

Committee on Ways and Means

Medicare Prescription Drug, Improvement, and Modernization Act of 2003

Asset Test as It Applies to the Medicare Prescription Drug, Improvement and Modernization Act

The conference report applies the current Supplemental Security Income (SSI) asset test at three times the level of SSI eligibility (\$6,000/\$9,000 and indexed to inflation) for those below 135% of poverty.

Those seniors from 135% to 150%, and those below 135% of poverty excluded because of the application of the asset test, would receive a revised asset test at \$10,000 for individuals and \$20,000 for couples indexed to inflation.

Many resources are not counted for the asset test. Excluded resources include:

- A home (with no limit on its value) if you live in it;
- One car used to provide necessary transportation, regardless of value. If the car is not used to provide transportation, up to \$4,500 in value is allowable;
- Memorabilia, such a wedding ring;
- Household goods and personal effects up to \$2,000, and other property essential for self-support of the individual;
- Resources for: the blind; Natives of Alaska; disaster assistance; underpayment of SSI benefits; housing assistance; State funds for victims of crime; relocation assistance; EITC payments; gifts to children with life-threatening ailments (up to \$2,000). Specific limitations and criteria for all these apply;
- Life insurance up to \$1,500;
- The value of a burial space (such as plots, caskets, etc.);
- Funds set aside for burial expenses up to \$1,500, but only to the extent life insurance excluded above is less than \$1,500; and,
- The value of a trust, but trusts must meet very specific criteria.