

SENATE BILL REPORT

SB 5118

As Passed Senate, March 1, 2017

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, Bailey, Darneille, Billig, Keiser, Kuderer and Chase.

Brief History:

Committee Activity: Health Care: 1/26/17, 2/02/17 [DP-WM].

Ways & Means: 2/14/17, 2/23/17 [DP, w/oRec].

Floor Activity:

Passed Senate: 3/01/17, 49-0.

Brief Summary of Bill

- Requires the Personal Needs Allowance to be increased annually by the percentage cost of living adjustment for Old-Age, Survivors, and Disability Social Security benefits.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Rivers, Chair; Becker, Vice Chair; Cleveland, Ranking Minority Member; Kuderer, Assistant Ranking Minority Member; Bailey, Conway, Keiser, Miloscia, Mullet, O'Ban and Walsh.

Staff: Kathleen Buchli (786-7488)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital

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Budget; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Fain, Hasegawa, Keiser, Miloscia, Padden, Pedersen, Rivers, Warnick and Zeiger.

Minority Report: That it be referred without recommendation.

Signed by Senator Schoesler.

Staff: James Kettel (786-7459)

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 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 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: 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.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2017.

Staff Summary of Public Testimony (Health Care): PRO: This bill came from the request of a person who is acting as the caregiver for her disabled brother. We should not be balancing our budget on the backs of disabled people; we should be helping people and allowing them to have a higher PNA. People are required to contribute towards the cost of their care. The PNA is used to pay for personal items such as haircare, gifts for family members, and other items necessary for their personal dignity. This has been neglected too long; beneficiaries should get a small percentage of the Social Security increase. This has been frozen since 2008. The family cannot contribute to the disabled person in order to avoid increasing their income and disqualifying them from service. We would agree to removing the appropriation language.

Persons Testifying (Health Care): PRO: Senator Christine Rolfes, Prime Sponsor; Gerald Reilly; Cathy Maccaul, AARP.

Persons Signed In To Testify But Not Testifying (Health Care): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: We wish this bill had been passed ten years ago. The \$62.79 per month for the Personal Needs Allowance translates to only about \$2.17 per day. Many individuals with a developmental disability fall under this limit. These individuals ask where they can buy their autonomy and personal dignity for only \$2.17 per day. We need to figure out a better way of addressing the needs of people in the community. These individuals are trying to buy a home and community based experience on a paltry amount of money. There have only been two increases to the PNA since 1978. Individuals need to keep their respect and dignity. An increase to the PNA may help individuals increase the quality of their lives. These clients will have more control over their income, and will be able to prioritize small purchases like a gift for a family member or a subscription to a magazine. Think about these residents, who could be a family member of yours, and help them improve their lives. A 1 percent increase is not a lot of money. The cost-of-living adjustment from social security is really the resident's money. A cost-of-living adjustment is really intended to address a rise in prices for residents. It is a critical piece of human dignity for people to be able to afford a greeting card for their grandkids, shampoo, lunch with a friend, clothing, a haircut, or a movie. It is hard to understand why this bill would not be passed.

Persons Testifying (Ways & Means): PRO: Senator Christine Rolfes, Prime Sponsor; Loren Freeman, Freeman & Associates; Hilke Faber, Resident Councils of WA; Vicki Elting, WA ST Long Term Care Ombudsman Program; Joanna Grist, AARP.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.