



SB 202 – DODD

Medi-Cal: Personal Allowance Increase

Summary

SB 202 would increase the Personal Needs Allowance for Medi-Cal eligible individuals living in an institutionalized setting from \$35 to \$80 per month and annually adjust the personal needs allowance by the same percentage as the consumer price index.

Background

The Personal Needs Allowance (PNA) is what a Medi-Cal eligible institutionalized individual is permitted to keep from his or her own monthly income. The remainder of the resident's income goes to the nursing facility for their share of cost and reduces the amount the state agency pays the nursing home. California's payment to the nursing home facility is matched by the federal government at the Federal Medical Assistance Percentages (FMAP) rate of 50%.

A nursing home resident's income must be used to meet their share of cost for medical care, or Medi-Cal will pay for no services during that month. Eligible residents are allowed to keep only \$35 for all personal needs they may have in a given month.

California's PNA was last set in 1985, and residents in nursing facilities have not received a cost-of-living increase since then, despite the rate of inflation.

The Medi-Cal resident receives basic room and board plus medical care from the skilled nursing home. The PNA is crucial to enhancing the quality of life of residents in nursing homes by covering the costs of haircuts, clothes, shoes, personal care items, reading materials, postage and meals outside the facility. The current PNA does not adequately fund the cost of these needs.

Existing Law

For purposes of determining the share of cost for those medically needy persons or medically

needy family persons, current law requires the department to establish income levels for maintenance need at the lowest levels that reasonably permit a medically needy individual to meet his or her basic needs for food, clothing, and shelter, and for which federal financial participation will still be provided under applicable federal law.

In calculating the income of a medically needy individual who is in a medical institution or nursing facility, or a person receiving institutional or non-institutional services from a Program of All-Inclusive Care for the Elderly organization, the required monthly maintenance amount includes, among other things, an amount providing for the personal and incidental needs in an amount not less than \$35 while a patient.

Existing law authorizes the department, by regulation, to increase this amount as necessitated by increasing costs of personal incidental needs.

This Bill

This bill would:

- Increase the Medi-Cal personal needs allowance from \$35 to \$80 per month and;
- Adjust it annually by the same percentage as the consumer price index

Support

California Senior Legislature (CSL)
 Leading Age California
 Justice in Aging
 CA State Long Term Care Ombudsman
 County Of Santa Cruz Senior Commission
 Easterseals Bay Area
 Big Bear Lake AARP Chapter 2598



Mountain Communities Senior Citizens
Center
Service Center for Independent Life
California PACE Association
Morongo Basin Regional Council on Aging
The National Consumer Voice for Quality
Long Term Care
California Advocates for Nursing Home
Reform (CANHR)
Disability Rights CA
AFSCME

Opposition

None on File

Contact

Marisol.Prietovalle@sen.ca.gov