



National Council on Disability

An independent federal agency making recommendations to the President and Congress to enhance the quality of life for all Americans with disabilities and their families.

Statement for the Record

U.S. House Oversight and Accountability
Subcommittee on Health Care and Financial Services

Examining the Growth of the Welfare State, Part I

February 14, 2025

Chair Grothman, Ranking Member Krishnamoorthi, and Members of the Subcommittee:

Thank you for the opportunity to submit this Statement for the Record. The National Council on Disability (NCD) is an independent federal agency that provides advice to the Administration, Congress, and federal agencies based on our comprehensive and objective analyses to inform policy development, improvement, and enforcement efforts. As a federal voice for 61 million Americans with disabilities, including students with disabilities and their families, NCD is committed to advancing policy solutions that create a more inclusive society for people with disabilities.

Our statement for the record will focus specifically on the harmful impact of marriage penalties for people with disabilities. As noted by Ms. Onwuka, a witness in your recent hearing, *Examining the Growth of the Welfare State, Part I*, "Marriage penalties occur when benefits are reduced or eliminated because of an increase in earnings or assets due to a change in marital status."¹ More than 10 million people qualify for Medicaid based on disability.² SSI income thresholds for individuals with disabilities, who are also working, vary by state, ranging from \$35,105 in Georgia to \$85,727 in Alaska in 2023.³ In tandem, asset and resource limits impose a marriage penalty, where (1) spouse's income and assets count against eligibility thresholds;⁴ and regardless of medical costs,

¹ <https://www.congress.gov/119/meeting/house/117879/witnesses/HHRG-119-GO27-Wstate-OnwukaP-20250211.pdf>

² Medicaid and CHIP Payment and Access Commission, "People with Disabilities," 2022, <https://www.macpac.gov/subtopic/people-with-disabilities/>.

³ U.S. Social Security Administration, "Program Operations Manual System. SI 02302.200 Chartered Threshold Amounts," December 14, 2021, <https://secure.ssa.gov/poms.nsf/lnx/0502302200>. Notes: The 2023 threshold amounts were calculated using 2019 average per capita Medicaid expenses by State, as 2020 data was unavailable.

⁴ "What is the Medicaid marriage penalty?" American Council on Aging, February 17, 2023, <https://www.medicaidplanningassistance.org/question/what-is-the-medicaid-marriage-penalty/#:~:text=What%20is%20the%20Medicaid%20marriage%20penalty%3F,->

medical debt, and the extra cost of living with disability; and (2) the SSI asset limit is \$3,000 for married couples or two-parent families with children, as opposed to \$4,000 for 2 individuals.⁵

Across SSI beneficiaries, 74 percent of unemployed, non-retiree households have less than \$3,000 in financial assets.⁶ Disability, unemployment risk, job loss or lack of jobs, and labor force shocks, including changes in the demand and value of certain skills (earnings risks), may leave households economically insecure. Individuals who experience disabilities that limit their ability to work may spend down their financial assets to qualify for public benefits programs such as Medicaid long-term services and supports (LTSS).⁷ This is because LTSS offered through Medicaid, such as personal care assistants who help with toileting, feeding, etc. and other activities of daily living that some with disabilities are not able to do themselves, are not available through private insurance plans.

In researching this issue, NCD conducted several listening sessions, and the story of a particular couple, both of whom have a disability, highlights an unfortunate reality that is shared by too many people with disabilities. The couple fell in love and wanted to marry, but it became clear to them that the marriage penalty would adversely affect their benefits and their ability to live and earn. Consequently, they were advised that it would be better for them if they did not marry. This represents a lived experience of how social security reform is needed and how people with disabilities are impacted by the marriage penalty directly.

Ms. Onwuka additionally mentioned in her testimony several bills that were introduced in the 118th Congress that would eliminate marriage penalties. Each of the bills had bipartisan cosponsorship, demonstrating the sense of urgency many Congressional Members in addressing this longstanding problem.

NCD's 2023 Progress Report, *Toward Economic Security: The Impact of Income and Asset Limits on People with Disabilities*⁸ examined four critical areas of public policy and

2%20Answers&text=The%20Medicaid%20marriage%20penalty%20is,a%20result%20of%20getting%20married.

⁵ Kathleen Romig and Sam Washington, "Policymakers Should Expand and Simplify Supplemental Security Income," Center on Budget and Policy Priorities, May 4, 2022, <https://www.cbpp.org/research/social-security/policymakers-should-expand-and-simplify-supplemental-security-income>.

⁶ Felix Wellschmied, "The welfare effects of asset mean-testing income support," *Quantitative Economics*, 12(1), pp.217-249, January 2021, <https://www.econometricsociety.org/publications/quantitative-economics/2021/01/01/The-welfare-effects-of-asset-meantesting-income-support>.

⁷ "How Medicaid Spend Down Works: Rules, Exemptions and Strategies," American Council on Aging, last updated December 14, 2022, <https://www.medicaidplanningassistance.org/medicaid-spend-down/>.

⁸ National Council on Disability (October 31, 2023) *Toward Economic Security: The Impact of Income and Asset Limits on People with Disabilities*, available at: [National Council on Disability | 2023 Progress Report: Toward Economic Security: The Impact of Income and Asset Limits on People with Disabilities](https://www.nationalcouncilondisability.org/2023-progress-report-toward-economic-security-the-impact-of-income-and-asset-limits-on-people-with-disabilities).

their impact on people with disabilities: health care, cash benefits provided through Supplemental Security Income (SSI), employment, and asset building and wealth protection. In our report, NCD strongly urges Congress to pass the SSI Savings Penalty Elimination Act (S. 2767 / H.R. 5408) but highlighted the following concerns:

This legislation would allow people with disabilities to improve their financial lives by increasing asset limits from \$2,000 to \$10,000 for individuals and from \$3,000 to \$20,000 for couples. Despite the promises of S. 4102, challenges remain regarding how resource limits are assessed for SSI. The current \$2,000 and \$3,000 thresholds apply to gross assets, not net wealth. This means that individuals who have an excess of debt to assets still cannot qualify for SSI.

For this reason, NCD recommends that Congress re-examine Supplemental Security Income asset and resource rules to allow certain debts to counterbalance countable resources in determining program eligibility. NCD thanks you for holding this hearing. Marriage penalties and their harmful impact on people with disabilities is of great interest and concern to NCD, and we look forward to working with and being a resource to members of the House Oversight and Accountability Subcommittee on Health Care and Financial Services as you engage these topics further.

Most Respectfully,



Shawn Kennemer
Vice-Chair, Acting Chairman