

How do Medicaid Resource Limits Affect Health Outcomes for Virginians who Qualify for Medicaid as Aged or SSI Recipients?

I became interested in this topic while researching public benefit programs over the summer. I was looking into the eligibility requirements for Medicaid, and was shocked to find a byzantine system which offers Virginians 17 different pathways to qualify for Medicaid benefits. Each pathway comes with its own set of rules, regulations, and cutoff points.

What stood out the most to me from this research were the resource limits imposed on some eligible groups. Those resource limits tended to be about \$2,000 for an individual and \$3,000 for a household – if an individual/family held resources in excess of this limit, they were immediately ineligible for Medicaid. The definition of a “resource” varied wildly across groups, but generally included savings and any property (other than a home in which an applicant resided) that could be turned into cash. I was shocked that Medicaid eligibility created such a disincentive for individuals and households to save.

When Virginia expands Medicaid in January 2019, only two groups will still be subject to resource limits – Virginians who qualify as aged, and Virginians who receive Medicaid as a result of being eligible for Supplemental Security Income (SSI). Other states have begun experimenting with increasing resource limits, and most groups currently eligible for Medicaid are exempt from resource limits altogether.

In my APP, I plan to investigate the impact of changing Virginia’s resource limits for these two groups – aged Virginians and Virginians receiving SSI. I hope to look at the impact that potential changes in resource limits would have on:

1. The number of Virginians enrolled in Medicaid.
2. The impact of a change in enrollment on the state budget.
3. The impact that receiving Medicaid would have on new recipients’ health.
4. The impact of a change in enrollment on long term care in Virginia.
5. The impact of savings allowed by a change in resource limits on the financial health of Virginians who receive Medicaid through these two pathways.

My client for this project is the Medicaid and CHIP Payment and Access Commission (MACPAC), a federal legislative agency that studies Medicaid. Although my APP would focus specifically on Virginia, they have said that results from Virginia could help them as they analyze similar resource limits in other states.