

# SENATE BILL REPORT

## SB 6555

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As Reported by Senate Committee On:  
Human Services, Mental Health & Housing, February 4, 2016  
Ways & Means, February 9, 2016

**Title:** An act relating to increasing the personal needs allowance for persons receiving state-financed care.

**Brief Description:** Increasing the personal needs allowance for persons receiving state-financed care.

**Sponsors:** Senators Rolfes, Cleveland, Jayapal, Darneille and Keiser.

**Brief History:**

**Committee Activity:** Human Services, Mental Health & Housing: 2/04/16 [DP].  
Ways & Means: 2/08/16, 2/09/16 [DPS].

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### SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

**Majority Report:** Do pass.

Signed by Senators O'Ban, Chair; Miloscia, Vice Chair; Darneille, Ranking Minority Member; Hargrove.

**Staff:** Kevin Black (786-7747)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6555 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Darneille, Hasegawa, Hewitt, Nelson, O'Ban, Padden, Parlette, Pedersen, Rolfes, Schoesler and Warnick.

**Staff:** Mark Eliason (786-7454)

**Background:** Federal law requires Medicaid recipients to contribute to the cost of long-term care. The contribution amount is determined by deducting certain amounts from a recipient's

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monthly income. One of the permitted deductions is the personal needs allowance (PNA), an amount of the Medicaid recipient's own income that can be kept and spent on personal items. After deducting the PNA and other allowable deductions, all remaining income goes toward the cost of care.

The PNA in Washington is \$57.28 per month for persons in nursing facilities or institutions, and \$62.79 per month for persons in residential care, such as in an adult family home or assisted living facility. The PNA does not increase to reflect cost of living, but requires an act of the Legislature to be increased.

Old-Age, Survivors, and Disability Insurance (OASDI, Social Security) benefits are indexed for inflation to protect beneficiaries from the loss of purchasing power implied by inflation. Inflation increases for this program are published by the Social Security Administration.

**Summary of Bill (Recommended Substitute):** Subject to appropriations, the PNA for Medicaid must be increased annually by the percentage cost-of-living adjustment for Old-Age, Survivors, and Disability Social Security benefits as published by the Social Security Administration. The PNA must in no case exceed the maximum permissible amount under the Social Security Act.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute):** Annual adjustments are made subject to amounts appropriated for the specific purpose.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill (Human Services, Mental Health & Housing):** PRO: A constituent contacted me because the amount her brother is receiving is not even close to the amount necessary to keep him healthy and whole. Fifteen dollars a week for things that bring dignity to our elders, such as shampoo, haircuts, cosmetics, birthday cards, and presents for a grandchild. The last PNA increase for residents of facilities was 3.3 percent in the 2007-09 biennium; it was at least 10 years ago for residents of institutions. There was no Social Security cost-of-living adjustment this year, so the cost for this biennium is likely to be negligible. My brother's Social Security cost-of-living increases all go to the adult family home - he doesn't get to keep any. A person should receive a fair share of the earned Social Security increases they have earned over a lifetime. A resident's expenses increase over time just like the facility's costs. The PNA lessens opportunities for the state to recoup costs but does not increase state spending. This bill is exciting and may be one of the best things you do this session. Having a little more income brings choice to residents and can contribute greatly to their quality of life. More income means less isolation and neglect, and more community eyes on vulnerable adults.

**Persons Testifying on Original Bill (Human Services, Mental Health & Housing):** PRO: Senator Rolfes, prime sponsor; Connie Dümmel, citizen; Jerry Reilly, Elder Care Alliance; Donna Patrick, Developmental Disabilities Council; Noah Seidel, Self Advocates in Leadership.

**Persons Signed In To Testify But Not Testifying:** No one.

**Staff Summary of Public Testimony on Original Bill (Ways & Means):** PRO: This is a simple bill that affects approximately 27,000 individuals. It is about fairness and dignity. These individuals have not seen an increase in almost 10 years in the amount of money they may keep each month for personal needs.

**Persons Testifying on Original Bill (Ways & Means):** PRO: Jerry Reilly, Elder Care Alliance; Donna Patrick, Developmental Disabilities Council.

**Persons Signed In To Testify But Not Testifying:** No one.