Finds that: (1) Through the medicaid program, state and federal government fund long-term care, mental health, and medical services for many elderly persons and people with disabilities; and

(2) A significant portion of these individuals' social security benefits is retained by the state to assist with the cost of their care.

Declares an intent to allow these individuals to retain for their own use a reasonable personal needs allowance.

Requires, effective July 1, 2011, and each fiscal year thereafter, the personal needs allowance to be adjusted for economic trends and conditions by increasing the allowance by the percentage cost-of-living adjustment for old-age, survivors, and disability social security benefits as published by the federal social security administration.