

SENATE BILL REPORT

SB 5745

As of January 20, 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.

Brief Summary of Bill

- Proscribes how the personal needs allowance (PNA) will be determined for clients receiving at home and community-based waiver services authorized by home and community services while living at home, effective January 1, 2023.
- Clarifies the PNA for persons living in medical institutions and in residential settings.

SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

Staff: Alison Mendiola (786-7488)

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 part of the legislation nor does it constitute a statement of legislative intent.

As of January 1, 2020, subject to the availability of funds appropriated for this specific purpose, the PNA is:

- adjusted for economic trends and conditions by increasing the allowance by the percentage cost-of-living adjustment for Old Age, Survivors, and Disability Social Security benefits as published by the federal Social Security Administration; and
- not to exceed the maximum PNA permissible under the federal Social Security Act.

Summary of Bill: Subject to the availability of funds appropriated for this specific purpose, the PNA for clients being served in medical institutions and in residential settings, is:

- adjusted for economic trends and conditions by increasing the allowance by the percentage cost-of-living adjustment for Old Age, Survivors, and Disability Social Security benefits as published by the federal Social Security Administration; and
- not to exceed the maximum PNA permissible under the federal Social Security Act.

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 shall:

- be adjusted to an amount that is no less than 300 percent of the federal benefit rate; and
- 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: 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: PRO: Senator Marko Liias, 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: No one.