

Office of Medicaid BOARD OF HEARINGS

Appellant Name and Address:

[REDACTED]

Appeal Decision:	Denied	Appeal Number:	2507864
Decision Date:	11/7/2025	Hearing Date:	10/10/2025
Hearing Officer:	Christopher Jones	Record Open to:	10/31/2025

Appearance for Appellant:

[REDACTED]

Appearance for MassHealth:
Jessica Adamiec – Taunton Intake



*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:	Long Term Care; Excess Assets
Decision Date:	11/7/2025	Hearing Date:	10/10/2025
MassHealth's Rep.:	Jessica Adamiec	Appellant's Rep.:	[REDACTED]
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 March 20, 2025, MassHealth denied the appellant's January 30, 2025 application for long-term care benefits because the appellant had assets in excess of \$2,000. (Exhibit 1; 130 CMR 520.003.) The appellant passed away on [REDACTED]. (Exhibit 1, p. 31.) This timely appeal was filed on May 20, 2025, along with a request to hold the appeal pending appointment of a personal representative of the estate. (Exhibit 1; 130 CMR 610.015(B).) Denial of assistance is valid grounds for appeal. (130 CMR 610.032.)

The appeal was placed in an administrative hold until a personal representative was appointed on August 25, 2025. (Exhibits 2 – 7.) Following the hearing, the record was held open until October 31, 2025, for the appellant to reduce their excess assets.

Action Taken by MassHealth

MassHealth denied long-term care benefits based upon assets that the appellant owned while she was alive.

Issue

The appeal issue is whether MassHealth was correct, pursuant to 130 CMR 520.003 - .004, in determining that the appellant is ineligible for long-term care benefits because she has excess assets.

Summary of Evidence

The appellant was an elderly individual who entered the nursing facility in the summer of [REDACTED]. On January 30, 2025, a long-term care application was filed on the appellant's behalf. The nursing facility is seeking long-term care coverage as of [REDACTED]. The SC-1 from the nursing facility identifies the private pay rate as \$453 per day. The appellant passed away on [REDACTED]. As of February 28, 2025, the appellant had a revocable trust account with \$75,182.09. The appellant also had 2 bank accounts holding a total of \$2,004.07.¹ MassHealth denied the appellant's application for having \$75,351.16 in assets in excess of the \$2,000 limit for MassHealth benefits.

The appellant's representative works for a law firm that was hired by the nursing facility at which the appellant had resided. Their firm filed the paperwork to have a personal representative appointed for the appellant's estate so that this appeal could remain viable, and this appeal was on hold for several months while the personal representative was being appointed. However, the revocable trust that held the majority of the appellant's money became an irrevocable testamentary trust upon her death.² The two bank accounts were jointly owned and also passed outside of probate to the joint owner. The appellant's representative agrees that these accounts were wholly countable as the appellant's during her life, and the bank accounts comprised solely of the appellant's income and assets. The appellant's representative testified that the trustee had paid approximately \$19,000 in taxes to the IRS, and that the trustee opened new accounts in the irrevocable trust's name with the remaining \$45,959. The appellant's representative also testified that the trustee was cooperating, and he had agreed to reduce the excess assets in the irrevocable trust on the appellant's medical expenses.

The appellant's representative requested an extension to the record open to allow for the asset reduction to occur. The hearing record was kept open for the appellant until October 24, 2025, to submit proof that assets had been reduced. The appellant submitted updated bank statements for the two jointly held accounts. As of her death, one account held \$3,469.89, after deducting her monthly income, and the other held \$217.07. The appellant now argues that these accounts are non-countable assets because they are not part of the probate estate, and ownership of the

¹ These accounts needed updated verifications, and this asset total was based upon bank statements from June and December 2024.

² The trust document is not in evidence. The parties agreed that the revocable trust was a countable asset.

accounts passed wholly to the joint-owner of the accounts. Regarding the trust account, the appellant submitted statements from July through September for a newly created account in the irrevocable trust's name, which only holds \$4,837.84. The appellant also submitted a letter from the bank stating there is a certificate of deposit in the name of the irrevocable trust with \$40,000, but that only the trustee access to those funds. The appellant now argues that the assets in the trust are non-countable because they are inaccessible. Also submitted were receipts showing payment of approximately \$2,100 in medical expenses related to the appellant's care. Some of these expenses were from September 2024 or earlier.³

The parties were asked why the appellant's arguments would not result in the appellant's resources being considered disqualifying transfers. Neither party responded.

Findings of Fact

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

- 1) The appellant entered the nursing facility in the summer of [REDACTED]. The nursing facility is seeking MassHealth payment as of [REDACTED]. The private pay rate at the nursing facility was \$453 per day. (Exhibit 9, p. 6.)
- 2) The appellant passed away on [REDACTED]. (Exhibit 1, p. 32.)
- 3) At the time of the appellant's death, her bank accounts held \$3,686.96, not including the last income deposit. (Exhibit 11, pp. 19, 64.)
- 4) As of February 28, 2025, the appellant had \$75,182.09 in a revocable trust. (Exhibit 9, pp. 1, 2; testimony by the appellant's representative.)
- 5) Upon the appellant's death, all of the appellant's countable assets transferred outside of probate. The revocable trust became irrevocable and the two bank accounts passed to the co-owner listed on the accounts. (Testimony by the appellant's representative; Exhibit 11.)
- 6) The irrevocable trust's holdings have not been fully verified, but they still hold at least \$44,837.84. (Exhibit 11, pp. 75, 83.)

Analysis and Conclusions of Law

The purpose of Medicaid is to provide medical assistance to those "whose income and resources are insufficient to meet the costs of necessary medical services." (42 USC § 1396-1.) An individual applying for MassHealth long-term care benefits must have countable assets below \$2,000. (130 CMR 520.003(A).) Countable assets includes "assets to which the applicant or member or his or her

³ The timeline for these debts is ultimately irrelevant.

spouse would be entitled whether or not these assets are actually received when failure to receive such assets results from the action or inaction of the applicant, member, spouse, or person acting on his or her behalf." (130 CMR 520.007.) "The entire principal in a revocable trust is a countable asset." (130 CMR 520.023(B)(1).)

If an applicant has assets above this threshold, their earliest eligibility start date is either:

- (a) as of the date the applicant reduces his or her excess assets to the allowable asset limit without violating the transfer of resource provisions for nursing-facility residents at 130 CMR 520.019(F); or
- (b) as of the date, described in 130 CMR 520.004(C), the applicant incurs medical bills that equal the amount of the excess assets and reduces the assets to the allowable asset limit within 30 days after the date of the notification of excess assets.

(130 CMR 520.004(A)(1).) These alternative dates are referred to as the asset-eligibility date and the "Haley" calculation date.⁴

Assets may be reduced retroactively through funeral and burial expenses in accordance with 130 CMR 520.008(F). Money used to make funeral or burial arrangements is treated as having been spent "on the first day of the third month before the application." Effectively, this excludes assets from countability under 130 CMR 520.004 if they are used to fund funeral or burial arrangements. (See 130 CMR 516.002.) Unlike funeral arrangement, asset reduction through the Haley calculation can only go back to the date on which covered medical services were incurred.

Furthermore, the transfer of resource provisions allow MassHealth to see whether an applicant has given away assets within the previous five years in order to qualify. (See 130 CMR 520.018, 520.019.) If a disqualifying transfer is found, MassHealth "adds the value of all the resources transferred during the look-back period and divides the total by the average monthly cost to a private patient receiving long-term-care services in the Commonwealth of Massachusetts at the time of application" (130 CMR 520.019(G)(i).)

There are 32 days between the benefits request date and the day the appellant died. At the stated private pay rate of \$453 per day, this is \$14,496. The appellant concedes that the assets in the revocable trust and bank accounts were countable while the appellant was alive. On February 28, 2025, the appellant's revocable trust still held over \$75,000. The appellant's estate has zero assets. Therefore, the appellant has reduced her assets below the countable asset limit. These assets were not used to pay for funeral or burial arrangements and less than \$2,100 was used to pay medical debt incurred within the 3 months before January 2025.

⁴ The "Haley" calculation is a reference to the Supreme Judicial Court decision, Haley v. Comm'r of Pub. Welfare, 394 Mass. 466 (1985).

Ultimately, it is irrelevant how asset reduction is analyzed, the appellant is not eligible for long-term care benefits between the benefit request date and her death. Applying 130 CMR 520.004, the appellant is either eligible on the day her assets were reduced or the day her medical expenses exceeded her countable assets. The appellant argues that the countable assets were reduced on the appellant's death because the previously countable assets were transferred outside of probate. Without considering how those assets were reduced, this analysis precludes payment of long-term care benefits because no medical debt was incurred after the asset-reduction date. Applying a Haley calculation similarly precludes coverage. At the time of her death, the appellant had countable assets sufficient to pay her debt to the nursing facility 5 times over.

Therefore, this appeal is DENIED.

This analysis addresses both of the arguments raised by the appellant in their record open response. It is irrelevant that the appellant's bank accounts are not countable assets now; they were countable assets at the time the appellant sought MassHealth coverage. Similarly, the assets in the revocable trust were accessible and countable at the time the appellant sought coverage. Furthermore, the assets in the irrevocable trust remain accessible. Assets held in an irrevocable trust are only "inaccessible" if the sole trustee "is one whose whereabouts are unknown or who is incapable of competently fulfilling his or her fiduciary duties, and the applicant or member ..." (130 CMR 520.006(C)(2)(b).) This decision does not address whether the method of asset reduction is a disqualifying transfer under 130 CMR 520.018 - .019 because such analysis is not needed to deny the appeal.

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

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MassHealth Representative: Justine Ferreira, Taunton MassHealth Enrollment Center, 21 Spring St., Ste. 4, Taunton, MA 02780