

**Office of Medicaid  
BOARD OF HEARINGS**

**Appellant Name and Address:**



<b>Appeal Decision:</b>	Denied	<b>Appeal Number:</b>	2518031
<b>Decision Date:</b>	2/25/2026	<b>Hearing Date:</b>	01/16/2026
<b>Hearing Officer:</b>	Scott Bernard		

**Appearances for Appellant:**




**Appearance for MassHealth:**

Yous Khieu *via* video conference



*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/Disqualifying Transfer
<b>Decision Date:</b>	2/25/2026	<b>Hearing Date:</b>	01/16/2026
<b>MassHealth's Rep.:</b>	Yous Khieu	<b>Appellant's Reps.:</b>	
<b>Hearing Location:</b>	Springfield MassHealth Enrollment Center (video conference)	<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 October 27, 2025, MassHealth denied the appellant's application for MassHealth Long-Term Care (LTC) benefits based on a transfer of assets for less than fair market value within the 60-month look-back period. (See 130 CMR 520.018; Exhibit (Ex.) 1).<sup>1</sup> The appellant filed a timely appeal on December 8, 2025. (See 130 CMR 610.015(B); Ex. 3). Denial of assistance is valid grounds for appeal. (See 130 CMR 610.032).

## Action Taken by MassHealth

MassHealth imposed a transfer penalty and denied payment for LTC services for a 447-day period of ineligibility.

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<sup>1</sup> Through a separate notice dated November 10, 2025, MassHealth approved the appellant for Medicare Savings Program (MSP) Qualified Medicare Beneficiary (QMB) benefits and imposed a deductible for other MassHealth coverage. (See 130 CMR 519.010; 520.002; Ex. 2). That determination is not in dispute and is not at issue in this appeal, which concerns only the denial of MassHealth LTC benefits based on a transfer penalty.

## Issue

The issue is whether MassHealth correctly determined, pursuant to 130 CMR 520.018 and 520.019, that the appellant transferred a countable resource for less than fair market value within the 60-month look-back period, resulting in a period of ineligibility for LTC services.

## Summary of Evidence

MassHealth was represented at the hearing by a benefits eligibility representative from the Charlestown MassHealth Enrollment Center (MEC). The appellant was represented by his attorney at law, the individual holding his power of attorney, and the owner of the [REDACTED] property at issue. All participants appeared by video conference.

The MassHealth representative testified that the appellant is an individual over the age of [REDACTED] who applied for long-term care (LTC) benefits on January 3, 2025. (Testimony). Although the application was filed in early January 2025, the appellant did not enter the nursing facility until September 5, 2025 and he seeks a payment start date coinciding with that date. (Testimony; Ex. 6, p. 13).

In reviewing the application and verifications received, MassHealth identified a transfer of the appellant's one-half interest in real property located in [REDACTED] (Testimony; Ex. 6, p. 7). The appellant had been added to the deed in 2018 following the death of the prior owner. (Testimony). In October 2022, the appellant executed a quitclaim deed conveying his one-half ownership interest to the property owner, thereby removing his name from title, in exchange for \$10.00 in consideration. (Testimony; Ex. 6, p. 6). The transfer occurred within the applicable 60-month look-back period preceding his MassHealth application. (Testimony).

The MassHealth representative testified that the assessed fair market value of the property, as reflected in the documentation reviewed during the eligibility determination, was approximately \$393,926.00. (Testimony; Ex. 6, p. 13). Although the specific assessment date was not identified at hearing, no contrary appraisal, tax assessment, or other valuation evidence was introduced into the record. MassHealth treated the appellant's interest as one-half of that value, or \$196,963.00. (Testimony; Ex. 6, p. 13). Because the appellant received only \$10.00 in exchange for transferring his interest, MassHealth determined that the transfer was for less than fair market value and treated the uncompensated value as a disqualifying transfer. (Testimony; Ex. 6, p. 6).

MassHealth calculated the period of ineligibility by dividing the uncompensated transfer amount of \$196,963.00 by the applicable nursing-facility cost divisor in effect at the time of application, which MassHealth calculated using a \$441.00 private pay daily rate, resulting in a 447-day penalty period. (Testimony; Ex. 6, p. 13). The October 27, 2025 notice established the penalty period as running from September 5, 2025 through November 25, 2026. (Ex. 1).

The appellant's attorney disputed both the characterization and valuation of the transfer.

(Testimony). In a written statement submitted with the fair hearing request, the appellant's attorney represented that the owner of the [REDACTED] property was the appellant's girlfriend at the relevant time and that, over a period of years, the appellant contributed approximately \$160,000.00 in labor, materials, and financial assistance to improve the property. (Ex. 3). The appellant's attorney asserted in that written statement that the appellant's name was added to the deed in 2022 to secure repayment of those contributions. (Ex. 3).

At hearing, the appellant's attorney testified that the appellant began providing substantial financial assistance as early as 2009 to assist the property owner (his girlfriend) and her mother with housing. (Testimony). After the girlfriend's mother's death in 2018, the property owner inherited the [REDACTED] property, and the appellant's name was added to the deed to protect the funds he had advanced. (Testimony). The appellant's attorney's written submission states that the appellant's name was added to the deed in 2022. (Ex. 3). At hearing, however, the appellant's attorney testified that the appellant was added to the deed after the property owner inherited the property in 2018. (Testimony).

In October 2022, the appellant executed a quitclaim deed removing his name from title, and received the \$10.00 reflected in the deed. (Ex. 6, p. 6; Testimony). The appellant's attorney asserted that the parties removed the appellant's name based on an understanding that the property owner would repay the approximately \$160,000.00 the appellant had contributed. (Testimony). The appellant's attorney represented in writing that the purpose of removing the appellant from the deed was to facilitate a future sale of the property, with repayment to the appellant to occur from the sale proceeds. (Ex. 3). The appellant's attorney further stated in the written submission that, in 2025, the property owner executed a personal promissory note to the appellant providing for repayment upon sale of the property. (Ex. 3). At hearing, the appellant's attorney testified that a written document memorialized the repayment arrangement; however, the alleged 2025 promissory note was not introduced into evidence (Testimony).

The appellant's attorney represented in the written statement submitted with the fair hearing request that the property was listed for sale in August 2025 and had not sold as of the date of that written submission. (Ex. 3). At hearing, the appellant's attorney testified that the property owner had accepted an offer to sell the [REDACTED] property. (Testimony). The appellant's attorney testified that, upon sale, the appellant would receive approximately \$140,000.00, consisting of the original \$160,000.00 less \$20,000.00 previously advanced by the property owner toward payment of the appellant's nursing-facility expenses. (Testimony). The appellant's attorney further testified that the appellant's family members had contributed additional funds toward his care. (Testimony).

The appellant's attorney maintained that the appellant did not transfer his interest to qualify for MassHealth and that he did not contemplate MassHealth eligibility at the time of the October 2022 deed. (Testimony). The appellant's attorney attributed the later need for LTC benefits to the onset of vascular dementia. (Testimony). The appellant's attorney relied on 130 CMR 520.019(F) and argued that the transfer occurred exclusively for a purpose other than to qualify for MassHealth, and also, that enforcement of the penalty would create undue hardship. (Testimony).

The appellant's attorney further asserted that the promissory note evidences repayment, although it is not immediately liquid or transferable. (Ex. 3).

In response to questions from the hearing officer, the appellant's attorney clarified that, if the intent exception were rejected, MassHealth should calculate the transfer amount at \$160,000.00 rather than the full one-half assessed value of approximately \$196,963.00. (Testimony). The appellant's attorney emphasized, however, that the primary argument rests on the applicability of the regulatory exception regarding the appellant's intent at the time of the transfer, and the existence of undue hardship due to the imposition of a period of ineligibility. (Testimony).

## Findings of Fact

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

1. The appellant is an individual over the age of [REDACTED] who applied for LTC benefits on January 3, 2025 and was admitted to a nursing facility later in [REDACTED] (Testimony).
2. In 2018, following the death of the prior owner, the appellant was added as a co-owner of real property located in [REDACTED] (Testimony).
3. The assessed fair market value of the [REDACTED] property, as reflected in the documentation relied upon by MassHealth during the eligibility determination, was approximately \$393,926.00. (Testimony; Ex. 6, p. 13).
4. MassHealth attributed to the appellant a one-half ownership interest in the property valued at \$196,963.00. (Testimony; Ex. 6, p. 13).
5. In October 2022, prior to his application for LTC benefits and subsequent nursing facility admission, the appellant executed a quitclaim deed removing his name from the deed to the [REDACTED] property in exchange for \$10.00. (Testimony; Ex. 6, p. 6).
6. The October 2022 transfer occurred within 60 months of the appellant's 2025 application for LTC benefits and subsequent nursing facility admission. (Testimony).
7. The appellant received \$10.00 in exchange for transferring his one-half ownership interest. (Testimony; Ex. 6, p. 6).
8. MassHealth treated the appellant's entire one-half interest in the real estate, valued at \$196,963.00, as the uncompensated transfer amount and did not reduce that figure by the \$10.00 received. (Testimony; Ex. 6, p. 13).
9. MassHealth calculated a 447-day period of ineligibility by dividing the uncompensated transfer amount using the applicable nursing-facility cost divisor in effect at the time of application, which MassHealth calculated using a \$441.00 private pay daily rate.

(Testimony; Ex. 6, p. 13).

10. By notice dated October 27, 2025, MassHealth informed the appellant that he was ineligible for MassHealth LTC benefits for a 447-day period, beginning on September 5, 2025 through November 25, 2026, due to a disqualifying transfer. (Ex. 1; Ex. 6, pp. 7–13).

## **Analysis and Conclusions of Law**

To qualify for MassHealth payment of nursing-facility services, an institutionalized individual must meet both the nonfinancial and financial eligibility requirements set forth in the MassHealth regulations. (130 CMR 520.003(A); 130 CMR 520.016(A)). For a single institutionalized individual, the asset limit is \$2,000. (130 CMR 520.003(A)(1); 130 CMR 520.016(A)). Countable assets include all resources considered in determining eligibility, including resources that the individual has transferred or disposed of, or to which the individual is or would be entitled, when the failure to receive such resources results from the individual's action or inaction or that of a person acting on the individual's behalf. (130 CMR 520.007). Real estate other than a principal place of residence is a countable asset, and MassHealth requires verification of fair-market value and equity value when it affects or may affect eligibility. (130 CMR 520.007(G)(1); 130 CMR 520.007(G)(3)).

When an otherwise eligible nursing-facility resident transfers a countable resource, or an interest in a countable resource, for less than fair-market value during the look-back period, MassHealth denies payment for nursing-facility services for a resulting period of ineligibility. (130 CMR 520.018(B); 130 CMR 520.019(A); 130 CMR 520.019(C)). The look-back period for transfers occurring on or after February 8, 2006 is 60 months and begins on the first date the individual is both a nursing-facility resident and has applied for or is receiving MassHealth Standard. (130 CMR 520.019(B)(2)). A disqualifying transfer includes any transfer for less than fair-market value and may include actions taken to avoid receiving a resource to which the nursing-facility resident would otherwise be entitled. (130 CMR 520.019(C)). A denial of payment for nursing-facility services based on a transfer penalty does not affect eligibility for other MassHealth benefits. (130 CMR 520.018(C)).

When MassHealth determines that a disqualifying transfer occurred, it calculates the period of ineligibility based on the total uncompensated value of the transferred resources and the applicable nursing-facility cost divisor in effect at the time of application. (130 CMR 520.019(G)(1)). For transfers occurring on or after February 8, 2006, the period of ineligibility begins on the later of the first day of the month in which the resources were transferred or the date on which the individual is otherwise eligible for MassHealth payment of long-term-care services. (130 CMR 520.019(G)(3)). In this appeal, the alleged disqualifying transfer involves a transfer of an ownership interest in nonhome real estate during the applicable 60-month look-back period. (130 CMR 520.019(B)(2); 130 CMR 520.019(C); 130 CMR 520.007(G)(1)).

Certain transfers qualify as permissible transfers, and MassHealth may exempt a transfer from a

penalty through corrective action or cure if the individual meets the timing and procedural requirements. (130 CMR 520.019(D); 130 CMR 520.019(K)). Separately, even when MassHealth identifies a transfer for less than fair-market value, MassHealth will not impose a period of ineligibility if the nursing-facility resident demonstrates to MassHealth's satisfaction that the transfer occurred exclusively for a purpose other than to qualify for MassHealth or that the resident intended to dispose of the resource at fair-market value or for other valuable consideration. (130 CMR 520.019(F)(1) - (2)). The appellant bears the burden to establish that an exception under 130 CMR 520.019(F) applies on these facts. (Id.). If the appellant seeks relief based on undue hardship arising from the transfer penalty, the regulations also permit a waiver of the period of ineligibility due to undue hardship, subject to the specific criteria and documentation requirements set out in the hardship waiver provisions. (130 CMR 520.019(L)).

The record establishes that the appellant is an institutionalized individual who applied for LTC benefits and must satisfy both the nonfinancial and financial eligibility requirements, including the asset test. Real estate other than a principal place of residence is a countable asset, and an ownership interest in such property is therefore a countable resource for purposes of determining eligibility for LTC benefits.

The evidence shows that the appellant held a one-half ownership interest in [REDACTED] real property and executed a quitclaim deed in October 2022 removing his name from title in exchange for \$10.00. The assessed fair market value of the property was approximately \$393,926.00, and MassHealth attributed one-half of that value, or \$196,963.00, to the appellant. Relinquishing a \$196,963.00 ownership interest in exchange for \$10.00 constitutes a transfer for less than fair-market value within the meaning of 130 CMR 520.019(C).

When a transfer for less than fair-market value occurs during the look-back period, MassHealth must impose a period of ineligibility for payment of nursing-facility services unless an exception applies. MassHealth calculated a 447-day period of ineligibility by dividing the uncompensated value by the applicable nursing-facility cost divisor in effect at the time of application, which MassHealth calculated using a \$441.00 private pay daily rate, consistent with 130 CMR 520.019(G)(1). The resulting period of ineligibility was established in accordance with 130 CMR 520.019(G)(3).

Under 130 CMR 520.019(F), a period of ineligibility will not be imposed if the nursing-facility resident demonstrates that the transfer occurred exclusively for a purpose other than to qualify for MassHealth or that the resident intended to dispose of the resource at fair-market value or for other valuable consideration. The appellant bears the burden of establishing, by a preponderance of the evidence, that an exception under 130 CMR 520.019(F) applies. No documentary evidence substantiating the alleged \$160,000.00 in prior contributions of the appellant, no contemporaneous written agreement existing at the time of the October 2022 transfer, and no independent valuation evidence were submitted to rebut MassHealth's analysis. The facts offered in support of the appellant's explanation, including alleged prior financial contributions related to the [REDACTED] property, an asserted repayment understanding, and the existence of a 2025

promissory note, which was not introduced into evidence, were not corroborated by a preponderance of the evidence. The record does not establish that the appellant received fair-market value or other valuable consideration at the time of the October 2022 transfer of his real estate interest, nor does it establish that the transfer occurred exclusively for a purpose unrelated to MassHealth eligibility within the meaning of 130 CMR 520.019(F)(1) – (2).

Even assuming the existence of a promissory note, the evidence does not establish that the appellant received contemporaneous fair-market value in October 2022. The regulatory inquiry focuses on whether the resource was transferred for less than fair-market value. A contingent or future repayment, particularly one not shown to be immediately enforceable or actuarially equivalent in value at the time of transfer, does not establish that the appellant received fair market value when he relinquished his ownership interest.

The record also does not demonstrate a timely cure under 130 CMR 520.019(K), as the transferred ownership interest was not returned during the eligibility process. Although the appellant's attorney argued that enforcement of the transfer penalty would create undue hardship, the October 27, 2025 notice appealed in this matter addressed only the imposition of a transfer penalty under 130 CMR 520.018 and 520.019. The issue of a hardship waiver under 130 CMR 520.019(L), if pursued, is addressed through a separate determination and is not properly before the Hearing Officer in this appeal.

Based on the facts established by a preponderance of the evidence and the applicable regulations, the appellant's October 2022 execution of the quitclaim deed constituted a disqualifying transfer of a countable resource for less than fair-market value within the applicable 60-month look-back period. MassHealth calculated the resulting 447-day period of ineligibility by applying the private pay nursing-facility cost divisor in effect at the time of application to the uncompensated transfer amount, consistent with 130 CMR 520.019(G), and properly imposed a period of ineligibility for payment of LTC services running from September 5, 2025 through November 25, 2026.

For the reasons stated above, the 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.

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Scott Bernard  
Hearing Officer  
Board of Hearings

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