Office of Medicaid
BOARD OF HEARINGS

Appellant Name and Address:

[redacted]

Appeal Decision:	**Dismissed in part; denied in part**
Appeal Number:	**2604804**
Decision Date:	**06/11/2026**
Hearing Date:	**4/2/2026**
Record Open to:	**4/16/2026**
Hearing Officer:	**Cynthia Kopka**
Appearance for Appellant:	[redacted]
Appearance for MassHealth:	**Jonathan Gonzalez, Charlestown MEC**

The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
Board of Hearings
100 Hancock Street, 6th Floor
Quincy, Massachusetts 02171

APPEAL DECISION

Appeal Decision:	**Dismissed in part; denied in part**
Decision Date:	**06/11/2026**
Hearing Date:	**4/2/2026**
Hearing Location:	**Charlestown (remote)**
MassHealth Representative:	**Jonathan Gonzalez, Charlestown MEC**
Appellant Representative:	**Attorney**
Appeal Issue:	**Long term care, patient paid amount**
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

By notice dated December 15, 2025, MassHealth notified Appellant that her patient paid amount (PPA) would increase from $3,402.20 to $3,429.20 on January 1, 2026. Exhibit 1. Appellant filed this appeal in a timely manner on December 30, 2025.[1] Exhibit 2. 130 CMR 610.015(B). Challenging the scope of assistance is a valid basis for appeal. 130 CMR 610.032.

Action Taken by MassHealth

MassHealth notified Appellant that her patient paid amount (PPA) would increase from $3,402.20

[1] The Board of Hearings (BOH) did not enter the appeal as received until March 16, 2026 after receiving a follow up call from Appellant's attorney. Appellant's attorney provided proof that the request for hearing was submitted by fax on December 30, 2025.

to $3,429.20 on January 1, 2026.

Issue

The appeal issue is whether MassHealth was correct in calculating the PPA.

Summary of Evidence

The MassHealth representative appeared by phone and testified as follows. On December 15, 2025, MassHealth notified Appellant that her patient paid amount (PPA) would increase from $3,402.20 to $3,429.20 due to a cost of living increase for Appellant's Social Security income. Exhibit 1. Appellant had been previously approved for MassHealth long term care benefits on October 15, 2025. At the time of approval, the MassHealth caseworker entered Appellant's monthly Social Security income as $975 and monthly rental income as $2,500.

The December 15, 2025 notice lists Appellants' Social Security income as $1,002.00 and "other" income as $2,500, for a total income of $3,5002.00. MassHealth calculated Appellant's PPA by deducting $72.80 for Appellant's personal needs account (PNA). Exhibit 1.

Appellant's attorney appeared by phone and provided documents in support, Exhibit 4. Appellant's attorney argued that Appellant's application was originally denied for excess assets, as Appellant's former residence was held in an LLC. After a fair hearing (Appeal No. 2512659), Appellant put the property back in her name, removing it from the LLC. MassHealth approved Appellant's application with the property having been converted to an investment property. At the time of the approval, Appellant had not provided MassHealth with information related to monthly rental expenses or the costs of preparing the property for rental. Appellant's attorney argued that significant repairs and updates were done to the property to prepare it for rental. Appellant's attorney provided evidence of both the monthly expenses related to the unit, such as the condo fee, taxes, and insurance. Exhibit 4 at 8-62. Appellant's attorney also provided invoices related to preparing the unit for rental, including new appliances, clean-out fees, and repairs. *Id*. at 63-86. Appellant's attorney argued that at the previous fair hearing, she was told by the MassHealth representative that Appellant could provide evidence of the expenses at a later date, as it was not the subject of the appeal.

Appellant's attorney argued that the monthly rent is $2,500 and Appellant's monthly costs for the rental are $1,493.92, leaving a net monthly income of $1,006.08. Appellant began renting the unit in June 2025. Appellant seeks an adjustment of the PPA to reflect the accurate net income. Regarding the expenses and repairs, the MassHealth representative testified that MassHealth can deduct those costs from the rental income in the month in which the expense occurred.

The hearing record was held open through April 16, 2026. Exhibit 5. After the parties exchanged documents, MassHealth provided an updated calculation of the PPA for each month, factoring into

Appellant's income expenses including the quarterly tax bill, homeowner's insurance, and condo fee:

March 2025	$902.20	Calculated with Social Security income only, less PNA.
April 2025	$902.20	Invoice for dishwasher $449.81 not deducted because no rental income.
May 2025	$902.20	Invoice for cleaning services $320.00 not deducted because no rental income.
June 2025	$902.20	MassHealth deducted all of the rental income due to Appellant having submitted a home improvement invoice in the amount of $5,417.
July 2025	$2,564.73	Including rental income less rental expenses ($550.70 Quarterly tax bill, $419.00 annual Homeowners insurance, and $619.00 Condo fee)
August 2025	$2,294.73	Plumber invoice for $270.00
September 2025	$2,564.73	
October 2025	$1,608.75	Refrigerator purchase for $955.98
November 2025	$2,564.73	
December 2025	$1,908.29	Quarterly tax bill changed from $550.70 to $2,520.48
January 2026	$1,935.29	

Exhibit 6. Appellant's attorney responded that Appellant agreed with the PPA adjustments made for the months of June 2025 through January 2026. Exhibit 7. Appellant's attorney requested that the hearing officer consider deducting the PPA for April, May and June 2025 to reflect pre-rental expenses as follows:

> Expenses Requested for Consideration
> Dishwasher - April 2025 - $449.81
> Professional Cleaning Services - May 2025 - $320.00
> Home Improvement — Balance of Kitchen/Bathroom Repair & Furniture Removal (net) - June 2025 - $2917.00*
> **Total - $3,686.81**

Id. Appellant's attorney argued that Appellant's property had been her primary residence for over thirty years during which time no meaningful maintenance or cleaning had been performed. Appellant's power of attorney (POA) incurred these expenses to make the property habitable. Appellant's attorney argued that the repairs and cleaning services performed in the months preceding tenancy were directly and causally responsible for enabling the rental income that subsequently increased Appellant's PPA and reduced the portion of costs borne by the Commonwealth. *Id*. Appellant's attorney asked for a reduction of the PPA for these expenses be approved as reasonable and necessary deductions in the calculation of net rental income for PPA purposes.

Findings of Fact

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

1. On October 15, 2025, MassHealth approved Appellant's application for long term care coverage.

2. On December 15, 2025, MassHealth notified Appellant that her patient paid amount (PPA) would increase from $3,402.20 to $3,429.20 beginning January 2026. Exhibit 1.

3. Appellant filed this timely appeal on December 30, 2025. Exhibit 2.

4. The December 15, 2025 notice lists Appellants' Social Security income as $1,002.00 and "other" income as $2,500, for a total income of $3,5002.00. MassHealth calculated Appellant's PPA by deducting $72.80 for Appellant's PNA. Exhibit 1.

5. After review of Appellant's documentation of rental expenses, MassHealth made the following adjustments to the PPA:

March 2025	$902.20	Calculated with Social Security income only, less PNA.
April 2025	$902.20	Invoice for dishwasher $449.81 not deducted because no rental income.
May 2025	$902.20	Invoice for cleaning services $320.00 not deducted because no rental income.
June 2025	$902.20	MassHealth deducted all of the rental income due to Appellant having submitted a home improvement invoice in the amount of $5,417.
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November 2025	$2,564.73	
December 2025	$1,908.29	Quarterly tax bill changed from $550.70 to $2,520.48
January 2026	$1,935.29	

Exhibit 6.

6. Appellant provided evidence of additional expenses for the rental property:

Expenses Requested for Consideration
Dishwasher - April 2025 - $449.81
Professional Cleaning Services - May 2025 - $320.00
Home Improvement — Balance of Kitchen/Bathroom Repair & Furniture Removal (net) - June 2025 - $2917.00*
Total - $3,686.81

Exhibit 4 at 63, 75, 84-86.

Analysis and Conclusions of Law

Appellant seeks relief from MassHealth's calculation of the PPA. At hearing and during the record open period, Appellant and MassHealth agreed to the calculation of the PPA for the months of March 2025 and July 2025 through January 2026, and this appeal is dismissed as to those months. The issue that remains is MassHealth's calculation of the PPA for April, May, and June 2025.

It is questionable whether BOH has jurisdiction to hear Appellant's challenge to the PPA assessed for the months of March through December 2025. Appellant did not file a timely request for hearing on the October 15, 2025 notice. *See* 130 CMR 610.015(B)(1). As such, the present appeal could arguably only cover the action taken by MassHealth on December 15, 2025 adjusting the PPA beginning January 2026. Assuming BOH would have jurisdiction to hear Appellant's full challenge, full analysis of the issue in dispute follows.

MassHealth's regulations regarding income are set forth in pertinent part:

520.009: Countable-income Amount

(A) Overview.
(1) An individual's and the spouse's gross earned and unearned income less certain business expenses and standard income deductions is referred to as the countable-income amount. In determining gross monthly income, the MassHealth agency multiplies the average weekly income by 4.333 unless the income is monthly.
(2) For community residents, the countable-income amount is compared to the applicable income standard to determine the individual's financial eligibility.
(3) For institutionalized individuals, specific deductions described in 130 CMR 520.026 are applied against the individual's countable-income amount to determine the patient-paid amount.
(4) The types of income that are considered in the determination of eligibility are described in 130 CMR 520.009, 520.018, 520.019, and 520.021 through 520.024. These include income to which the applicant, member, or spouse would be entitled whether or not actually received when failure to receive such income results from

the action or inaction of the applicant, member, spouse, or person acting on his or her behalf. In determining whether or not failure to receive such income is reasonably considered to result from such action or inaction, the MassHealth agency will consider the specific circumstances involved.

…

(D) Unearned Income. Income that does not directly result from an individual's own labor or services is unearned. Unearned income includes, but is not limited to, social security benefits, railroad retirement benefits, pensions, annuities, federal veterans' benefits, rental income, interest, and dividend income. **Gross rental income is the countable rental-income amount received less business expenses as described at 130 CMR 520.010(C)**. The applicant or member must verify gross unearned income. However, if he or she is applying solely for MassHealth Senior Buy-In for Qualified Medicare Beneficiaries (QMB) as described in 130 CMR 519.010: *MassHealth Senior Buy-in (for Qualified Medicare Beneficiaries (QMB))* or MassHealth Buy-In for Specified Low Income Medicare Beneficiaries (SLMB) or MassHealth Buy-In for Qualifying Individuals (QI) or both as described in 130 CMR 519.011: *MassHealth Buy-In*, verification is required only upon MassHealth agency request. Verifications include

(1) a recent check stub showing gross income;
(2) a statement from the income source when matching is not available;
(3) for rental income: a written statement from the tenant or a copy of the lease; or
(4) other reliable evidence.

…

520.010: Business Expenses

(A) Self-employment. Allowable business expenses from self-employment are those listed on Schedule C of the U.S. Tax Return form.

(B) Room and Board. For the rental of a room only, the MassHealth agency allows 25% of the income to be deducted as business expenses. For income from both room and meals, the MassHealth agency allows 75% of the income to be deducted as business expenses. The MassHealth agency allows actual expenses only if the provider can document that they exceed these standard deductions.

(C) Rental Income.

(1) Allowable business expenses from rental income include **carrying charges, cost of fuel and utilities provided to tenants, and any maintenance and repair costs**.
(2) If the individual occupies an apartment in the same building from which he or she receives rental income, carrying charges are prorated per unit. The cost of fuel

and utilities are prorated if they are paid through a single heating unit or meter.
(3) The MassHealth agency may **deduct actual maintenance and repair costs, other than cosmetic changes, from the amount of rental income if the individual verifies such expenses**.

In calculating the PPA, the regulations allow certain deductions to be made from an institutionalized member's income. 130 CMR 520.009. These deductions are listed at 130 CMR 520.026, which states that "[g]eneral income deductions must be taken in the following order: a personal-needs allowance; a spousal-maintenance-needs allowance; a family-maintenance-needs allowance for qualified family members; a home-maintenance allowance; and health-care coverage and incurred medical and remedial-care expenses." The personal-needs allowance, $72.80 per month, is set by regulation. 130 CMR 520.025. MassHealth allows a deduction for current health-insurance premiums made directly to the insurer. 130 CMR 520.026(E)(1).

After hearing and additional adjustments, MassHealth and Appellant agreed to the calculation of the PPA for the months of March 2025 and July 2025 through January 2026. The appeal is dismissed as to those months.

The remaining issue in dispute is Appellant's request for a reduction of the PPA for a dishwasher purchased for the property in April 2025, professional cleaning services performed for the property in May 2025, and the balance of $2,917 for repairs made in June 2025 that MassHealth did not already deduct from the PPA. Each of these expenses identified by Appellant are allowable business expenses pursuant to 130 CMR 520.010(C). According to 130 CMR 520.010(C)(3), MassHealth may deduct these costs from **the amount of rental income**. However, Appellant did not receive rental income for April 2025 or May 2025 against which these expenses could be deducted. For June 2025, MassHealth's calculation of Appellant's rental income was zero after considering expenses that exceeded the rental payment of $2,500.

Appellant's argument that the expenses were necessary in making the property habitable is understandable, but the regulations do not offer a means of allowing these costs to be deducted from Appellant's PPA pursuant to 130 CMR 520.026. Appellant has not shown that MassHealth's decision to deduct these expenses from the rental income and the calculation of the PPA for each month was incorrect. Accordingly, 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.

Implementation of this Decision

If this decision is not implemented within 30 days after the date of this decision, you should contact your MassHealth Enrollment Center. If you experience problems with the implementation of this decision, you should report this in writing to the Director of the Board of Hearings, at the address on the first page of this decision.

Cynthia Kopka
Hearing Officer
Board of Hearings

[redacted]

MassHealth Representative: Monica Ramirez, Charlestown MassHealth Enrollment Center, 529 Main Street, Suite 1M, Charlestown, MA 02129