

# Office of Medicaid BOARD OF HEARINGS

**Appellant Name and Address:**



<b>Appeal Decision:</b>	Denied	<b>Appeal Number:</b>	2419753
<b>Decision Date:</b>	07/15/2025	<b>Hearing Dates:</b>	01/30/2025 and 05/30/2025
<b>Hearing Officer:</b>	Kimberly Scanlon	<b>Record Open to:</b>	02/27/2025

**Appearances for Appellant:**




**Appearances for MassHealth:**

Sunnatra Som, Tewksbury MEC (01/30/2025)  
Morgan Burns, Tewksbury MEC (05/30/2025)  
Roxana Noriega, Premium Assistance Unit



*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

<b>Appeal Decision:</b>	Denied	<b>Issue:</b>	Eligibility; Under 65; Termination; Premium Assistance
<b>Decision Date:</b>	07/15/2025	<b>Hearing Dates:</b>	01/30/2025 and 05/30/2025
<b>MassHealth's Reps.:</b>	Sunnatra Som; Morgan Burns; Roxana Noriega	<b>Appellant's Reps.:</b>	
<b>Hearing Location:</b>	Tewksbury MassHealth Enrollment Center Room 1 (Remote)	<b>Aid Pending:</b>	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 11, 2024, MassHealth notified the appellant that her benefits were terminating on November 25, 2024, because MassHealth determined that she did not enroll in the required employer-sponsored insurance (Exhibit 1). The appellant filed a timely appeal of this notice on December 27, 2024 (Exhibit 2). Termination and/or reduction of assistance are valid grounds for appeal. (130 CMR 610.032). A fair hearing was held on January 30, 2025 (Exhibit 5). At the conclusion of the hearing, the record was left open for a brief period for the submission of additional information (Exhibit 6). The hearing was then reconvened on May 30, 2025, for additional testimony (Exhibit 8).

## **Action Taken by MassHealth**

MassHealth notified the appellant that her benefits were terminating on November 25, 2024 because she did not enroll in the required employer-sponsored insurance.

## **Issue**

The appeal issue is whether MassHealth was correct in notifying the appellant that her benefits would terminate on November 25, 2024, because she did not enroll in the required employer-sponsored insurance.

## **Summary of Evidence**

MassHealth was represented at the initial hearing by an eligibility representative and a representative from the Premium Assistance Unit (PAU); both parties participated by telephone. The record establishes the following: The appellant is an adult female who resides with her spouse and her three minor children. The appellant's countable household yearly income totals \$56,051.62 which is equal to 148.23% of the federal poverty level for her family size. On September 6, 2024, MassHealth sent the appellant a notice it refers to as a qualifying event letter. That notice informed the appellant that she has health insurance available through her job that meets MassHealth Premium Assistance rules which she must enroll her children in, or their MassHealth benefits may end. On November 11, 2024, MassHealth notified the appellant that her MassHealth benefits would terminate on November 25, 2024 because she did not enroll in the health insurance available through her job (Exhibit 1). On January 27, 2025, the appellant contacted MassHealth and updated her yearly income from \$56,051.62 to \$46,632.90, which is equal to 122.48% of the federal poverty level. The appellant's children qualify for MassHealth Standard coverage; however, the appellant and her spouse must enroll in the employer-sponsored health insurance plan that was identified.

The PAU representative stated that the September 6<sup>th</sup> qualifying event letter that was sent to the appellant identified one plan (HMO Access New England Savor Plan) offered through her employer that meets the rules for Premium Assistance. She stated that the appellant did not enroll in the plan that was identified; rather, on January 1, 2025, she enrolled in a family plan that exceeds the maximum deductibles.

The appellant's representative appeared at the hearing by telephone. She argued that the PAU erred in determining that the plan identified through the appellant's employer meets Premium Assistance criteria, specifically, the basic benefit level. She stated that while the plan identified by Premium Assistance covers core services, the individual deductible of this plan exceeds the

minimum creditable coverage requirements.<sup>1</sup> The appellant's representative argued that the pertinent regulations do not state that an employer sponsored insurance (ESI) plan must satisfy only the family deductible amount to qualify for Premium Assistance. Additionally, she argued that the regulations state that MassHealth can recover Premium Assistance payments that were made in error, regardless of who was responsible for that error. Thus, she argued, there is nothing preventing the PAU from subsequently determining that it made an error and recouping the money it paid to the appellant if she were to enroll in the qualifying ESI plan. The appellant's representative argued that the PAU erred in its decision and the appellant's coverage was terminated based on that erroneous decision. She argued that pursuant to the regulations, the effective date of any adjustments to the appellant's eligibility status is the date on which all eligibility conditions were met. Here, the appellant met the eligibility requirements to receive Standard benefits at the time her coverage terminated. She argued that the November 11<sup>th</sup> termination notice that was sent to the appellant should be rescinded and the appellant's coverage is restored without a gap in her coverage.

The PAU representative responded and stated that the regulations stipulate a maximum (family) deductible of \$5900. The plan in which the appellant enrolled herself and her spouse has a \$6000 deductible. Further, the appellant did not enroll her children, and the appellant's family members (including her children) were all listed in the event qualifying letter. The appellant's representative responded that as she understood it, minor children who qualify for Standard benefits are not required to enroll in ESI. The PAU representative did not dispute this assertion. She stated that all family members are encouraged to enroll in ESI though, because MassHealth is the payor of last resort. She stated that the appellant's children remain active with MassHealth benefits; however, the appellant and her spouse are no longer eligible. The PAU representative asked if the appellant would be willing to switch her health plan to the ESI plan that Premium Assistance identified in the qualifying event letter. She explained that this would not affect the coverage of the appellant's children, regardless of whether she enrolls them in her ESI. She explained that if the appellant wants her MassHealth coverage reinstated, she and her husband must enroll in the plan identified by the PAU, which has a family deductible of \$4500. She stated that Premium Assistance would reimburse the appellant and her spouse at 100%.

The appellant's representative stated that she would need to speak to the appellant because the last time she contacted Premium Assistance, she was advised to disenroll from her current plan which would leave her without coverage. Additionally, the appellant was informed that she does not qualify for Premium Assistance because her employer does not contribute 50%. The PAU representative explained that 50% employer contribution would apply if the appellant's children were receiving Family Assistance benefits. Here, the appellant's children receive Standard benefits and therefore her employer is not required to contribute 50%. The appellant's representative stated that the appellant is concerned that if she were to enroll in the ESI plan that Premium Assistance identified and her coverage is later rescinded that she will have to pay the money back.

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<sup>1</sup> The appellant's representative did not submit any documentation to substantiate this statement.

The PAU representative stated that MassHealth is no longer requiring its members to pay any money back. Additionally, she stated that the PAU will mail a new qualifying event letter. The appellant's representative asked for clarification on the basic benefit level. She explained that the appellant's ESI plan identified by PAU meet the family deductible, though it exceeds the individual deductible. She stated that she was under the impression that the ESI plan(s) identified by PAU must meet both the individual and family basic benefit levels, not just one or the other. The PAU representative stated that the appellant's employer provided information solely on the family plan and its deductible.

At the conclusion of the hearing, the record was left open for a brief period for the appellant to submit additional information and for MassHealth to review submission. On April 8, 2025, the appellant's representative reported that the appellant enrolled into the plan that was identified by the PAU and that the documentation was submitted to PAU, showing proof of enrollment. She reported that the appellant and her spouse still have closures on their MassHealth accounts though. (Exhibit 7, p. 2) On April 11, 2025, the appellant's representative reported that the MassHealth closures were removed from the appellant and her spouse's accounts on April 10, 2025, and their coverage was reinstated on March 31, 2025. She reported that the appellant seeks resolution to close the gap in her coverage from November 24, 2024 through March 30, 2025. Additionally, she maintained that Premium Assistance erred in determining that the insurance meets basic benefit level and enrollment should never have been enforced (Exhibit 7, p. 1).

At the reconvened hearing, MassHealth was represented by an eligibility representative and a representative from the PAU; both parties participated by telephone. The PAU representative testified that she received the appellant's proof of enrollment, and her Premium Assistance benefits were activated. Further, the PAU representative stated that the appellant's coverage was backdated to March 5, 2025. The MassHealth representative stated that currently, the appellant's gross monthly income from employment amounts to \$3,886.08, which is equal to 118.06% of the federal poverty level for a household of 5. The appellant's minor children currently receive Standard benefits through continuous eligibility.

The appellant's representative testified that the appellant's coverage should be backdated to November 25, 2024, which is when MassHealth terminated her benefits. Additionally, she stated that PAU erred in identifying the appellant's ESI plan because it does not meet the basic benefit level for the yearly deductible for an individual plan. The PAU representative stated that the appellant's coverage could not be further backdated because her coverage terminated on November 25, 2024 for not enrolling in the ESI plan. Additionally, the PAU representative asked if the appellant enrolled into an individual plan or a family plan. The appellant's representative responded and stated that the appellant enrolled in a family plan. The PAU representative stated that the yearly deductible of the appellant's ESI family plan meets the requirements for Premium Assistance. The appellant's representative argued that the regulations do not support this statement. The PAU representative explained that if the appellant is an individual, Premium Assistance will look at the basic benefit level for individual plans. Conversely, if the appellant is part

of a family, Premium Assistance will look at the basic benefit level for family plans. In this case, the appellant enrolled herself and her family members into a family plan. Therefore, Premium Assistance looked at the basic benefit level for family plans. The appellant's representative argued that the family plan that the appellant enrolled in does not meet the basic benefit level for the individual plan – which would apply to any individual within the appellant's family, particularly if there is only one of her family members utilizing the insurance.

## **Findings of Fact**

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

1. The appellant is an adult female who resides with her spouse and their three minor children.
2. The appellant's current countable monthly income is equal to 118.06% of the federal poverty level for her family size.
3. The appellant's three minor children receive MassHealth Standard benefits through continuous eligibility.
4. On September 6, 2024, MassHealth notified the appellant that she has health insurance available through her job that meets MassHealth Premium Assistance rules. The notice informs the appellant that she must enroll her three minor children in this insurance within 60 days or their MassHealth benefits may end.
5. On November 11, 2024, MassHealth notified the appellant that her benefits would terminate on November 25, 2024 because she did not enroll in the health insurance available through her job.
6. The appellant timely appealed this MassHealth action.

## **Analysis and Conclusions of Law**

The issue in this appeal is MassHealth's determination, through its PAU, that the appellant's coverage would terminate on November 25, 2024 for not enrolling in the required employer sponsored health insurance. The appellant argues first that MassHealth erred in issuing the termination notice. Second, the appellant disputes the start date on which her benefits were reinstated.

The MassHealth agency is the payer of last resort and pays for health care and related services only when no other source of payment is available, except as otherwise required by federal law. Pursuant to 130 CMR 503.007(A), every applicant and member must obtain and maintain available

health insurance, and failure to do so may result in loss or denial of eligibility.<sup>2</sup> The MassHealth agency may enroll MassHealth members in available employer-sponsored health insurance if that insurance meets the criteria for payment of premium assistance under 130 CMR 506.012(B): *Criteria* (130 CMR 503.007(C)).

In this case, MassHealth has determined that the appellant has access to health insurance that meets the criteria at 130 CMR 506.012(B). Under 130 CMR 506.012(B), MassHealth may provide a premium assistance payment to an eligible member when all the following criteria are met:

- (1) The health insurance coverage meets the Basic Benefit Level (BBL) as defined in 130 CMR 501.001: *Definition of Terms*. Instruments including, but not limited to, Health Reimbursement Arrangements, Flexible Spending Arrangements, as described in IRS Pub. 969, or Health Savings Accounts, as described at IRC § 223(c)(2), cannot be used to reduce the health insurance deductible in order to meet the basic-benefit level requirement.
- (2) The health insurance policy holder is either
  - (a) in the [family group]; or
  - (b) resides with the individual who is eligible for the premium assistance benefit and is related to the individual by blood, adoption, or marriage.
- (3) At least one person covered by the health insurance policy is eligible for MassHealth benefits as described in 130 CMR 506.012(A) and the health insurance policy is a policy that meets the criteria of the MassHealth coverage type for premium assistance benefits as described in 130 CMR 506.012(C).

Here, MassHealth's PAU has determined that all the above criteria have been met. This determination is supported by the record. The appellant's minor children are eligible for and currently receive MassHealth Standard benefits, a coverage type for which premium assistance payments are available (130 CMR 506.012(A)). Further, the appellant and her spouse are eligible to receive MassHealth Standard benefits. The appellant argues that the ESI plan identified does not meet the yearly deductible for an individual plan and therefore the November 2024 termination notice should not have been issued.

MassHealth defines basic benefit level at 130 CMR 501.001, as follows:

- (1) benefits provided under a health insurance plan that include a broad range of medical benefits as defined in the minimum creditable coverage core services

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<sup>2</sup> This rule does not apply to members receiving MassHealth Standard or CommonHealth who are younger than 21 years of age or pregnant.

requirements in 956 CMR 5.03(1)(a); provided that the annual deductible and the annual maximum out-of-pocket costs under that plan do not exceed the maximum amounts the Massachusetts Health Connector sets for deductibles and out-of-pocket costs in order for a plan to be considered minimum creditable coverage, as set forth at 956 CMR 5.03(2)(b)2 and 3, and 956 CMR 5.03(2)(c), respectively, and as may be illustrated in administrative bulletins published by the Massachusetts Health Connector, and as are in effect on the first day coverage under that plan begins.

(2) Exceptions.

(a) For the avoidance of doubt, instruments including but not limited to Health Reimbursement Arrangements, Flexible Spending Arrangements, as described in IRS Pub. 969, or Health Savings Accounts, as described at IRC § 223(c)(2), cannot be used to reduce the health insurance deductible in order to meet the basic-benefit level requirement.

(b) The MassHealth agency reserves the right to set its own annual deductible and maximum out-of-pocket limits. If the MassHealth agency deems it appropriate to set its own annual deductible and maximum out-of-pocket limits, a sub-regulatory bulletin will be issued.

In the present case, the ESI plan identified by PAU meets MassHealth's program requirements, including those related to maximum family deductibles. The appellant has therefore not demonstrated that MassHealth erred in terminating her benefits because she did not enroll in ESI.

The appellant next argues that her coverage start date should begin in November 2024, when MassHealth terminated her coverage. MassHealth's regulations require individuals to obtain and maintain available health insurance, including enrolling in their employer's health insurance plan when it is offered and meets the criteria for Premium Assistance Payments. MassHealth determined that the appellant was no longer eligible for coverage because she did not enroll in the ESI plan identified, which is a necessary condition for her continued eligibility for MassHealth benefits. MassHealth notified the appellant of this requirement in September 2024. The appellant did not dispute receiving this notice. Despite receiving the notification and being given a 60-day period to enroll, the appellant did not complete the enrollment process within the required timeframe. Specifically, on April 8, 2025, the appellant reported that she enrolled into the qualifying ESI plan and that the documentation was submitted to Premium Assistance showing proof of enrollment. On April 11, 2025, the appellant reported that the MassHealth closures were removed from her and from her spouse's accounts and that on April 10, 2025, MassHealth reinstated their coverage beginning on March 31, 2025, which was subsequently further backdated to March 5, 2025. Per 130 CMR 506.012(F)(1)(d), premium assistance payments begin in the month of the MassHealth eligibility determination or in the month that health-insurance deductions begin, whichever is later. Here, MassHealth correctly determined the appellant's start date, in accordance with the regulations.



The appellant has not demonstrated that MassHealth erred in issuing the November 11, 2024 termination notice, and this 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.

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Kimberly Scanlon  
Hearing Officer  
Board of Hearings

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MassHealth Representative: Sylvia Tiar, Tewksbury MassHealth Enrollment Center, 367 East Street, Tewksbury, MA 01876-1957, 978-863-9290

MassHealth Premium Assistance Unit