

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H.B. 753
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30323-MRa-112

Short Title: Increase Personal Needs Allowance/Medicaid. (Public)

Sponsors: Representatives Ball, Brisson, and Farmer-Butterfield (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO INCREASE THE PERSONAL NEEDS ALLOWANCE FOR MEDICAID RECIPIENTS WHO RESIDE IN INSTITUTIONS IN ORDER TO PARTIALLY CORRECT FOR INFLATION AND ALLOW OUR STATE'S RESIDENTS OF NURSING HOMES AND OTHER INSTITUTIONS TO RETAIN MORE OF THEIR OWN FUNDS TO PURCHASE PERSONAL ITEMS.

Whereas, Medicaid recipients in nursing homes and other institutional settings provide all of any available funds they may have to defray the cost of their care, but are permitted to retain a small amount, known as the Personal Needs Allowance, to purchase personal items such as clothing, underwear, toothbrushes, and personal hygiene products; and

Whereas, the Personal Needs Allowance for residents of nursing homes and other institutional settings has been thirty dollars (\$30.00) since 1987, which translates to residents having less than half of the buying power today than residents 32 years ago; and

Whereas, North Carolina is one of only four states in the country to never have increased the Personal Needs Allowance from the 1987 original amount; Now, therefore, The General Assembly of North Carolina enacts:

SECTION 1. The Department of Health and Human Services (DHHS) is directed to increase the Personal Needs Allowance from thirty dollars (\$30.00) to seventy dollars (\$70.00) for individual Medicaid recipients who are institutionalized and from sixty dollars (\$60.00) to one hundred forty dollars (\$140.00) for married couples who are Medicaid recipients when both spouses are institutionalized. DHHS shall deduct the applicable increased monthly amounts for personal needs from the total monthly income taken into consideration when applying the individual's or couple's income to the cost of institutionalized care. DHHS shall submit to the Centers for Medicare and Medicaid Services any amendments to the NC Medicaid State Plan necessary to implement this section.

SECTION 2. There is appropriated from the General Fund to the Department of Health and Human Services, Division of Health Benefits, the sum of four million seven hundred thirty thousand dollars (\$4,730,000) in recurring funds for the 2019-2020 fiscal year and the sum of four million seven hundred thirty thousand dollars (\$4,730,000) in recurring funds for the 2020-2021 fiscal year to implement the increase in the Personal Needs Allowance required by Section 1 of this act. These funds shall provide a State match for an estimated nine million six hundred sixteen thousand three hundred seventy-five dollars (\$9,616,375) in recurring federal funds for the 2019-2020 fiscal year and nine million six hundred sixteen thousand three hundred seventy-five dollars (\$9,616,375) in recurring federal funds for the 2020-2021 fiscal year, and



- 1 those federal funds are appropriated to the Division of Health Benefits to pay for costs associated
2 with the rate increases under Section 1 of this act.
3 **SECTION 3.** This act becomes effective July 1, 2019.