



House of Representatives

General Assembly

File No. 149

February Session, 2014

Substitute House Bill No. 5226

House of Representatives, March 27, 2014

The Committee on Aging reported through REP. SERRA of the 33rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT INCREASING THE PERSONAL NEEDS ALLOWANCE FOR CERTAIN LONG-TERM CARE FACILITY RESIDENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 17b-106 of the 2014 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective July 1, 2014*):

4 (b) Effective July 1, [2011] 2014, the commissioner shall provide a
5 state supplement payment for recipients of Medicaid and the federal
6 Supplemental Security Income Program who reside in long-term care
7 facilities sufficient to increase their personal needs allowance to [sixty]
8 seventy-two dollars per month. On and after July 1, 2015, the
9 commissioner shall increase such allowance annually in accordance
10 with Social Security cost-of-living adjustments, if any such adjustments
11 are made. Such state supplement payment shall be made to the long-
12 term care facility to be deposited into the personal fund account of
13 each such recipient. For the purposes of this subsection, "long-term
14 care facility" means a licensed chronic and convalescent nursing home,

15 a chronic disease hospital, a rest home with nursing supervision, an
16 intermediate care facility for individuals with intellectual disabilities or
17 a state humane institution.

18 Sec. 2. Section 17b-272 of the general statutes is repealed and the
19 following is substituted in lieu thereof (*Effective July 1, 2014*):

20 Effective July 1, [2011] 2014, the Commissioner of Social Services
21 shall permit patients residing in nursing homes, chronic disease
22 hospitals and state humane institutions who are medical assistance
23 recipients under sections 17b-260 to 17b-262, inclusive, 17b-264 to 17b-
24 285, inclusive, and 17b-357 to 17b-361, inclusive, to have a monthly
25 personal fund allowance of [sixty] seventy-two dollars. On and after
26 July 1, 2015, the commissioner shall increase such allowance annually
27 in accordance with Social Security cost-of-living adjustments, if any
28 such adjustments are made.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	17b-106(b)
Sec. 2	<i>July 1, 2014</i>	17b-272

Statement of Legislative Commissioners:

In section 1(b) and section 2, the word "approved" was changed to "made" for accuracy and clarity.

AGE *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Department of Social Services	GF - Cost	2,448,000	2,780,500

Municipal Impact: None

Explanation

The bill will result in a cost to the Department of Social Services (DSS) of \$2,448,000 due to increasing the personal needs allowance (PNA) for long term care residents from \$60 to \$72 per month, effective July 1, 2014. Increasing the PNA results in increased Medicaid costs as it reduces the private funds available to offset the cost of a resident's care. There are approximately 17,000 Medicaid long term care facility residents.

The bill will result in an additional cost of \$332,500 in FY 16 from annually providing a cost-of-living adjustment (COLA) for the PNA equivalent to any increase in the Social Security, effective July 1, 2015. This estimate is based on the three year average Social Security COLA of 2.27%.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to annual adjustments related to the Social Security COLA.

Sources: Department of Social Services Caseload Information

OLR Bill Analysis**HB 5226*****AN ACT INCREASING THE PERSONAL NEEDS ALLOWANCE FOR CERTAIN LONG-TERM CARE FACILITY RESIDENTS.*****SUMMARY:**

This bill requires the social services commissioner to increase the personal needs allowance (PNA) provided to residents of long-term care facilities who receive Medicaid or certain other federal or state assistance from \$60 to \$72 per month. It also requires the commissioner, beginning July 1, 2015, to increase the PNA annually in accordance with any Social Security cost-of-living adjustments. (Presumably, this means the PNA increases annually by a percentage equal to the Social Security increase, if any, for the same year.)

Covered facilities include nursing homes, chronic disease hospitals, and state humane institutions. Residents of these facilities who receive Medicaid must apply their monthly income (e.g., Social Security) towards their care costs, but may keep a portion (the PNA) to pay for incidentals like haircuts and newspapers. Medicaid pays the difference between the applied income and the daily rate for care set by the Department of Social Services.

EFFECTIVE DATE: July 1, 2014

COMMITTEE ACTION

Aging Committee

Joint Favorable

Yea 12 Nay 0 (03/11/2014)