal \$3,599.38 per month. This figure equates to 206.13% of the federal poverty level (FPL) for a household of two which exceeds the limit for MassHealth benefits. The income limit to receive MassHealth benefits is 133% of the FPL, or \$2,266.00 per month for a household of two. The appellant was approved for Health Safety Net for a limited time and was also eligible for a ConnectorCare plan through the Massachusetts Health Connector with advanced tax credit. An aid pending protection was put in place to protect the appellant's MassHealth benefits.

The appellant confirmed her household size and acknowledged that her submitted W-2 form reflects an annual income of \$56,690.32. However, she expressed confusion, stating that the reported amount does not align with what she believes she earns each month. She stated that she makes contributions to her 401(K) and despite not fully agreeing with the figures, confirmed that she earns at least \$3,200.00. 00 per month.

The MassHealth representative responded that the two paystubs submitted by the appellant reflected an average federal taxable gross amount of \$1,753.85 biweekly which equates to \$3,800.60 per month. This amount is higher than what MassHealth considered when making the determination.

The appellant expressed frustration with MassHealth's income threshold limit adding that after paying for rent and her other living expenses, she barely has enough money to pay for food.

Findings of Fact

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

¹ This regulation is now known as "Extended Eligibility." See 130 CMR 505.002(L).

1. The appellant is an adult under the age of 65 who resides in a household of two, including her child. (Testimony).
2. The appellant was on MassHealth Standard since November 7, 2021. (Testimony and Exhibit 4).
3. On November 1, 2023, the appellant was approved for MassHealth Standard through extended eligibility for 12 calendar months. (Testimony).
4. On November 30, 2024, an income update was requested by MassHealth to redetermine eligibility. (Testimony).
5. Based on the appellant's submitted paystubs, MassHealth calculated the appellant's income to be \$3,599.38 per month, which equates to 206.13% of the FPL, for a household of two. (Testimony and Exhibit 1).
6. The income limit to be eligible for MassHealth benefits is 133% of the FPL, or \$2,266.00 for a household of two. (Testimony and Federal Poverty Guidelines).
7. On December 2, 2024, MassHealth downgraded the appellant's benefits from MassHealth Standard to Health Safety net for a limited time and approved her for a ConnectorCare plan through the Massachusetts Health Connector with advanced tax credit. (Testimony and Exhibit 1).
8. The appellant's appeal was timely filed on December 23, 2024. (Exhibit 2).
9. An aid pending protection was put in place to protect the appellant's MassHealth benefits. (Testimony and Exhibit 4).

Analysis and Conclusions of Law

Generally, MassHealth regulations at 130 CMR 505.000 explain the categorical requirements **and** financial standards that must be met to qualify for a particular MassHealth coverage type. To establish eligibility for MassHealth benefits, applicants must meet both the categorical requirements **and** financial standards.

These coverage types set forth at 130 CMR 505.001(A) are as follows:

- (1) MassHealth Standard - for people who are pregnant, children, parents and caretaker

relatives, young adults², 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) 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, CommonHealth, or CarePlus;

(5) MassHealth 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

(6) MassHealth Medicare Savings Programs (MSP, also called Senior Buy-In and Buy-In) for certain Medicare beneficiaries.

The regulation at 130 CMR 505.002 contains the categorical requirements and financial standards for MassHealth Standard serving children, young adults, parents, caretaker relatives, people who are pregnant, disabled individuals, certain individuals with breast or cervical cancer, certain individuals who are HIV positive, independent foster-care adolescents, Department of Mental Health members, and medically frail as such term is defined in 130 CMR 505.008(F).

The eligibility requirements for parents are set forth in 130 CMR 505.002(C) and are as follows:

(1) A parent or caretaker relative of a child younger than 19 years old is eligible for MassHealth Standard coverage if

(a) the modified adjusted gross income of the MassHealth MAGI household is less than or equal to 133% of the federal poverty level (FPL);

(b) the individual is a citizen as described at 130 CMR 504.002: U.S. Citizens or a qualified noncitizen as described in 130 CMR 504.003(A)(1): Qualified Noncitizens; and

(c) 1. the parent lives with their children, and assumes primary responsibility for the child's care, in the case of a parent who is separated or divorced, has custody of their children, or has children who are absent from home to attend school; or

2. the caretaker relative lives with children to whom they are related by blood, adoption, or marriage (including stepsiblings), or is a spouse or former spouse of one of those relatives, and assumes primary responsibility for the child's care if neither parent lives in the home.

(2) The parent or caretaker relative complies with 130 CMR 505.002(M).

² "[Y]oung adults" are defined as those aged 19 and 20. See 130 CMR 501.001.

In this case, the appellant is a parent of child younger than 19 years of age, so she is categorically qualified for MassHealth Standard. See 130 CMR 505.001(A); 130 CMR 505.002(C)(1). However, categorical qualification in and of itself is not enough. The appellant must also meet the financial standards as set forth in 130 CMR 505.002(C)(1)(a).

A parent who is categorically eligible for MassHealth Standard can only be financially eligible if “the modified adjusted gross income of the MassHealth MAGI household is less than or equal to 133% of the federal poverty level (FPL).” See 130 CMR 505.002(C)(1)(a).

To determine financial eligibility pursuant to 130 CMR 506.007(A), MassHealth must construct a household as described in 130 CMR 506.002(B) for each individual who is applying for or renewing coverage. MAGI household composition rules used to determine member eligibility are the following:

- (1) Taxpayers Not Claimed as a Tax Dependent on His or Her Federal Income Taxes. For an individual who expects to file a tax return for the taxable year in which the initial determination or renewal of eligibility is being made and who is not claimed as a tax dependent by another taxpayer, the household consists of
 - (a) the taxpayer; including his or her spouse, if the taxpayers are married and filing jointly regardless of whether they are living together;
 - (b) the taxpayer’s spouse, if living with him or her regardless of filing status;
 - (c) all persons the taxpayer expects to claim as tax dependents; and
 - (d) if any individual described in 130 CMR 506.002(B)(1)(a) through (c) is pregnant, the number of expected children.

Here, the appellant testified and MassHealth verified that she lives in a household of two including her child. She is the custodial parent and is the tax filer. Thus, for the purposes of this appeal, the appellant meets the MAGI rules for a household of two.

Once the individual’s household size is established, his MassHealth MAGI household income is determined in the following manner:

- (2)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(K).
 - (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.

See 130 CMR 506.007(A).

Members of a MassHealth MAGI household who receive MassHealth Standard (whether or not they receive TAFDC) and have earnings that raise the MassHealth MAGI household's modified adjusted gross income above 133% of the federal poverty level (FPL) continue to receive MassHealth Standard for a full 12-calendar-month period that begins with the date on which the members MAGI exceeds 133% of the federal poverty level (FPL) if (a) the MassHealth household continues to include a child younger than 19 years old living with the parent or caretaker; (b) a parent or caretaker relative continues to be employed; (c) the parent or caretaker relative complies with 130 CMR 505.002(M); and (d) the member is a citizen or a qualified noncitizen. See 130 CMR 505.002(L)(3). MassHealth independently reviews the continued eligibility of the TAFDC, EAEDC, and MassHealth MAGI households at the end of the extended period described in 130 CMR 505.002(L)(1) through (3). See 130 CMR 505.002(L)(4).

Here, based on the appellant's reported income change, MassHealth continued the appellant's MassHealth Standard coverage for a full 12-calendar-month period beginning with the date of increase in the appellant's income which was November 1, 2023. See *id.* On November 30, 2024, as part of the independent review of continued eligibility, MassHealth requested and received updated income information to redetermine eligibility.

Based on the submissions by the appellant and the MassHealth representative's testimony, the appellant's household income equals \$3,599.38 per month. To determine eligibility of the individual under the coverage type with the highest income standard, five percentage points of the current FPL is subtracted from the applicable household's countable income. See 130 CMR 506.007(A). For a household of two, 5 percentage points of the current FPL equals \$85.20 a month. After deducting five percentage points of the FPL from the appellant's total income (\$3,599.38-\$85.20), the appellant's countable income equals \$3,514.18.³ The income limit for MassHealth Standard is 133% of the FPL, or \$2,266.00 per month for a household of two. See chart at <https://www.mass.gov/doc/2024-masshealth-income-standards-and-federal-poverty-guidelines>. Thus, the appellant's MAGI household income is over the threshold limit for MassHealth benefits.

³ Even assuming, without deciding, that the appellant's income equaled \$3,200.00 per month as she testified, it would still exceed MassHealth's income limit for MassHealth Standard.

Additionally, 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.

See 130 CMR 506.003(D).

The appellant testified that after paying the rent and her other living expenses, she barely has enough money to pay for food. Since customary life expenses do not fall within the allowable deductions enumerated in 130 CMR 506.003 (D), they cannot be considered as deductions.

Consequently, MassHealth correctly determined that the appellant's income exceeds the allowable threshold limit for MassHealth benefits, and the appellant did not present any evidence to prove that MassHealth's decision was incorrect. See Craven v. State Ethics Comm'n, 390 Mass. 191, 200 (1983)("[p]roof by a preponderance of the evidence is the standard generally applicable to administrative proceedings").

For the foregoing reasons this appeal is DENIED.

Order for MassHealth

Remove aid pending protection.

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.

Sharon Dehmand, Esq.
Hearing Officer
Board of Hearings

MassHealth Representative: Dori Mathieu, Springfield MassHealth Enrollment Center, 88 Industry Avenue, Springfield, MA 01104, 413-785-4186