

# SENATE BILL REPORT

## HB 1128

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As of March 21, 2023

**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:** Passed House: 2/1/23, 97-0.

**Committee Activity:** Human Services: 3/14/23 [DP-WM].

Ways & Means: 3/21/23.

### Brief Summary of Bill

- Increases the personal needs allowance for clients being served in medical institutions and residential settings.

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### SENATE COMMITTEE ON HUMAN SERVICES

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

Signed by Senators Wilson, C., Chair; Kauffman, Vice Chair; Boehnke, Ranking Member; Frame, Nguyen, Warnick and Wilson, J..

**Staff:** Delika Steele (786-7486)

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Maria Hovde (786-7474)

**Background:** Federal law requires Medicaid recipients to contribute to the cost of the

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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.

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

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

**Staff Summary of Public Testimony (Human Services):** No public hearing was held.

**Persons Testifying (Human Services):** N/A

**Persons Signed In To Testify But Not Testifying (Human Services):** N/A

**Staff Summary of Public Testimony (Ways & Means):** PRO: Washington is recognized as a leader in long-term care because of its utilization of home and community based settings. In federal law, home and community based settings are required to support full access to the broader community for its residents. The greatest barrier to community access is the limited amount of funds residents are allowed to keep under the personal needs allowance.

**Persons Testifying (Ways & Means):** PRO: John Ficker, Adult Family Home Council.

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