

# SENATE BILL REPORT

## SB 5183

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As Reported by Senate Committee On:  
Human Services, January 26, 2023

**Title:** An act relating to raising the residential personal needs allowance.

**Brief Description:** Raising the residential personal needs allowance.

**Sponsors:** Senators Liias, Keiser, Conway, Dhingra, Hunt, Nguyen, Nobles, Shewmake, Stanford, Trudeau, Valdez and Wilson, C.; by request of Department of Social and Health Services.

**Brief History:**

**Committee Activity:** Human Services: 1/16/23, 1/26/23 [DP-WM].

**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)

**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.

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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.*

The PNA in Washington is \$75.36 per month for persons in nursing facilities, medical institutions, and 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. The PNA for clients being served in medical institutions and in residential settings has not kept up with inflation despite legislative intent.

Unless subject to a separate determination of a monthly maintenance needs allowance for a community spouse as specified in rule, 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.

**Summary of Bill:** The PNA for clients being served in medical institutions and residential settings is raised to \$100 beginning July 1, 2023. Beginning January 1, 2024, and every year after, the PNA for clients being served in medical institutions and residential settings will be increased 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 as is permissible under the federal Social Security Act.

**Appropriation:** None.

**Fiscal Note:** Requested on January 12, 2023.

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

**Effective Date:** The bill contains several effective dates. Please refer to the bill.

**Staff Summary of Public Testimony:** PRO: This is a part of the Governor's poverty reduction efforts and is one way DSHS is hoping to improve the quality of life for adults with disabilities and seniors who are living in residential and institutional settings. \$70 a month is not enough money for personal spending. Residents can't afford to take care of their basic needs and must use their little income to buy little gifts, snacks, and necessities as simple as socks. While some people have families who can help, this isn't true for everyone. Raising the personal needs allowance will be empowering to clients. It will allow them to live with a bit more dignity, hold on to more of their dollars, and take some of the burden off of their families and loved ones. As a national leader because of its dependence on and use of home and community-based settings, Washington should support full access of individuals receiving Medicaid into the greater community. Residents are very active and involved but only have little money to spend on things many people take for granted. As a

result of the low allowance, many providers have to reach into their own pockets to help. We're not asking to give people more money, we're asking to let people hold on to their hard earned money that they are already earning. Raising the allowance is an important step forward but hopefully it's not the end.

**Persons Testifying:** PRO: Senator Marko Liias, Prime Sponsor; John Ficker, Adult Family Home Council; Bea Rector, Dept. of Social and Health Services; Cathy MacCaul; Robert Wheeler, Jefferson County, WA Father's Group.

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