

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2500846
Decision Date:	4/9/2025	Hearing Date:	02/21/2025
Hearing Officer:	Thomas Doyle	Record Open to:	N/A

Appearance for Appellant:
Pro se

Appearance for MassHealth:
Anastasia Agnos, 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:	Eligibility; Under 65; Over Income
Decision Date:	4/9/2025	Hearing Date:	02/21/2025
MassHealth's Rep.:	Anastasia Agnos	Appellant's Rep.:	Pro se
Hearing Location:	Remote (phone)	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 January 3, 2025, MassHealth changed appellant's MassHealth benefits from MassHealth Standard to Health Safety Net, beginning on December 24, 2024, because appellant no longer meets MassHealth eligibility criteria. (Ex. 1; 130 CMR 505.002(L)(5)). Appellant filed this appeal in a timely manner on January 14, 2025. (130 CMR 610.015(B); Ex. 2). Denial of assistance is valid grounds for appeal (130 CMR 610.032).

Action Taken by MassHealth

MassHealth downgraded appellant's coverage from Standard to Health Safety Net.

Issue

The appeal issue is whether MassHealth was correct in determining that appellant was over income to qualify for MassHealth.

Summary of Evidence

Appellant and the MassHealth worker (worker) appeared by telephone and were sworn. The worker stated MassHealth sent appellant a job update form on November 6, 2024 and it was returned on November 29, 2024. (Testimony). MassHealth then notified appellant on November 29, 2024 that she would continue to receive MassHealth Standard benefits through Transitional Medical Assistance (TMA) until December 31, 2024. The TMA began on December 30, 2023. (Ex. 5). Through a notice dated January 3, 2025, MassHealth notified appellant her benefit was changing from Standard to Health Safety Net due to a change in her circumstances. The Standard benefit would be ending on February 28, 2025. (Ex. 1). There is aid pending. (Ex. 4). Information from appellant's job update form shows appellant with a monthly income of \$4,314.75 from employment. The worker testified at the time of the January 3, 2025 notice, appellant was in a household of 4. However, she stated new information was received the day before the hearing that one person had left the household and appellant was then found to be in a household of 3, which included appellant and another adult who was pregnant. (Testimony). MassHealth determined appellant's income was at 194.36% of the Federal Poverty Level (FPL), making appellant over income for MassHealth benefits. The worker stated to be eligible for Standard, appellant could not be over 133% FPL and the maximum amount of monthly income appellant could receive is \$2,862. (Testimony).

Appellant stated she had no questions for the worker and confirmed that her household size had been reduced since the January 3, 2025 notice because her daughter moved out of the home. Appellant stated her rent increased as did her car insurance and the overall cost of living made things difficult. (Testimony).

Findings of Fact

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

1. Appellant is under the age of 65 and lives in a household of 3. (Testimony; Ex. 6).
2. Appellant was previously eligible for MassHealth Standard. (Testimony).
3. There is aid pending. (Ex. 4).
4. Appellant was on TMA from December 30, 2023 until December 31, 2024. (Testimony; Ex. 5).
5. At the conclusion of the 12-month extended eligibility period, MassHealth redetermined the appellant's eligibility. Appellant has a gross monthly income of \$4,314.79, which is 194.36% of the federal poverty level for a household of 3. (Testimony).

6. 133% of the FPL is \$2,862 per month for a household of 3. (Testimony; 2024 MassHealth Income Standards and Federal Poverty Guidelines).

7. On January 3, 2025, MassHealth notified appellant her coverage would be downgraded from Standard to Health Safety Net. (Ex. 1).

Analysis and Conclusions of Law

At issue in this case is MassHealth's action to downgrade the appellant's coverage from MassHealth Standard to Health Safety Net. Appellant was previously eligible for MassHealth Standard and was approved for 12 months of "extended eligibility" for Standard coverage.

The Regulation regarding extended eligibility is codified within 130 CMR 505.002(L):

505.002: MassHealth Standard

(L) Extended Eligibility.

(1) Members of an EAEDC or TAFDC household whose cash assistance terminates continue to receive four months of MassHealth Standard coverage beginning in the month the household became ineligible if they are

- (a) terminated from EAEDC or TAFDC and are determined to be potentially eligible for MassHealth; or
- (b) terminated from TAFDC because of receipt of, or an increase in, spousal or child support payments.

(2) Members of a TAFDC household who become ineligible for TAFDC for employment related reasons continue to receive MassHealth Standard for a full 12-calendar-month period beginning with the date on which they became ineligible for TAFDC if

- (a) the household continues to include a child;
- (b) a parent or caretaker relative continues to be employed; and
- (c) the parent or caretaker relative complies with 130 CMR 505.002(M).

(3) 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

(4) 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).

(5) If an individual in a MassHealth MAGI household who receives MassHealth under 130 CMR 505.002(L)(1) or (2) had income at or below 133% of the FPL during their extended period, and now has income including earnings that raise the MassHealth MAGI modified adjusted gross income above that limit, the MassHealth MAGI household is eligible for another full 12-calendar-month period that begins with the date on which the member's 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; and

(c) the parent or caretaker relative complies with 130 CMR 505.002(M).

(6) If a MassHealth MAGI household's modified adjusted gross income decreases to 133% of the FPL or below during its extended eligibility period, and the decrease is timely reported to MassHealth, the MassHealth MAGI household's eligibility for MassHealth Standard may be redetermined. If the MassHealth MAGI household's gross income later increases above 133% of the FPL, the MassHealth MAGI household is eligible for a new extended eligibility period.

At the end of the 12-month period, MassHealth redetermined appellant's eligibility. MassHealth Regulations at 505.001 describe MassHealth coverage types:

130 CMR 505.001: Introduction

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.

(A) The MassHealth coverage types are the following:

(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 old who are not eligible for MassHealth Standard;

(4) MassHealth Family Assistance S 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 (MSP, also called Senior Buy-in and Buy-in) – for certain Medicare beneficiaries.

MassHealth utilizes countable household income, subtracting specific enumerated deductions in calculating income attributed to an applicant as codified within 130 CMR 506.003:

506.003: 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.

(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.

MassHealth's calculus for determining financial eligibility is codified within the Regulations at 130 CMR 506.007:

506.007: Calculation of Financial Eligibility

The rules in 130 CMR 506.003 and 506.004 describing countable income and noncountable income apply to both MassHealth MAGI households and MassHealth Disabled Adult households.

(A) Financial eligibility for coverage types that are determined using the MassHealth MAGI household rules and the MassHealth Disabled Adult household rules is determined by comparing the sum of all countable income less deductions for the individual's household as described in 130 CMR 506.002 with the applicable income standard for the specific coverage type.

(1) The MassHealth agency will construct a household as described in 130 CMR 506.002 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.

(2) 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 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(M).

(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.

(B) The financial eligibility standards for each coverage type may be found in 130 CMR 505.000: Health Care Reform: MassHealth: Coverage Types.

Appellant is an adult under the age of 65, who is not disabled, and resides in a household of 3. MassHealth Standard requirements for eligibility is codified within the Regulations at:

130 CMR 505.002: MassHealth Standard:

(A) Overview.

(1) 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).

(2) Persons who receive Supplemental Security Income (SSI) benefits from the Social Security Administration (SSA) are eligible for MassHealth Standard.

(3) Persons who receive Transitional Aid to Families with Dependent Children (TAFDC) cash assistance from the Department of Transitional Assistance (DTA) are eligible for MassHealth Standard.

4) Children, young adults, and parents and caretaker relatives who receive Emergency Aid to the Elderly, Disabled and Children (EAEDC) cash assistance are eligible for MassHealth Standard if they meet the citizenship and immigration requirements described at 130 CMR 504.002: U.S. Citizens and 130 CMR 504.003(A)(1): Qualified Noncitizens, (2): Qualified Noncitizens Barred, and (3): Nonqualified Individuals Lawfully Present.

(5) Persons who do not otherwise meet the requirements of 130 CMR 505.002, but who meet the AFDC rules that were in effect on July 16, 1996, are eligible for MassHealth Standard.

(6) Persons eligible for MassHealth Standard coverage are eligible for medical benefits as described at 130 CMR 450.105(A): MassHealth Standard and 130 CMR 508.000: MassHealth: Managed Care Requirements.

The Appellant has the burden "to demonstrate the invalidity of the administrative determination." Andrews v. Division of Medical Assistance, 68 Mass. App. Ct. 228. See also Fisch v. Board of Registration in Med., 437 Mass. 128, 131 (2002); Faith Assembly of God of S. Dennis & Hyannis, Inc. v. State Bldg. Code Commn., 11 Mass. App. Ct. 333, 334 (1981); Haverhill Mun. Hosp. v. Commissioner of the Div. of Med. Assistance, 45 Mass. App. Ct. 386, 390 (1998).

In order for appellant to be deemed eligible for Standard, appellant's modified adjusted gross income of the MassHealth MAGI household must be less than or equal to 133% of the FPL. Appellant lives in a household of 3 and has a gross monthly income of \$4,314.75. Pursuant to 130 CMR 506.007(A)(3), 5 percentage points of the current FPL is deducted to determine countable income. For a household of 3, five percentage points of the current FPL equals \$107.60. Accordingly, the Appellant's countable income is \$4,207.15.

The income limit for MassHealth Standard is 133% of the federal poverty level, or \$2,862.00 a month for a household of 3. Appellant's countable income exceeds this amount and therefore appellant is not financially eligible for MassHealth Standard.

Appellant has not met her burden, by a preponderance of evidence, to show that MassHealth's administrative determination is invalid. Accordingly, this appeal is DENIED.

Order for MassHealth

End 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.

Thomas Doyle
Hearing Officer
Board of Hearings

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