

**Office of Medicaid  
BOARD OF HEARINGS**

**Appellant Name and Address:**



<b>Appeal Decision:</b>	Denied	<b>Appeal Number:</b>	2515178
<b>Decision Date:</b>	01/16/2026	<b>Hearing Date:</b>	11/18/2025
<b>Hearing Officer:</b>	Casey Groff		

**Appearance for Appellant:**



**Appearance for MassHealth:**

Lindsey Marek, 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

<b>Appeal Decision:</b>	Denied	<b>Issue:</b>	Long Term Care; Patient Paid Amount
<b>Decision Date:</b>	01/16/2026	<b>Hearing Date:</b>	11/18/2025
<b>MassHealth's Rep.:</b>	Lindsey Marek	<b>Appellant's Rep.:</b>	Spouse
<b>Hearing Location:</b>	Board of Hearings, Remote	<b>Aid Pending:</b>	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 10/2/25, MassHealth informed Appellant that his patient paid amount (PPA) would increase to \$2,685.70 effective 11/1/25. *See* 130 CMR §§ 520.025, 520.026 and Exh. 1. Appellant filed this appeal in a timely manner on 11/18/25. *See* 130 CMR 610.015(B) and Exhibit 2. Challenging the scope or amount of assistance is valid grounds for appeal. *See* 130 CMR 610.032.

## Action Taken by MassHealth

MassHealth increased Appellant's monthly PPA from \$2,482.20 to \$2,685.70 effective 11/1/25.

## Issue

The appeal issue is whether MassHealth was correct, pursuant to 130 CMR §§ 520.025, 520.026, in determining that Appellant owed the facility a monthly PPA of \$2,685.70 effective 11/1/25.

## Summary of Evidence

A MassHealth representative appeared at the hearing and testified as follows: Appellant is a married MassHealth member currently residing in a nursing facility, with his spouse living in the community. Appellant was approved for MassHealth long-term-care (LTC) services in October of 2024, with coverage effective September 2024. At the time of approval, MassHealth imposed a patient paid amount (PPA) that Appellant would need to pay to the facility to contribute to the cost of his care. In January 2025, MassHealth adjusted Appellant's PPA after receiving a standard cost of living adjustment to his social security income. Pursuant to the January 2025 adjustment, Appellant's updated PPA was set at \$2,482.20.

On 10/2/25, MassHealth notified Appellant that his monthly PPA would increase from \$2,482.20 per month to \$2,685.70 effective 11/1/25 due to a change in circumstances. See Exh. 1. The MassHealth representative reviewed the notice, explaining that the updated PPA was based on Appellant's gross social security income amount of \$3,092.00 per month, less applicable regulatory deductions. Specifically, MassHealth deducted a \$72.80 personal needs allowance (PNA), \$185.00 Medicare Part B premium amount, and \$148.50 for other health insurance costs, for a total combined deduction amount of \$406.30, resulting in the updated monthly PPA of \$2,685.70. *Id.*

The MassHealth representative testified that the 10/2/25 notice was prompted after MassHealth identified an error in the January 2025 PPA calculation. Although the cost-of-living adjustment brought Appellant's gross social security income to \$3,092.00, the MassHealth worker incorrectly entered the *net* income, which had accounted for \$203.00 deduction in federal tax withholdings. Citing the applicable eligibility regulations, the MassHealth representative testified that MassHealth considers gross unearned income as countable income and does not list federal tax withholdings as an allowable LTC deduction for purposes of determining a member's PPA. Once MassHealth corrected the error by entering the gross income amount, it recalculated the PPA and issued the 10/2/25 notice, reflecting the updated PPA. The MassHealth representative testified that although the prior PPA was lower than it should have been due to the error, MassHealth was not seeking to recoup any funds or apply a retroactive PPA increase. Rather, the updated PPA was only being applied prospectively, effective 11/1/25.

In addition, the MassHealth representative testified that Appellant does not qualify for any additional LTC income deductions, including a spousal maintenance needs allowance (SMNA), a family maintenance needs allowance, or a home maintenance allowance. MassHealth explained that a SMNA is available only when a community spouse's gross income is less than the minimum-monthly maintenance needs allowance (MMMNA), which is a set amount established by regulation representing the amount necessary for a spouse to live in the community. For 2025, the maximum MMMNA was \$3,948.00. The community spouse's gross monthly income was verified at being over \$5,000, which exceeds the limit needed to qualify for a spousal allowance.

In advance of the hearing, Appellant's spouse, who appeared as Appellant's representative, submitted a copy of Appellant's social security cost-of-living adjustment notice for calendar year

2025. See Exh. 2, p. 7. The notice shows that Appellant's gross monthly social security benefit is \$3,092.00 and lists deductions of \$185.00 for Medicare Parts B and C premiums and a voluntary federal income tax withholding of \$203.50, for a net total monthly income amount of \$2,703.50. *Id.* The notice states that if the beneficiary had not elected voluntary tax withholding, the deduction amount for the applicable line item would be listed as \$0.00. *Id.*

Appellant also submitted a letter dated 10/31/25 from the nursing facility's business office manager, requesting that MassHealth recalculate Appellant's PPA for November of 2025, asserting that it was miscalculated based on MassHealth's failure to exclude the federal income tax withholding amount of \$203.50 when determining his countable income. *Id.* at 8.

At the hearing, Appellant's representative disputed the PPA increase, testifying that it would leave her with insufficient funds to cover her basic living expenses. She testified that after paying bills, often several weeks late, she is left with approximately \$17.00 in her account. Appellant's representative asserted that because federal income tax withholdings reduce the amount of income Appellant actually receives, those amounts should be excluded when calculating the PPA.

Appellant's spouse testified that she continues to work despite her age in order to meet her cost-of-living expenses. She did not dispute her gross monthly income as cited by the MassHealth representative; however, explained that even with her income, she struggles to pay bills on time and recently had to delay filling her blood pressure and heart medications due to having insufficient funds. She expressed frustration with the PPA increase and characterized it as an inappropriate attempt by MassHealth to obtain additional funds. The increase, she asserted, will affect her ability to pay for housing costs, groceries, and other necessities.

When asked to describe the nature of her expenses, Appellant's representative testified that her financial hardship stems primarily from ordinary living expenses, including housing and necessities, and was not the result of any exceptional or medically related expenses.

## **Findings of Fact**

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

1. Appellant is a married MassHealth member currently residing in a nursing facility with his spouse living in the community.
2. Appellant was approved for MassHealth LTC services in October of 2024, with coverage effective September 2024.
3. In January 2025, Appellant received a standard annual cost of living adjustment, bringing Appellant's gross social security income to \$3,092.00 per month.

4. Due to the change in income, MassHealth adjusted Appellant's PPA to \$2,482.20 per month; however, in doing so, MassHealth entered Appellant's net social security income after accounting for a \$203.00 voluntary federal tax withholding deduction.
5. On 10/2/25, MassHealth notified Appellant that his monthly PPA would increase from \$2,482.20 per month to \$2,685.70 effective 11/1/25.
6. The change in PPA was based on MassHealth's use of Appellant's gross social security income of \$3,092.00, not accounting for the federal tax withholding amount.
7. From Appellant's gross income of \$3,092.00, MassHealth applied the same PPA deductions from its prior determination, including a \$72.80 PNA amount, a \$185.00 Medicare Part B premium amount, and a \$148.50 deduction for other health insurance costs, resulting in the updated PPA of \$2,685.70.
8. Appellant does not qualify for any other PPA deductions, including a SMNA, as the community spouse's income exceeds the maximum amount to qualify for a spousal allowance.

## **Analysis and Conclusions of Law**

At issue in this appeal is whether MassHealth correctly determined Appellant's monthly patient paid amount, as reflected in its 11/18/25 notice.

MassHealth regulations require that members residing in long-term care (LTC) facilities contribute toward the cost of care by paying a patient paid amount (PPA). *See* 130 CMR 515.001. The PPA is determined by first establishing the member's total countable income and then applying any applicable LTC general income deductions. *See* 130 CMR §§ 520.009(A)(3), 520.026.

Countable income, under MassHealth eligibility regulations, includes both earned and unearned income. *See* 130 CMR §§ 520.009(A)(1), 520.009(D). Social security benefits are considered unearned income and are countable at the gross amount. *See* 130 CMR 520.009(D). While MassHealth does permit limited categories of deductions, such as certain earned income deductions and business expenses, federal income tax withholdings - whether mandatory or voluntary - are not among the allowable deductions listed to reduce a member's countable unearned income. *See* 130 CMR 520.009(A)-(C).

It is undisputed that Appellant receives a gross social security income of \$3,092.50. Because no deduction is authorized for federal income taxes, the gross income amount is countable under MassHealth regulations.

Once countable income is established, MassHealth determines the PPA by applying the long-term-care general income deductions, in the order they are listed in 130 CMR 520.026. These deductions, which only apply to members approved for LTC services, include the following:

520.026: Long-term-care General Income Deductions

...

(A) Personal-needs Allowance.

(1) The MassHealth agency deducts \$72.80 for a long-term-care resident's personal needs allowance (PNA).

...

(B) Spousal-maintenance-needs-deduction. If the community spouse's gross income is less than the amount he or she needs to live in the community (minimum-monthly-maintenance-needs allowance, MMMNA) as determined by the MassHealth agency, the MassHealth agency may deduct an amount from the institutionalized spouse's countable-income amount to meet this need. This amount is the spousal-maintenance-needs deduction. 130 CMR 520.026(B) applies to the first month of eligibility in an institution and terminates the first full calendar month in which the spouse is no longer in an institution or no longer has a spouse in the community. This deduction is the amount by which the minimum-monthly-maintenance-needs allowance exceeds the community spouse's gross income.

...

(C) Deductions for Family-maintenance Needs.

(1) The MassHealth agency allows a deduction from the income of a long-term-care resident to provide for the maintenance needs of the following family members if they live with the community spouse:<sup>1</sup>

...

(D) Deductions for Maintenance of a Former Home.

(1) The MassHealth agency allows a deduction for maintenance of a home when a competent medical authority certifies in writing that a single individual, with no eligible dependents in the home, is likely to return home within six months after the month of admission. This income deduction terminates at the end of the sixth month after the month of admission regardless of the prognosis to return home at that time.

...

(E) Deductions for Health-care Coverage and Other Incurred Expenses.

(1) Health-Insurance Premiums or Membership Costs. The MassHealth agency allows a deduction for current health-insurance premiums or membership costs when payments are made directly to an insurer or a managed-care organization.

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<sup>1</sup> The specific family members identified therein are any minor child of the resident or a child, parent, or sibling that the resident claims as a dependent for income-tax purposes under the Internal Revenue Code. *Id.*

(2) Incurred Expenses. (a) After the applicant is approved for MassHealth, the MassHealth agency will allow deductions for the applicant's necessary medical and remedial-care expenses. These expenses must not be payable by a third party. These expenses must be for medical or remedial-care services recognized under state law but not covered by MassHealth. (b) These expenses must be within reasonable limits as established by the MassHealth agency. The MassHealth agency considers expenses to be within reasonable limits provided they are 1. not covered by the MassHealth per diem rate paid to the long-term-care facility; and 2. certified by a treating physician or other medical provider as being medically necessary.

...

See 130 CMR 520.026.

From Appellant's countable income of \$3,092.50, MassHealth deducted a \$72.80 mandatory personal needs allowance (PNA), \$185 for Medicare premiums, and \$148.50 for other health insurance costs, resulting in an updated PPA of \$2,685.70. While Appellant did opt to have a portion of his social security benefit withheld for federal taxes, there is no regulatory or legal authority that would permit MassHealth to deduct this amount from his PPA. Additionally, there is no evidence that Appellant qualifies for any additional LTC general deductions, including a spousal maintenance needs allowance, family maintenance needs allowance, or home maintenance needs allowance.<sup>2</sup> Because MassHealth appropriately applied all applicable LTC general income deductions to Appellant's gross social security income of \$3,092.50, the updated PPA determination, as reflected in the 11/18/25 notice, is correct and consistent with the governing regulations.

It is the Appellant's burden to demonstrate the invalidity of the administrative decision. See *Andrews v. Division of Medical Assistance*, 68 Mass. App. Ct. 228, 231 (2007); *Fisch v. Board of Registration in Med.*, 437 Mass. 128, 131 (2002). Appellant has not demonstrated any error in MassHealth's determination. Accordingly, the appeal is DENIED.<sup>3</sup>

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<sup>2</sup> Although not directly contested, it is noted that MassHealth correctly determined that Appellant did not qualify for a spousal maintenance needs allowance (SMNA). An SMNA only applies when the community spouse's gross monthly income is less than the minimum monthly maintenance needs allowance (MMMNA), i.e., the amount, established by law, that is needed for the spouse to remain in the community, and which is based on a calculation that includes the spouse's shelter and utility costs, in addition to certain federal standards. See 130 CMR 520.017(B), 520.026(B). The maximum MMMNA in effect as of the 11/18/25 notice was \$3,948.00. See *MassHealth Income Standards and Federal Poverty Guidelines* (effective 3/1/25). As there was no dispute that the community spouse's gross monthly income exceeded this amount, MassHealth correctly found that an SMNA did not apply. Additionally, the evidence suggests that the financial hardship that Appellant's representative (community spouse) testified to at hearing results from the cost of ordinary living expenses, including housing, food, and necessities. As these expenses are contemplated in the standard MMMNA calculation, there is no evidence of exceptional circumstances under 130 CMR 520.017(D) to warrant an increase to the MMMNA.

<sup>3</sup> To the extent Appellant's arguments amount to challenges to the legality of the governing law or regulations, such claims are outside the scope of this appeal. See 130 CMR 610.082(C)(2). Any such claims may be raised on judicial review pursuant to 130 CMR 610.092 and MGL c. 30A.

## 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.

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Casey Groff  
Hearing Officer  
Board of Hearings

  
MassHealth Representative: Dori Mathieu, Springfield MassHealth Enrollment Center, 243 Cottage Street, Springfield, MA 01104