

HOUSE BILL REPORT

SB 5118

As Passed House:
April 5, 2017

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 Rolfes, Bailey, Darneille, Billig, Keiser, Kuderer and Chase.

Brief History:

Committee Activity:

Appropriations: 3/13/17, 3/23/17 [DP].

Floor Activity:

Passed House: 4/5/17, 96-1.

Brief Summary of Bill

- Requires the Personal Needs Allowance to be increased annually by the percentage cost-of-living adjustment for the Old-Age, Survivors, and Disability Social Security benefits.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 30 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Bergquist, Buys, Caldier, Cody, Fitzgibbon, Haler, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Manweller, Nealey, Pettigrew, Pollet, Sawyer, Schmick, Senn, Springer, Stanford, Tharinger, Vick, Volz and Wilcox.

Minority Report: Do not pass. Signed by 2 members: Representatives Condotta and Taylor.

Staff: Mary Mulholland (786-7391).

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.

Background:

Federal law requires Medicaid recipients to contribute to the cost of 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 level in Washington varies depending on where the client lives, whether the client is single or married, and for some settings, the Department of Social and Health Services (DSHS) program from which they are receiving services (for example, the Aging and Long-Term Support Administration (AL TSA) or the Developmental Disabilities Administration (DDA)).

The table below summarizes the current PNA levels and how they are adjusted:

Setting	Current PNA Level/Month	Adjustments
Client's own home	<u>AL TSA</u> 100% Federal Poverty Level (FPL) if single (currently \$990), or; Medically Needy Income Level (currently \$735) if married <u>DDA</u> Special Income Level (currently \$2,205)	Adjusted annually on April 1 (FPL) or January 1 (Medically Needy Income Level and Special Income Level) if the federal levels have changed.
Community Residential	\$62.79	Adjusted by legislative policy decision.
Institutional and State Supplemental Payment Clients	\$57.28	Adjusted by legislative policy decision.

The PNA level for community residential settings (\$62.79) includes settings such as assisted living facilities and adult family homes. The PNA level for residential settings is used to determine the statewide standard for client contribution to room and board. The PNA level for institutions (\$57.28) includes settings such as nursing homes and Residential Habilitation Centers; this PNA level also applies to Economic Services Administration State Supplemental Payment clients.

At the federal level, Old-Age, Survivors, and Disability Insurance benefits are indexed for inflation. Inflation increases for this program are published by the Social Security Administration.

Summary of Bill:

Subject to appropriations, the PNA for Medicaid clients must be increased annually by the percentage cost-of-living adjustment for Old-Age, Survivors, and Disability Social Security

benefits as published by the Social Security Administration. The PNA must in no case exceed the maximum permissible amount under the Social Security Act.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2017.

Staff Summary of Public Testimony:

(In support) The companion bill, House Bill 1772, passed out of the House with 97 members in support and no amendments. The personal needs allowance issue is a top priority for stakeholders.

(Opposed) None.

Persons Testifying: Senator Rolfes, prime sponsor; and Joanna Grist, AARP.

Persons Signed In To Testify But Not Testifying: None.