

# SENATE BILL REPORT

## SB 5745

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As of February 3, 2022

**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 Liias, Keiser, Conway, Nobles and Wilson, C..

**Brief History:**

**Committee Activity:** Human Services, Reentry & Rehabilitation: 1/20/22, 1/25/22 [DP-WM].

Ways & Means: 2/04/22.

**Brief Summary of Bill**

- Increases the personal needs allowance (PNA) for clients receiving at home and community-based waiver services authorized by home and community services while living at home to 300 percent of the federal benefit level, effective January 1, 2023.

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### SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

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

Signed by Senators Wilson, C., Chair; Nguyen, Vice Chair; Gildon, Ranking Member; Dozier, McCune, Saldaña and Trudeau.

**Staff:** Alison Mendiola (786-7488)

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### SENATE COMMITTEE ON WAYS & MEANS

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*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.*

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

**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 \$71.12 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 current PNA for a single person is \$1,074.

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.

**Summary of Bill:** Beginning January 1, 2023, the PNA for clients receiving at home and community-based waiver services authorized by home and community services while living at home is increased to 300 percent of the federal benefit rate and shall not exceed the maximum personal needs allowance permissible 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, Reentry & Rehabilitation):**

PRO: PNA supports people having a choice about where they can receive their care. Individuals are safer when they stay in their own home, but they still need to pay for rent, food and other necessities. Right now people are only allowed to keep 100 percent of the federal benefit rate, while other programs allow a PNA up to 300 percent of the federal benefit rate. Living on just \$1,074 a month causes great anxiety, stress and even leads many to use food banks. Some choose instead to live elsewhere, like skilled nursing facilities covered by Medicaid which is five times the cost of in-home care. Washington has the 13th highest cost of living yet 30 other state have a higher PNA. The national average PNA is \$2,024. Ten thousand people turn 65 every day in the U.S. Seniors and those with disabilities want to remain in their homes as long as possible, however, the current system discourages this. Increasing the PNA will help address this problem. This is

funded in the Governor's budget and helps to dismantle poverty.

**Persons Testifying (Human Services, Reentry & Rehabilitation):** PRO: Senator Marko Lias, Prime Sponsor; Bea Rector, DSHS, Aging and Long-Term Support Administration; Peter Nazzal, Catholic Community Services; Demas Nesterenko, SEIU775; Mike Gantala, Self advocate; Diana Stadden, The Arc of WA State; Ben Bledsoe, Consumer Direct Care Network; Kari Stevens, Aging & Long Term Care of Eastern Washington; Cathy Knight, Washington Association of Area Agencies on Aging; Cathy MacCaul, AARP Washington State.

**Persons Signed In To Testify But Not Testifying (Human Services, Reentry & Rehabilitation):** No one.