

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:



Appeal Decision:	Denied	Appeal Number:	2505684
Decision Date:	7/1/2025	Hearing Date:	05/14/2025
Hearing Officer:	Emily Sabo		

Appearance for Appellant:
Pro se

Appearance for MassHealth:
Timothy O'Donnell, 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:	7/1/2025	Hearing Date:	05/14/2025
MassHealth's Rep.:	Timothy O'Donnell	Appellant's Rep.:	Pro se
Hearing Location:	Tewksbury MassHealth Enrollment Center (Telephone)	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 3, 2025, MassHealth notified the Appellant that it was terminating her MassHealth benefits because her income is too high. 130 CMR 505.002(C)(1)(a) and Exhibit 1. The Appellant filed this appeal in a timely manner on April 8, 2025. 130 CMR 610.015(B) and Exhibit 2. Denial of assistance is valid grounds for appeal. *See* 130 CMR 610.032.

Action Taken by MassHealth

MassHealth denied the Appellant's application for MassHealth benefits on the on the grounds that her income is too high.

Issue

The appeal issue is whether MassHealth was correct, pursuant to 130 CMR 505.002(C)(1)(a), in determining that the Appellant is not eligible for MassHealth based on her income.

Summary of Evidence

The hearing was held by telephone. The MassHealth representative testified that the Appellant is an adult between the ages of 21-64, has a household size of four, and is the head of the household.¹ The MassHealth representative testified that the Appellant failed to turn in a job update form, which was due on or before January 29, 2025. The MassHealth representative testified that, consequently, MassHealth performed a data match to determine the Appellant's eligibility. The data match resulted in a higher income for the Appellant, and the termination notice was issued on February 3, 2025. The MassHealth representative testified that on February 21, 2025, the Appellant completed a phone application, in which she was approved for a Connector Care plan Type 2A and the other household members were approved for MassHealth Standard.² The MassHealth representative testified that the Appellant's gross income is \$4,071.74 per month and her household's monthly income is 146.98% of the federal poverty level. He testified that in order to qualify for MassHealth Standard, the Appellant's income would need to be 133% or lower of the federal poverty level.

The Appellant testified that she does not dispute her gross income, but due to state and federal taxes, the actual income she is living off of is lower, more like \$1,300 biweekly. The Appellant testified that she is living paycheck to paycheck and this is barely enough to support herself and her family. The Appellant testified she is dyslexic and pre-diabetic, but she is not taking medication for the diabetes because she cannot afford it. The Appellant stated she is on her own and has no resources for help.

The MassHealth representative responded that MassHealth determines eligibility using the gross income, not the net income of a member. The MassHealth representative testified that MassHealth does subtract pre-tax deductions from the member's gross income to determine eligibility, but this does not include federal and state taxes. The pre-tax deductions must be listed on the pay stub MassHealth receives from the Appellant. The MassHealth representative informed the Appellant that if she has a disability, and she completed MassHealth's adult disability supplement form, she may be eligible for other benefits that could help her. The MassHealth representative stated that he would mail an adult disability supplement form to the Appellant.

Findings of Fact

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

1. The Appellant is an adult between the ages of 21-64 and has a household size of four. Testimony, Exhibit 4.

¹ The three other household members are the Appellant's children—one of her children is an adult and the other two members are her minor children.

² The MassHealth representative testified that on April 8, 2025, the Appellant's oldest child turned [REDACTED] and was no longer eligible for MassHealth Standard, but was eligible for a Connector Care plan.

2. The Appellant's household has a monthly income that is equal to 146.98% of the federal poverty level. Testimony.
3. MassHealth requested that the Appellant complete a job update form to determine her eligibility, with information due on or before January 29, 2025. Testimony.
4. The Appellant failed to complete the job update form in time, and on February 3, 2025, the MassHealth system completed a data match on the Appellant and determined she was over income and did not qualify for MassHealth benefits. Testimony.
5. On February 3, 2025, MassHealth notified the Appellant that her MassHealth benefits were ending effective February 17, 2025. Exhibit 1.
6. On February 21, 2025, the Appellant completed a phone application. The Appellant was approved for Connector Care plan Type 2A and the other members of the household were approved for MassHealth Standard.
7. On April 8, 2025, the second member of the household turned [REDACTED] and MassHealth determined they were no longer eligible for MassHealth Standard, but they were eligible for a Connector Care plan.
8. On April 8, 2025, the Appellant timely appealed the February 3, 2025 notice to the Board of Hearings. Exhibit 2.

Analysis and Conclusions of Law

As described in its regulations, MassHealth provides individuals with access to health care by determining the coverage type that provides the applicant with the most comprehensive benefit for which they are eligible. 130 CMR 501.003(A). The MassHealth coverage types are listed as follows:

- (1) Standard for pregnant women, children, parents and caretaker relatives, young adults,³ 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) CommonHealth for disabled adults, disabled young adults, and disabled children who are not eligible for MassHealth Standard;
- (3) CarePlus for adults 21 through 64 years of age who are not eligible for MassHealth Standard;

³ "Young adults" are defined at 130 CMR 501.001 as those aged 19 and 20.

(4) 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) Small Business Employee Premium Assistance for adults or young adults

(6) 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

(7) Senior Buy-in and Buy-in for certain Medicare beneficiaries.

130 CMR 505.001(A).

505.002: MassHealth Standard

...

(C) Eligibility Requirements for Parents and Caretaker Relatives.

(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).

130 CMR 505.002(C).

To establish eligibility for MassHealth, applicants must meet both the categorical and financial requirements. To calculate financial eligibility, MassHealth regulations at 130 CMR 506.007 provide that:

(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 at 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*.

(C) The monthly federal-poverty-level income standards are determined according to annual standards published in the *Federal Register* using the following formula. The MassHealth agency adjusts these standards annually.

(1) Multiply the annual 100% figure posted in the *Federal Register* by the applicable federal poverty level income standard.

(2) Round these annual figures up to the nearest hundredth.

(3) Divide by 12 to arrive at the monthly income standards.

130 CMR 506.007.

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.

130 CMR 506.003.

506.004: Noncountable Household Income

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.

130 CMR 506.004.

To be eligible for MassHealth Standard as a parent, an individual's modified adjusted gross income must be less than or equal to 133% of the federal poverty level. 130 CMR 505.002(C)(1)(a). In 2025, 133% of the federal poverty level for a household of four is \$3,564/month. The Appellant did not dispute her gross monthly income, and Appellant's monthly income of \$4,071.74 exceeds \$3,564/month. 130 CMR 506.007(A)(2)(c).

I credit the Appellant's testimony regarding her challenging financial and health circumstances. Yet, because the Appellant's gross income exceeds 133% of the federal poverty level, the Appellant does not meet the financial requirements to qualify for MassHealth Standard. 130 CMR 505.002(C)(1)(a). Because MassHealth CarePlus has the same income limitation of 133% of the federal poverty level, the Appellant is also ineligible for that benefit. 130 CMR 505.008(A)(1)(c). Therefore, MassHealth did not err in issuing the February 3, 2025, notice.

The Appellant can direct any questions about Health Connector plans to 1-877-MA-ENROLL (1-877-623-6765).

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.

Emily Sabo
Hearing Officer
Board of Hearings

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