



Medicaid Enrollees

SPEAK UP

Medicaid's \$2,000 asset limit keeps a single mom of 5 children from gaining economic independence.

Sarah and her 5 children

Sarah is a young mother from southern Utah with 5 children, all under the age of eight, including a special needs child and one year-old twins! Together with her kids, Sarah fled a domestic violence situation and checked into a women's shelter. But she has been stopped short from gaining independence by an impossible choice: she can either pursue financial stability *or* provide health coverage for her children.



Medicaid asset test keeps family stuck in poverty cycle

Determined to work hard and gain economic independence, Sarah found a job working as a floral assistant for \$8.50 an hour. She loved the job and the opportunity to be creative. She took advantage of every job and skills training opportunity. After a few months, the shop gave her a 50 cent/hour raise along with a chance to train as an assistant manager! Sarah was thrilled to be on the path to independence.

Up to this point, Sarah's children qualified for health coverage through Medicaid. To maintain their eligibility, Sarah could not have more than \$2,000 in assets. All of this changed when the Office of Recovery Services was able to locate her ex-husband and collect \$1,400 in unpaid child support. Sarah was kicked off Medicaid for her new found "wealth." Her progress towards independence was suddenly thrown off track. Sarah could not afford her children's extensive medical needs. She felt forced into choosing between vital health care for her children and her job. She finally quit her job so her children could have the care they needed.

Today, Sarah is again in the job market, trying to gain her independence. Her ex-husband and prospects for child support have disappeared. But, Sarah fears getting trapped in the loop of eligibility for Medicaid.

A Policy Solution: Remove Asset Test from Medicaid Qualifications

Utah is one of 3 states that still require an asset test before children can qualify for Medicaid. As soon as funding allows, the Legislature should eliminate the asset test. This will give Utah families on Medicaid a powerful financial tool to break out of the poverty cycle. Assets are the building block of wealth. Evidence clearly demonstrates that saving helps families become more financially stable and better prepared for unexpected expenses. Helping families with limited incomes build assets is a long-term sustainable approach to reducing poverty. This financial freedom will ultimately encourage investment in our economy and give enrollees the tools they need to move off Medicaid once and for all.