

**AMENDMENTS TO ASSET TESTING FOR  
MEDICAID**

2004 GENERAL SESSION

STATE OF UTAH

**Sponsor: David L. Hogue**

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**LONG TITLE**

**General Description:**

This bill authorizes the Department of Health to waive the asset test for Medicaid eligibility for most children in households with incomes below the federal poverty guidelines.

**Highlighted Provisions:**

This bill:

► provides that beginning July 1, 2004, and within appropriations from the Legislature, children who qualify for Medicaid under the provisions of 42 U.S.C. 1396a do not need to undergo an asset test for Medicaid eligibility.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**26-18-3.2**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **26-18-3.2** is enacted to read:

**26-18-3.2. Medicaid -- Asset test.**

On or after July 1, 2004, and within appropriations from the Legislature, the department:

(1) may provide for Medicaid eligibility for children who live in households below the



31 federal poverty guidelines; and  
32 (2) may not impose an asset test for children who are Medicaid eligible under the  
33 provisions of 42 U.S.C. 1396a(l).

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**Legislative Review Note**  
**as of 1-22-04 8:26 AM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**

**SECOND AMENDED NOTE**

**State Impact**

This bill removes the asset test for children in the Medicaid program. It is expected that without this test, additional children would be eligible for Medicaid services. The additional cost of this is estimated at \$11.8 million, and can be funded at the current Children's Health Insurance Program (CHIP) state match rate. It is anticipated that 6,700 to 7,000 children currently being covered by the Children's Health Insurance Program (CHIP) could become Medicaid-eligible with this legislation, which would then open up slots in the CHIP. It is estimated that an additional 450 to 500 children who currently are not Medicaid-eligible would become eligible.

In order to get the enhanced CHIP match rate, the Department of Health will still need to partially administer asset tests to determine which program the child is eligible for. To handle the additional caseload and the testing, an additional seven eligibility workers are needed. The total cost of implementing this bill is estimated at \$12,865,300.

	<u>FY 2005</u> <u>Approp.</u>	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2005</u> <u>Revenue</u>	<u>FY 2006</u> <u>Revenue</u>
General Fund	\$2,685,400	\$2,685,400	\$0	\$0
Federal Funds	\$10,179,900	\$10,179,900	\$10,179,900	\$10,179,900
<b>TOTAL</b>	<b>\$12,865,300</b>	<b>\$12,865,300</b>	<b>\$10,179,900</b>	<b>\$10,179,900</b>

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**Individual and Business Impact**

Additional families would benefit from Medicaid or CHIP services for their children under this legislation.

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**Office of the Legislative Fiscal Analyst**