

Legislator wants to open Medicaid's doors wider

Qualifications » Utah is one of four states that still applies asset tests.

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Calling Medicaid's qualified asset tests "antiquated," Rep. Rebecca Chavez-Houck is sponsoring a house joint resolution calling for their elimination, which would make it easier for people to obtain health coverage through the public program -- and to stay afloat financially.

The tests, which Utah and three other states still apply, make applicants ineligible for aid if they have such assets as bank accounts or valuable furniture.

That "provides a disincentive for families to try to get out of poverty," said Chavez-Houck, D-Salt Lake City.

Lincoln Nehring, Medicaid director for the Utah Health Policy Project, said it's a policy that also hurts the state's children. About a third of those enrolled in the Children's Health Insurance Program (CHIP), which doesn't have an asset test, live below the federal poverty level.

"They really should be in Medicaid, because Medicaid offers a richer benefit package with less costs," he said.

What's considered an asset -- and the amount a person may have -- varies by eligibility categories, said Bev Graham, director of Medicaid's Bureau of Eligibility Policy. The Newborn Plus program, for instance, is available to children between 6 and 19 years old whose families have an asset limit of \$2,000 for one person, \$3,000 for two and \$25 for each family member thereafter.

Bill Crim, the United Way of Salt Lake's vice president of community impact and public policy, said his organization has been "working for a long time to strengthen families' financial stability, and one key component to that is whether or not people do have assets." Savings, he said, are "actually a safety net for people in times of economic crisis."

Chavez-Houck said the "draconian" tests prevent families from breaking out of generational poverty. In the last 12 months, state records show, 3,831 households were denied Medicaid based on their assets. "We need to move ourselves into a new age and look at some of the other states that don't have asset tests," she said.

Doing so, however, could be costly, making the change highly unlikely anytime soon. An October 2005 Health Department study found that removing the asset tests would add 8,510 Medicaid enrollees, costing \$50 million to \$52 million.

"Economic times are hard," Nehring acknowledged, "and while philosophically this might be the right thing to do, the state just can't afford to move that direction this year."

Still, it's important to send the message now, he said, as the Legislature moves forward on health reform and recognizes that optimizing public health programs must be an integral part.

"We need to recognize what needs to change -- and removing the asset test is right at the top of the list," Nehring said.