

SENATE BILL REPORT

SB 6237

As Reported by Senate Committee On:
Ways & Means, February 5, 2018

Title: An act relating to increasing the personal needs allowance for people in residential and institutional care settings.

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

Sponsors: Senators Keiser, Bailey, Rolfes, Walsh, Hasegawa, Chase, Darneille, Saldaña, Conway and Kuderer.

Brief History:

Committee Activity: Ways & Means: 1/25/18, 2/05/18 [DPS].

Brief Summary of First Substitute Bill

- Raises the personal needs allowance to \$70 per month, beginning January 1, 2019.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6237 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Braun, Ranking Member; Honeyford, Assistant Ranking Member; Bailey, Becker, Billig, Brown, Carlyle, Conway, Darneille, Fain, Hasegawa, Hunt, Keiser, Mullet, Palumbo, Pedersen, Ranker, Rivers, Schoesler, Van De Wege, Wagoner and Warnick.

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.

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.

The PNA in Washington is \$58.43 per month for persons in nursing facilities or institutions, and \$64.09 per month for persons in residential care, such as in an adult family home or assisted living facility.

The PNA is modified annually by the percentage cost-of-living adjustment for Old-Age, Survivors, and Disability Insurance benefits as published by the Social Security Administration.

Summary of Bill (First Substitute): Beginning January 1, 2019, the PNA for clients being served in institutions and residential care will increase to \$70 per month.

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 on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Senior citizens who are living in nursing homes, adult family homes, and assisted living have a different PNA. This is unfortunate. People in all of these settings need to have personal need dollars for purchases such as clothing, haircuts, vision care, shaving cream, and even cosmetics. This proposal would create the same PNA for seniors in all of these different settings, and would make up for a little lost ground in purchasing power for not having cost-of-living-adjustments for almost ten years. Young people with limited income are only able to keep a small amount of income. A bus pass is expensive. Feminine hygiene products are expensive. These young people are often left with only a few dollars each month for any other purchases. Estimates vary, but it is likely that more than 25,000 people rely on the PNA, which is really just a meager amount of money that they have for their personal needs. The PNA is also needed for social inclusion and access to the community, like the ability to go to a movie, play, concert, or art museum. Younger people may use the PNA to go on a date. The PNA improves the quality of life. It is also important to remember the PNA can be used for expenses that are not allowed under Medicaid. The PNA can be used for glasses or hearing aids.

OTHER: Increasing the PNA is a good thing. However, the financial implications for mental health and residential treatment providers is concerning. The fiscal note indicates that a loss of revenue would need to be offset with state dollars to continue providing services at current levels. There may be an offset for some facilities, such as skilled nursing, but not for mental health and residential treatment providers. The number of patients that has been outlined in the fiscal note needs to be verified. Any proposal that could be contrary to the goal of increasing bed capacity should receive additional scrutiny.

Persons Testifying: PRO: Senator Karen Keiser, Prime Sponsor; Loren Freeman, Freeman & Associates; Cathleen MacCaul, AARP.

OTHER: Michael Hatchett, Washington Council for Behavioral Health.

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