
Appropriations Committee

HB 2651

Brief Description: Increasing the personal needs allowance for people in residential and institutional care settings.

Sponsors: Representatives Stanford, Johnson, Macri, Haler, Tharinger, Goodman, Caldier, Appleton, Harris, Jinkins, Barkis, Dolan, Senn, Gregerson, Wylie, Tarleton, McBride, Doglio, Eslick, Pollet, Slatter, Fey and Santos.

Brief Summary of Bill

- Establishes that the baseline monthly Personal Needs Allowance (PNA) for clients in institutional and residential settings is \$85 beginning January 1, 2019.
- Beginning January 1, 2020, maintains the requirement that that the PNA for clients in institutional and residential settings be increased annually by the percentage cost-of-living adjustment for federal Social Security benefits.

Hearing Date: 1/22/18

Staff: Mary Mulholland (786-7391).

Background:

Federal law requires Medicaid recipients to contribute to the cost of care. The contribution amount is determined by deducting certain amounts from a recipient's 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 level in Washington varies depending on where the client lives, whether the client is single or married, and for some settings, the Department of Social and Health Services (DSHS) program from which they are receiving services (for example, the Aging & Long-Term Support Administration (AL TSA) or Developmental Disabilities Administration (DDA)). The table below summarizes the current PNA levels in major service areas and how they are adjusted:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Setting	Current PNA Level/Month	Adjustments
Client's own home	<u>AL TSA</u> 100% Federal Poverty Level (FPL) if single (currently \$1,005), or; Medically Needy Income Level (currently \$750) if married <u>DDA</u> Special Income Level (currently \$2,250)	Adjusted annually on April 1st (FPL) or January 1st (Medically Needy Income Level and Special Income Level) if the federal levels have changed.
Community Residential	\$64.05	May be adjusted by the cost-of-living adjustment for federal benefits, subject to legislative appropriation.
Institutional and State Supplemental Payment (SSP) Clients	\$58.43	May be adjusted by the cost-of-living adjustment for federal benefits, subject to legislative appropriation.

The PNA level for community residential settings (\$64.05) includes settings such as assisted living facilities and adult family homes. The PNA level for institutions (\$58.43) includes settings such as nursing homes and Residential Habilitation Centers; this PNA level also applies to Economic Services Administration (ESA) SSP clients.

At the federal level, Old-Age, Survivors, and Disability Insurance benefits are indexed for inflation and may receive cost-of-living adjustments (COLAs). Inflation increases for this program are published by the Social Security Administration in January.

In 2017 legislation was enacted to adjust the PNA for community residential and institutional settings annually by the percentage COLA for federal benefits as published by the Social Security Administration, subject to appropriation, in July of each year. The PNA must in no case exceed the maximum permissible amount under the Social Security Act.

Summary of Bill:

Beginning January 1, 2019, a baseline PNA of \$85 per month is established for clients in community residential and institutional settings. Beginning January 1, 2020, the PNA for these settings will be adjusted by the percentage COLA for federal benefits as published by the Social Security Administration.

Appropriation: None.

Fiscal Note: Requested on January 11, 2018.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.