

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



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|-------------------------|-----------------|------------------------|------------|
| Appeal Decision: | Denied | Appeal Number: | 2504121 |
| Decision Date: | 05/16/2025 | Hearing Date: | 04/16/2025 |
| Hearing Officer: | Thomas J. Goode | Record Open to: | 04/18/2025 |

Appearance for Appellant:




Appearance for MassHealth:

Michael Rossi, Quincy 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

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|---------------------------|---------------|--------------------------|---|
| Appeal Decision: | Denied | Issue: | Community Eligibility-under 65-Income |
| Decision Date: | 05/16/2025 | Hearing Date: | 04/16/2025 |
| MassHealth's Rep.: | Michael Rossi | Appellant's Rep.: |  |
| 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 March 2, 2025, MassHealth notified Appellant that benefits for her minor child would change from Standard to Family Assistance on February 20, 2025, and her minor child would no longer receive Standard coverage after March 16, 2025 (130 CMR 505.001, 505.002, 505.005 and Exhibit 1). Appellant filed this appeal in a timely manner on March 12, 2025, and has been receiving aid pending protection (130 CMR 610.015(B), 610.036 and Exhibit 2). A change in the scope of assistance is valid grounds for appeal (130 CMR 610.032).

Action Taken by MassHealth

MassHealth notified Appellant that benefits for her minor child would change from Standard to Family Assistance on February 20, 2025, and her minor child would no longer receive Standard coverage after March 16, 2025.

Issue

The appeal issue is whether MassHealth was correct, pursuant to 130 CMR 505.002, 505.005 in notifying Appellant that benefits for her minor child would change from Standard to Family

Assistance on February 20, 2025, and her minor child would no longer receive Standard coverage after March 16, 2025.

Summary of Evidence

The MassHealth representative testified that Appellant and her minor child, who is between one and 18 years of age, were receiving MassHealth Standard coverage. Appellant completed a renewal application in July 2024. Appellant's income was verified at \$3,400.02 per month, which equates to 187% of the federal poverty level for a household size of 2. Because household income exceeded 150% of the federal poverty level, \$2,555 in 2024, and \$2,644 in 2025, Appellant's Standard coverage terminated in July 2024; however, Appellant's minor child continued to be eligible for Standard coverage through a 12-month period of Continuous Medicaid Eligibility for Children, in effect from February 19, 2024 through February 25, 2025. On March 2, 2025, the MassHealth system recognized that the period of Continuous Eligibility Coverage for Children ended on February 28, 2025, and generated a notice of the change from Standard to Family Assistance on February 20, 2025 (Testimony). MassHealth notified the appellant that her minor child would no longer receive Standard coverage after March 16, 2025 (Exhibit 1). MassHealth testified that the downgrade to Family Assistance reflects the coverage type for which Appellant's minor child would have been eligible in July 2024. MassHealth Standard coverage for Appellant's minor child is currently protected by the Board of Hearings during the appeals process. The MassHealth representative introduced into evidence Eligibility Operations Memo 24-02 which addresses Continuous Medicaid Eligibility for Children (Exhibit 4). The MassHealth representative speculated that a new period of Continuous Medicaid Eligibility for Children could restart for another 12-month period. The MassHealth representative was directed by the hearing officer to review with a supervisor whether Appellant's minor child would be eligible for a new 12-month period of Continuous Medicaid Eligibility for Children and the hearing record remained open for MassHealth to review eligibility. MassHealth submitted a response clarifying that at the end of 12-months of Continuous Medicaid Coverage for Children, which ended on February 28, 2025, the downgrade to Family Assistance is correct based on income verified in the July 2024 renewal. A new period of Continuous Medicaid Eligibility for Children would begin and continue Family Assistance coverage only if another renewal resulted in a further downgrade from Family Assistance to Children's Medical Security Plan or a Health Connector Plan (See Exhibit 5).

Appellant testified that MassHealth is secondary insurance, and that her primary insurance does not fully cover services her child needs because the deductible is astronomical. She testified that her minor child requires services from a trauma therapist who is not covered by Family Assistance plans, and that there are no local providers covered under Family Assistance. Appellant testified that her child is well established with her current therapist and a change or discontinuation of services would be detrimental to her child. Appellant stated that she is a single mother and a household size of two with her minor child. Appellant confirmed her income is \$3,400.02, which she updated in the July 2024 renewal. Appellant stated that she was not allowed sufficient time to change providers, and

upon further investigation, she discovered that there are no local providers that contract with plans under Family Assistance, which she addressed to MassHealth Customer Service several times.

Findings of Fact

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

1. Appellant completed a renewal application in July 2024.
2. Appellant's income was verified at \$3,400.02 per month, which equates to 187% of the federal poverty level for a household size of 2.
3. Appellant's Standard coverage terminated in July 2024.
4. Appellant's minor child continued to be eligible for Standard coverage through a 12-month period of Continuous Medicaid Eligibility for Children in effect from February 19, 2024 through February 25, 2025.
5. There is no evidence that Appellant's minor child has been determined to be disabled by the Social Security Administration or by MassHealth.
6. Appellant's current household income is \$3,400.02 per month and her household size is 2 including her minor child.
7. 150% of the federal poverty level for a household size of 2 was \$2,555 in 2024 and is \$2,644 in 2025.
8. On March 2, 2025, the MassHealth system recognized that the period of Continuous Eligibility Coverage for Children ended on February 28, 2025, and generated a notice on March 2, 2025, notifying Appellant of the change from Standard to Family Assistance on February 20, 2025, and that her minor child would no longer receive Standard coverage after March 16, 2025.

Analysis and Conclusions of Law

MassHealth provides access to healthcare by determining eligibility for the coverage type that provides the most comprehensive benefits. (130 CMR 501.003(A)). MassHealth offers several coverage types. (130 CMR 501.003(B)). The coverage type for which an individual is eligible is based on their income and circumstances. (130 CMR 515.003(B)).

Regulation 130 CMR 505.000 explains the categorical requirements and financial standards that

must be met to qualify for a MassHealth coverage type (130 CMR 505.001). As described in 130 CMR 505.001, the MassHealth coverage types are as follows:

- (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 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, 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

Pursuant to 130 CMR 506.003, 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.^{1, 2} Income of all household members forms the basis for establishing an individual's eligibility (130 CMR 506.007). In determining monthly income for MassHealth purposes, the MassHealth agency multiplies average weekly income by 4.333. Five percentage points of the current federal poverty level (FPL) are subtracted from the applicable household total countable income to determine the eligibility of the individual under the coverage type with the highest income standard (130 CMR 506.007(A)). Appellant's income is \$3,400 per month for a household size of 2, which equates to 187.85% of the federal poverty level [$\$3,400 - \$88.15^3 = \$3,311.87$] [$\$3,311.87 \div \$1,763 = 187.85\%$]. MassHealth correctly determined that Appellant's countable income exceeds 150% of the federal poverty level for a household size of two [\$2,555 in 2024, and \$2,644 in 2025] making Appellant's non-disabled minor child, who is and between one and 18 years of age, ineligible for MassHealth Standard coverage (130 CMR

¹ See 130 CMR 506.003: 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). 130 CMR 506.003(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.

See also 130 CMR 506.004: Because of state or federal law the following types of income are noncountable in the determination of eligibility for individuals described at 130 CMR 506.002. Changes to state or federal law may affect whether the following remains noncountable: (A) TAFDC, EAEDC, or SSI income; (B) federal veteran benefits that are not taxable in accordance with IRS rules; (C) income-in-kind; (D) roomer and boarder income derived from persons residing in the applicant's or member's principal place of residence; (E) most workers' compensation income; (F) pretax contributions to salary reduction plans for payment of dependent care, transportation, and certain health expenses within allowable limits; (G) child support received; (H) alimony payments under separation or divorce agreements finalized after December 31, 2018, or pre-existing agreements modified after December 31, 2018. For individuals with alimony agreements finalized on or before December 31, 2018, alimony continues to be included in the income of the recipient for the duration of the agreement unless or until the agreement is modified; (I) taxable amounts received as a lump sum, except those sums that are counted in the month received; in the case of lottery or gambling winnings, those sums that are counted in the month or months required under federal law, including the Tax Cut and Jobs Act of 2017, Public Law 115-97; (J) money received for acting as a Parent Mentor as defined under section 1397 mm(f)(5) of chapter 42 of the United States Code of the Social Security Act; (K) income received by independent foster-care adolescents described at 130 CMR 505.002(H): *Eligibility Requirements for Former Foster-care Individuals*; (L) income from children and tax dependents who are not expected to be required to file a tax return under *Internal Revenue Code*, U.S.C. Title 26, § 6012(a)(1) for the taxable year in which eligibility for MassHealth is being determined, whether or not the children or the tax dependents files a tax return; and (M) any other income that is excluded by federal laws other than the Social Security Act.

² MassHealth allows the following deductions from countable income when determining MAGI: educator expenses; reservist/performance artist/fee-based government official expenses; health savings account; moving expenses; self-employment tax; self-employment retirement account; penalty on early withdrawal of savings; alimony paid to a former spouse; individual retirement account (IRA); student loan interest; and higher education tuition and fees. 130 CMR 506.003(D).

³ 5% of \$1,763.

505.002(B)(2)).⁴ However, Appellant's minor child is eligible for MassHealth Family Assistance under 130 CMR 505.005(B).⁵

The issue here is whether Appellant's minor child remains eligible for Standard through continuous eligibility for children. Eligibility Operations Memo 24-02, issued in March 2024, implemented continuous eligibility for certain MassHealth members including children younger than 19 and provides the following:

As of January 1, 2024, MassHealth has provided 12 months of continuous eligibility for children younger than the age of 19 enrolled in Medicaid and CHIP programs. Even if a child or household experiences a change in circumstances that would otherwise make the child ineligible for benefits, their 12-month continuous eligibility period will not be affected, except as outlined in this EOM. Additionally, a child may not be downgraded or terminated for non-payment of premiums during their continuous eligibility period.

(See Exhibit 4)

Here, a 12-month period of Continuous Medicaid Eligibility for Children was in effect from February 19, 2024 through February 25, 2025 which continued Standard coverage for Appellant's minor child because income exceeded 150% of the federal poverty level and would have resulted in a downgrade to Family Assistance. On March 2, 2025, MassHealth issued notice that the period of

⁴ 130 CMR 505.002(B)(2) Children One through 18 Years Old.

- (a) A child one through 18 years old is eligible if
 - 1. the modified adjusted gross income of the MassHealth MAGI household is less than or equal to 150% of the federal poverty level; and
 - 2. the child is a citizen as described in 130 CMR 504.002: *U.S. Citizens* or a lawfully present immigrant as described in 130 CMR 504.003(A): *Lawfully Present Immigrants*.

⁵ 130 CMR 505.005(B) Eligibility Requirements for Children with Modified Adjusted Gross Income of the MassHealth MAGI Household Greater than 150% and Less than or Equal to 300% of the Federal Poverty Level. Children younger than 19 years old are eligible for MassHealth Family Assistance coverage described in 130 CMR 505.005(B) if they meet the following criteria.

- (1) Eligibility Requirements. A child is eligible if
 - (a) the child is younger than 19 years old;
 - (b) the child's modified adjusted gross income of the MassHealth MAGI household is greater than 150 and less than or equal to 300% of the federal poverty level (FPL);
 - (c) the child is ineligible for MassHealth Standard or CommonHealth;
 - (d) the child is a citizen as defined in 130 CMR 504.002: *U.S. Citizens* or a lawfully present immigrant as defined in 130 CMR 504.003(A), or a nonqualified PRUCOL, as defined in 130 CMR 504.003(C): *Nonqualified Persons Residing under Color of Law (Nonqualified PRUCOLs)*;
 - (e) the child complies with 130 CMR 505.005(B)(2) and meets one of the following criteria:
 - 1. the child is uninsured; or
 - 2. the child has health insurance that meets the criteria at 130 CMR 506.012: *Premium Assistance Payments*.

Continuous Eligibility Coverage for Children ended on February 28, 2025, and generated a notice on March 2, 2025 notifying Appellant of the change from Standard to Family Assistance effective February 20, 2025 with Standard coverage no longer in effect after March 16, 2025 (Exhibit 1). Appellant's income remains at \$3,400 which equates to 187% of the federal poverty level for a household size of 2. Therefore, MassHealth correctly downgraded coverage from Standard to Family Assistance following a 12-month extension of Standard coverage pursuant to EOM 24-02. This hearing decision is limited to the eligibility determination for Appellant's minor child by notice dated March 2, 2025 (Exhibit 1).⁶ Although Appellant testified credibly to the impact on available services resulting from a change from Standard to Family Assistance, these issues cannot be addressed here and are appropriately directed to MassHealth Customer Service. Because the MassHealth eligibility determination is correct, the appeal must be DENIED.

Order for MassHealth

Rescind aid pending and downgrade coverage from Standard to Family Assistance.

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 J. Goode
Hearing Officer
Board of Hearings

MassHealth Representative: Quincy MEC, Attn: Appeals Coordinator, 100 Hancock Street, 6th Floor, Quincy, MA 02171

⁶ The notice dated March 2, 2025 determined eligibility for Appellant's minor child only.