

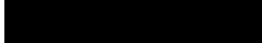
Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2503251
Decision Date:	6/9/2025	Hearing Date:	03/24/2025
Hearing Officer:	Christopher Jones	Record Open to:	04/21/2025

Appearance for Appellant:



Appearance for MassHealth:

Joseph Carlson – Tewksbury 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:	6/9/2025	Hearing Date:	03/24/2025
MassHealth’s Rep.:	Joseph Carlson	Appellant’s Rep.:	Pro se
Hearing Location:	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 February 15, 2025, MassHealth terminated the appellant's Family Assistance benefits because her household's income is too high to qualify. (Exhibit 1; 130 CMR 505.000.) The appellant filed this timely appeal on February 24, 2025. (Exhibit 1; 130 CMR 610.015(B).) Denial of assistance is valid grounds for appeal. (130 CMR 610.032.)

The appellant requested that the record be left open until April 21, 2025, to submit updated income verifications, and for MassHealth to review that information.

Action Taken by MassHealth

MassHealth terminated the appellant's MassHealth benefits because her household's income was too high to qualify.

Issue

The appeal issue is whether MassHealth was correct, pursuant to 130 CMR 505.005 and 506.000, in determining that the appellant's countable income was too high to qualify for MassHealth coverage.

Summary of Evidence

The appellant is a minor child, and she was represented at the hearing by her mother. The appellant's household consists of two parents and two minor children. MassHealth's representative testified the appellant was covered by Family Assistance benefits, but during the household's last renewal they had verified income over 300% of the federal poverty level. MassHealth's representative testified that appellant had been covered through a continuous eligibility benefit. MassHealth's system performed an electronic data match, which found reasonably compatible income to what had been reported during the last renewal. Because the income remained over 300% of the federal poverty level, the appellant's coverage was terminated.

MassHealth's representative testified as to the income the agency had on file for the appellant's household. The appellant's mother earned \$3,369 in gross income, bi-weekly, and the appellant's father earned \$919 per month in self-employment income. This calculated to be just over 300% of the federal poverty level for a household of 4.

The appellant's mother testified that her husband's income sounded correct, but she felt that the income MassHealth used for her was too high. The appellant requested that the hearing record be left open to update her income. The hearing record was left open until March 31, 2025, for the appellant to submit paystubs. The appellant submitted three paystubs. Two paystubs were labeled as "Regular" pay, and the third was labeled as "Commissions." The appellant's mother earned the same regular pay every pay period, but she earned commissions irregularly. The appellant's mother felt that the commissions should be included in income.

The regular pay statements are both the same, showing gross, bi-weekly wages of \$3,369.72. Both wage paystubs also show pretax deductions for: 401(k) contributions of \$235.88, dental insurance payments of \$26.77; and medical insurance payments of \$329.00. The paystubs identify these deductions as being "Excluded from federal taxable wages," and list the federal taxable wages as \$2,778.07. The appellant submitted a commission pay statement for the pay period of February 8 to February 21, 2025, in addition to a regular pay statement for the same period. The pay date for these paystubs was February 28, 2025. This commission paystub listed gross earnings of \$777 and pre-tax 401(k) contributions of \$54.39. The "federal taxable wages this period are \$722.61." The pay statement also listed the year-to-date gross commissions as being \$2,083.

MassHealth's representative confirmed that MassHealth includes commissions as income. MassHealth added the federal taxable income for both the February 28, 2025, paystubs together and concluded that the appellant's mother's verified countable income should be increased from \$3,369 to \$3,500.68. The appellant requested that the hearing record be extended to allow her to submit her 2024 tax return to show a realistic average of her commission income. The hearing record was extended to April 21, 2025, for the appellant to submit either her 2024 tax return or an extension request.

Nothing further was submitted into the record.

Findings of Fact

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

- 1) The appellant lives in a household of four with two married adults and two children. (Testimony by MassHealth and the appellant.)
- 2) MassHealth redetermined household eligibility using electronic data match information showing the appellant's mother earned \$3,369 in gross income, bi-weekly, and the appellant's father earned \$919 per month in self-employment income. For a family of four, this calculated to be slightly more than 300% of the federal poverty level. (Testimony by MassHealth's representative.)
- 3) The appellant's mother earns taxable wages of \$2,778.07 every two weeks. For the pay period of February 8 to February 21, 2025, the appellant's mother earned an additional \$722.61 in taxable commissions, on \$777 in gross commissions. The gross commissions for the year to date were \$2,083. (Exhibit 4.)

Analysis and Conclusions of Law

MassHealth offers a variety of coverage types based upon an individual's circumstances and finances. To qualify for MassHealth, an individual must fit into a category of eligibility and fall below the relevant financial threshold. Financial eligibility for members under the age of 65 is described at 130 CMR 505.000. Adults must generally have income below 133% of the federal poverty level (see 130 CMR 505.002(C), 505.008), while children may be eligible for Family Assistance coverage up to 300% of the federal poverty level (see 130 CMR 505.005(A)(1)).¹

Countable income includes "the total amount of taxable compensation received for work or services performed less pretax deductions"; and the total amount of unearned income including, but 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." (130 CMR 506.003(A), (B).) A limited number of additional deductions may reduce MAGI income:

- (1) educator expenses;
- (2) reservist/performance artist/fee-based government official expenses;

¹ MassHealth's representative testified that the appellant remained covered through continuous eligibility. The regulation allows "extended eligibility" for certain benefits, but Family Assistance for children between 150% and 300% of the federal poverty level is not one of them. (See 130 CMR 505.005(B); cf. 505.005(G)(2) (extended eligibility for former EAEDC cash assistance beneficiaries).) This discrepancy is ultimately irrelevant to the question of the appellant's eligibility.

- (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.

(130 CMR 506.003(D).)

Financial eligibility is “determined by using the total of all countable monthly income for each person in that individual's ... household. ... In determining monthly income, the MassHealth agency multiplies average weekly income by 4.333.” Then “[f]ive percentage points of the current federal poverty level ... is subtracted from the applicable household total countable income to determine eligibility of the individual under the coverage type with the highest income standard.” (130 CMR 506.007(A)(2), (3).) The federal poverty level for a household of 4 in 2025 is \$2,680 in monthly income, or \$32,160 annually.² Five percent of the monthly federal poverty level for a household of 4 in 2025 is \$134 per month.

The appellant’s verified income remains higher than 300% of the federal poverty level. MassHealth validly combined the two incomes for the single pay period ending February 21, 2025, to arrive at total taxable income of \$3,500.68 in bi-weekly income. This income must be divided in half and multiplied by 4.333 to derive monthly income of \$7,584.22. Combined with the appellant’s father’s uncontested monthly income of \$919, the household’s income is \$8,503.22. Less the 5 percent

² Technically, the appellant’s household’s eligibility would have been determined using lower figures from 2024. The federal poverty level for a household of four in 2024 was \$2,600 per month, or \$32,400 annually. The more favorable 2025 numbers are used for this decision.

disregard, the household's MAGI income is \$8,369.22, which is 312% of the federal poverty level for a household of 4 in 2025.

Alternatively, the appellant's income could be calculated using the year-to-date figures. February 21, 2025, ended the eighth week of the calendar year. The gross year-to-date commissions divided by 8 equates to \$260.37. This results in higher monthly income than the \$777 in gross commissions used by MassHealth, even if the 401(k) contributions are deducted.³ The appellant was offered the opportunity to submit her 2024 tax returns to verify that her household's income was, in fact, below 300% of the federal poverty level. The tax returns were not submitted.

The appellant has not identified any error in MassHealth's decision, and this appeal is DENIED.

If the appellant's income decreases in the future, or if her 2024 tax return shows less income, she may submit that information to MassHealth at any time to have her household's eligibility redetermined.

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.

Christopher Jones
Hearing Officer
Board of Hearings

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

³ The 401(k) contributions from both the appellant's regular pay and commissions are 7% of the gross amount.