

HOUSE BILL REPORT

HB 1128

As Reported by House Committee On:
Appropriations

Title: An act relating to raising the residential personal needs allowance.

Brief Description: Raising the residential personal needs allowance.

Sponsors: Representatives Bateman, Reed, Taylor, Doglio, Macri, Caldier, Simmons, Thai, Bergquist, Wylie, Kloba, Ormsby and Tharinger; by request of Department of Social and Health Services.

Brief History:

Committee Activity:

Appropriations: 1/18/23, 1/25/23 [DP].

Brief Summary of Bill

- Establishes that the baseline personal needs allowance is \$100 per month effective July 1, 2023.
- Removes "subject to appropriation" language.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 30 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Berg, Chandler, Chopp, Connors, Couture, Davis, Dye, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Steele, Stonier and Tharinger.

Staff: Bryan Way (786-7311).

Background:

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

Federal law requires Medicaid recipients to contribute to the cost of the long-term care services they receive. The contribution amount is determined by deducting certain amounts from a recipient's monthly income. One of these deductions is the personal needs allowance (PNA), an amount of money that an individual receiving both Medicaid benefits and long-term care services can retain for their personal expenses. The allowance is intended to allow individuals to maintain some level of independence and control over their own finances while still receiving Medicaid benefits to cover the cost of their care. After deducting the PNA and other allowable deductions, all remaining income goes toward the cost of care.

The amount a person is allowed to keep as a PNA depends on whether the person: (1) resides in a medical institution or residential setting; or (2) is living at home. The PNA in Washington is \$75.36 per month for persons in nursing facilities or institutions and for persons in residential care, such as in an adult family home or assisted living facility. The PNA for individuals living at home varies and is dependent on marital status. As an example, the PNA for a single person living at home is \$2,742 per month.

Old-Age, Survivors, and Disability Insurance benefits are increased for inflation as published by the Social Security Administration. As of January 1, 2020, and subject to legislative appropriations, the PNA for clients being served in medical institutions and in residential settings is also adjusted for inflation.

The PNA for a client receiving home and community waiver services while living at home is 300 percent of the federal benefit rate, not to exceed the maximum federally permissible amount.

Summary of Bill:

Beginning July 1, 2023, the baseline PNA for clients served in medical institutions or in residential settings is increased from \$75.36 per month to \$100 per month. Beginning January 1, 2024, the cost of living increases for the PNA are no longer subject to appropriation. The PNA for those clients must be adjusted for cost of living increases by the same measure as increases under the federal Social Security Act.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Individuals who live in residential and institutional settings and receive services for aging and developmental disabilities are often limited to keeping only a small amount of their income, typically around \$75 per month. This can make it difficult for them to afford necessities such as cell phones, clothes, and personal care products, and can limit their ability to participate in community and family events. Washington is a leader in use of home and community-based services. An increase in the amount of income that individuals can keep would be a small step forward to give them more choice and autonomy and allow them to better participate in the community and spend time with their loved ones.

(Opposed) None.

Persons Testifying: John Ficker, Adult Family Home Council of Washington State; Bea Rector, Department of Social and Health Services; and Cathy MacCaul, AARP Washington State.

Persons Signed In To Testify But Not Testifying: None.