

How to Support SSI Applicants & Expand Access

Understanding Asset Limits for Children with Disabilities



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Acknowledgments

This fact sheet was written by Jessica Breslin with support from Patrick Glass, Rebecca Johnson, Erin O'Malley, Maya Hazarika Watts, and Chelsea Wu. Editorial and design support was provided by Carolyn Uno and Kim Arroyo Williamson. All are affiliated with ChangeLab Solutions.

We extend our thanks to Jennifer Kaminski and Lara Robinson (Centers for Disease Control and Prevention), Kate Lang (Justice in Aging), Kelly Kelleher (Nationwide Children's Hospital), Jeffrey Hemmeter (Social Security Administration), and Steven Weiss (Bay Area Legal Aid) for their feedback and input on the content of this fact sheet.

This publication was supported by the Centers for Disease Control and Prevention of the US Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$200,000 with 100 percent funded by CDC/HHS. The contents are those of the authors and do not necessarily represent the official views of, nor an endorsement by, CDC/HHS or the US Government.

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Key points

WHAT TO KNOW: Increasing Supplemental Security Income (SSI) program enrollment for children with disabilities could improve health outcomes and increase financial stability for eligible children and families.

A CAUSE FOR CONCERN: The SSI asset limit eligibility requirement could prevent otherwise eligible people from accessing the benefit. This asset limit could also mean that some families who are already enrolled in the program have to make choices between building economic security and continuing to receive their SSI payments.

THE BIGGER PICTURE: Expanding the number of eligible families receiving these benefits could reduce wealth inequities that drive intergenerational poverty and health disparities.

SOME SOLUTIONS: Policymakers, community-based organizations, local social service agencies, and others helping individuals and families navigate eligibility requirements can take steps to support applicants, remove barriers, and expand SSI access.



What is SSI?

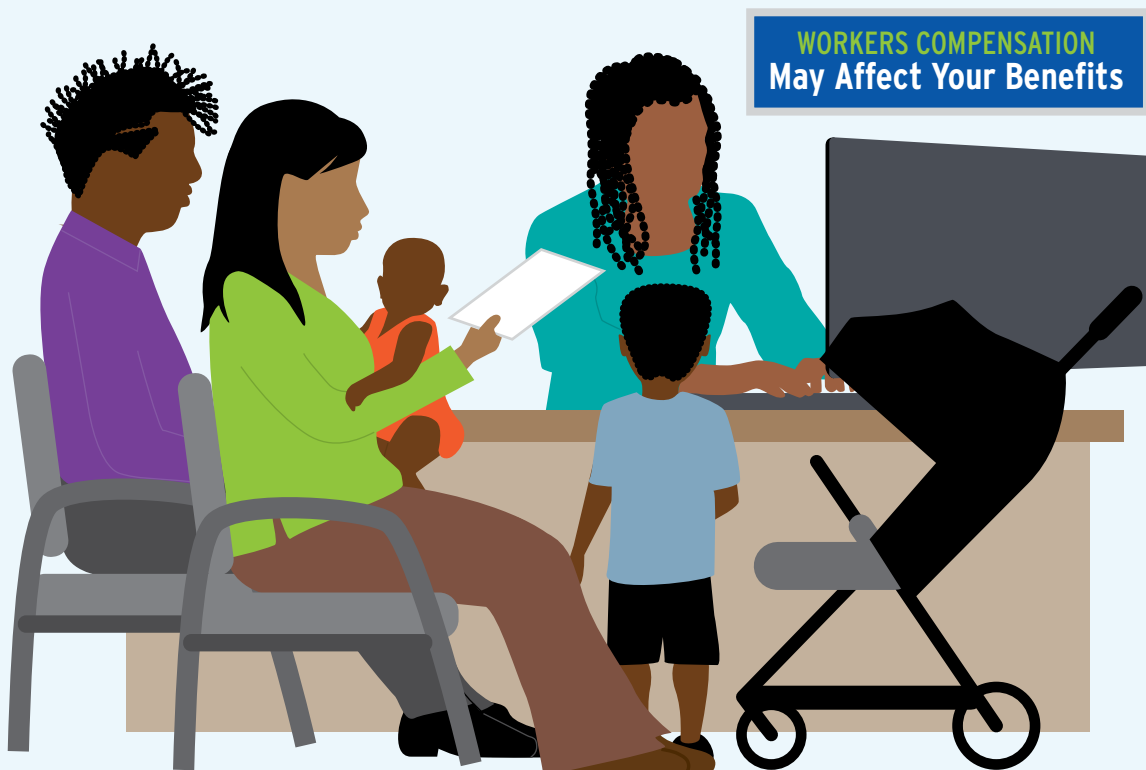
Supplemental Security Income¹ (SSI) is a cash benefit program for individuals – both children and adults aged 18 to 64 – who have a qualifying disability and meet income and asset requirements.²

Individuals who are approved to receive SSI benefits are automatically eligible for Medicaid in most states.

For adults, SSI eligibility depends on whether a person's disability prevents them from engaging in work or "substantial gainful activity."³ Since children do not work, eligibility is based on severe to extreme impairment in different functional areas (e.g., acquiring and using information, health and physical well-being, or interacting and relating with others).⁴ In addition to considering disability status, eligibility also involves requirements related to income, assets, and immigration status.

This fact sheet will

- Provide an explanation of why SSI access is crucial for supporting children and families;
- Deliver important information on how asset limits restrict SSI eligibility;
- Highlight important aspects of the laws and regulations governing SSI asset limits; and
- Explain how stakeholders can make it easier for eligible applicants to receive SSI benefits.

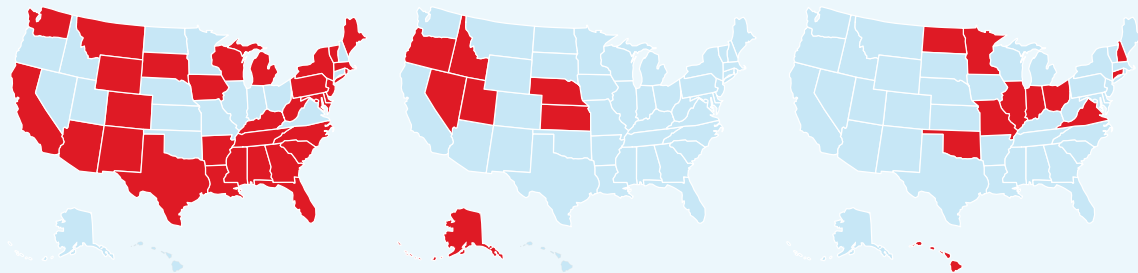


Why is improving access to SSI important for children & families?

Increasing uptake among SSI-eligible families by reducing barriers in the SSI application and determination process represents an opportunity, in many cases, for policymakers and other stakeholders to lift a child's family income above the poverty line and significantly affect health.⁵ The National Academies of Sciences, Engineering, and Medicine (NASEM) include SSI as one of ten policies for reducing child poverty, reporting that "on average, a child growing up in a family whose income is below the poverty line experiences worse outcomes than a child from a wealthier family in virtually every dimension, from physical and mental health, to educational attainment and labor market success."⁵ Research shows that SSI can lift nearly half of participants out of poverty, and without the program, the child poverty rate would increase 14.8%.^{6,7}

The SSI program is also crucial for children's health because it provides a link to Medicaid in most states (see Figure 1).

Figure 1. State linkages between SSI and Medicaid eligibility and enrollment



In 33 states, the SSI application also functions as a Medicaid application; upon approval, the applicant is enrolled in both programs.⁸

In 7 states, a separate application is required, but eligibility rules are identical.⁸

In 11 states, however, while SSI recipients automatically satisfy Medicaid disability standards, income or asset eligibility standards for Medicaid are more restrictive than SSI program requirements.⁸

NASEM's *Roadmap to Reducing Child Poverty* found that "expansions of public health insurance for pregnant women, infants, and children have led to substantial improvements in child and adult health, educational attainment, employment, and earnings."⁹ Yet despite the importance of SSI to economic security and children's health, almost half of the families who apply for these benefits are denied access to them.¹⁰

What are SSI resource limits?

Resource limits, also known as *asset limits*, are one criterion that is used to determine applicants' eligibility for SSI.

While disability determinations are made by various state agencies, income and resource eligibility are determined by claims representatives at local offices of the Social Security Administration (SSA). To be eligible for SSI, the total value of any resources cannot exceed \$2,000 for an individual or \$3,000 for a married couple; for children applying for SSI, the resource limit depends on their parents' (or guardians') marital status.¹¹ These amounts have not been updated since 1989.

Resources are generally defined as any assets or cash that an applicant family or individual owns that could be used or converted to cash to be used to support themselves.¹² The way that resources are calculated and assessed to determine eligibility often creates hurdles for otherwise eligible children and families. When a child's parent (or caregiver) is applying for that child to receive SSI, a portion of the parent or caregiver's income and resources is considered in determining financial eligibility. SSA refers to this process as *deeming*. Assets included in the calculations are any that the applicant (or the parents, for a child applicant) have the power or authority to liquidate. Any assets that cannot be liquidated within 20 days are not included in this assessment. Generally, assets like stocks, savings accounts, and bonds are considered to be liquid resources.¹²

A QUICK NOTE ON SSI INCOME LIMITS

While income requirements are not the focus of this fact sheet, readers should know that any earned or unearned income for applicants will be considered in assessing financial eligibility for SSI benefits. Income can include wages; other cash benefits (e.g., TANF – Temporary Assistance for Needy Families); short-term disability payments; and foster care benefits.

What resources do not count toward limits?

The good news for both families and individual SSI applicants is that the following items are not considered when evaluating resource limits:¹³

- A home, if it is the SSI recipient's principal place of residence, and all contiguous land, regardless of the value¹⁴
- Household goods and personal effects, such as a refrigerator or family jewelry¹⁵
- One car, if it is used to transport the applicant or someone in their household¹⁶
- Various types of financial assistance (e.g., disaster relief assistance, housing assistance, child tax credits¹⁷⁻¹⁹)
- Achieving a Better Life Experience (ABLE) accounts of up to \$100,000 and certain special needs trusts²⁰

These rules are complicated and must be considered together. For example, if a family has \$100 in savings and two cars worth \$3,000 each that are used for driving to different jobs, their otherwise eligible child would be ineligible for SSI unless the family sells one of their cars or empties their savings account. Further, an applicant might have difficulty understanding whether a mistake has been made in assessing their resources or how to appeal if a mistake is found, given that denial notices often do not include a clear and specific explanation for the denial.



Reforming SSI resource limits to improve economic stability for families with children

Revisiting implementation and enforcement of resource limits could reduce – or remove – a critical barrier to qualifying for and maintaining SSI benefits. In 2018, almost 50% of child SSI applications were denied at the initial determination.^{10,21} Many of these applications are denied because a child’s family does not satisfy financial requirements – including income limits, resource limits, or both.^{10,21,22}

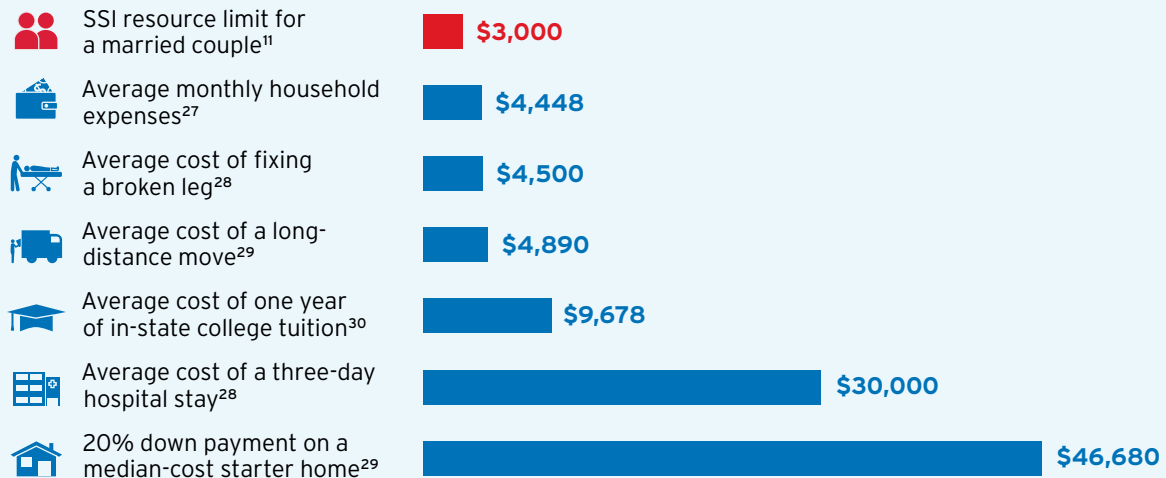
Increasing resource limits would make it possible for a family to build savings over \$3,000 without jeopardizing their SSI benefits and their link to Medicaid. Research has shown that while children can be resilient in the face of many of the adverse impacts of poverty, poverty can still negatively affect children’s health, resulting in structural changes in brain development, mental health issues, or setbacks in education attainment.²³ Further, research has shown that economic hardship can lead families to cut back on essential expenditures for food or housing or to access problematic forms of high-interest credit.²⁴ These effects are especially likely for families caring for a child with a disability, given that these families are more likely to experience economic insecurity.^{25,26} Allowing families to save more than \$3,000 would increase the likelihood that children’s essential needs will be met, even during times of temporary economic hardship.



Current asset limits prevent families from building economic security

What does it mean to be allowed to have only \$3,000 in assets? Figure 2 lists some common expenses in the United States that are larger than \$3,000.

Figure 2. SSI resource limit for a married couple and costs commonly encountered by US families



A family's ability to accumulate savings can also be important in preventing families from turning to formal and informal types of credit arrangements that may be harmful, such as payday or car title loans, pawnshops, skipping payments, or bank overdrafts.^{31,32} For example, research has shown that taking out a payday loan increases the chance of an individual filing for bankruptcy.³³⁻³⁵ Further, research found that in 2017, individuals who relied on alternative financial services (e.g., payday loans) because they did not have a bank account – or had a bank account that did not cover their needs – spent \$173 billion in fees and interest for those alternative financial services.³⁶ Allowing families to build more savings would help them avoid these unnecessary costs and have more funds available to meet family needs.

In addition to affecting a family's current stability, economic hardship may increase the likelihood of multi-generational poverty.³⁷ Research shows that individuals with low incomes who have managed to accrue savings above the median of \$500 have a greater chance of moving to a higher income bracket³⁷ and that having a modest level of savings benefits the well-being of children.³⁸

Finally, reforming resource limits may also help reduce the racial wealth gap. For example, a recent study found that while nationally, 37% of households are liquid asset poor – i.e., lack savings that would support them at the poverty level for three months if their income were interrupted – 58% of Black and Hispanic or Latino households are liquid asset poor.³⁹ This disparity can be traced back to structural racism and unequal treatment under the law – both deliberate and unintentional – which have enabled, sustained, and, in some cases, increased dramatic gaps in wealth and health.^{40,41}

Strategies for policymakers to remove barriers & improve access to SSI benefits

State & Local Options

While federal regulations define resource limits and other program requirements, state and local partners can improve the SSI program's positive impacts by applying the strategies in this section.

APPLICATION SUPPORT & EDUCATION

Policymakers can engage with a variety of local partners such as community-based organizations, medical-legal partnerships, and local benefit offices to take the following actions:

- › Connect recipients with legal aid organizations and pro bono attorneys who can help families navigate income and resource rules and establish dedicated accounts⁴² and special needs trusts
- › Ensure that recipients are complying with the law and that resources and trusts will not negatively affect their benefits through reduction, suspension, or termination
- › Provide information on the resource and income rules to both applicants and recipients, to increase their understanding of how benefits can be affected
- › Advocate for hiring of dedicated program staff at local SSA offices or community-based organizations, to assist families with these issues as they arise
- › Provide culturally appropriate information in multiple languages (via texting, mail, flyers at schools, or other methods), to promote SSI benefits to potentially eligible families and provide contact information for local support
- › Inform SSI applicants and recipients about federal policy changes that could reduce barriers and improve access to benefits

PROGRAM EXPANSION

Policymakers can work with local and state officials, community-based organizations, and others to take these actions:

- › Expand eligibility for State Supplemental Payments (SSP),⁴³ and increase the amount of SSP provided to eligible families
- › Review disability and asset standards for state benefits, to consider increasing asset and income limitations, where allowed

STANDARDIZATION & LINKAGES

Policymakers can partner with state and local officials, community-based organizations, and SSA employees to take the following actions:

- › Adopt standardized automatic Medicaid enrollment for SSI recipients without requiring a separate application, to facilitate uniformity across all states and territories
- › Provide youth with proactive benefits counseling on financial eligibility and work requirements, with referral systems at youth-specific sites such as schools and community centers^{44,45}
- › Provide children with wraparound services that address medical needs, improve medical documentation, and provide service coordination and connections to other services
- › Clarify connections with other benefit programs – like the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – when there are overlapping eligibility and paperwork requirements⁴⁶

Federal Options

At the national level, several actions could be taken to better support families of children with disabilities in accessing SSI benefits:

APPLICATION SUPPORT & EDUCATION

Policymakers can collaborate with other stakeholders to take the following actions:

- › Create an online option for step 2 of the SSI application for families of children with disabilities, so that parents with workday commitments can complete the process on their own time⁴⁷
- › Translate the Child Disability Report into languages other than English, reflecting data from the field on common non-English languages spoken by potential beneficiaries⁴⁸

PROGRAM EXPANSION

Decision makers could consider the following policy changes:

- › Increase resource limits to account for inflation, to reduce the likelihood that benefit programs cancel each other out, and to provide more families with access to benefits
- › Allow additional exemptions for the costs of treatments and supports associated with caring for children with disabilities (e.g., special dietary needs and therapies)

- › Remove additional categories from resource limit assessments (e.g., retirement accounts, savings for purchasing a home or starting a business, education funds)

STANDARDIZATION & LINKAGES

Decision makers might also consider these policy changes:

- › Require all states to use the same eligibility requirements for Medicaid and for SSI recipients, and prevent states from instituting stricter eligibility standards for Medicaid
- › Require all states to provide automatic enrollment in Medicaid for children receiving SSI
- › Standardize automatic Medicaid enrollment without a separate Medicaid application for SSI applicants and recipients across all states and territories
- › Facilitate immediate and automatic enrollment in Medicaid for children upon application for SSI, as opposed to waiting for approval

Conclusion

SSI can be a critical lifeline for families of children with disabilities. SSI can lift families out of poverty, connect recipients to Medicaid, and stabilize families so they are better able to meet their children's needs and help them thrive. Taking steps to support applicants, remove barriers, and expand SSI access can help more eligible families receive these critically needed benefits.

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