

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Office of the Senior Deputy Director and Medicaid Director

Transmittal # 23-13

TO: District of Columbia Medicaid Providers

FROM: Melisa Byrd
Senior Deputy Director and Medicaid Director

DATE: January 31, 2023

SUBJECT: Personal Needs Allowance Increase

Purpose

The purpose of this transmittal is to inform facilities and providers about a change in the District of Columbia's (the District's) Personal Needs Allowance (PNA) amount. Effective February 1, 2023, the monthly PNA for institutionalized long-term care residents will increase to \$100. Starting January 2024, the PNA will be adjusted annually by the federal Cost-Of-Living Adjustment (COLA).

What is a Personal Needs Allowance (PNA)?

As defined at 42 CFR § 435.832(c)(1), PNA is a standard amount retained each month by an individual residing in a nursing facility, intermediate care facility for individuals with intellectual disabilities (ICF/IID), community residence, or assisted living facility. The PNA funds may be used to pay for personal needs of the individual not covered by Medicaid or Medicare (if they also receive Medicare), such as clothing, cosmetics, hobbies, etc. The PNA is for the individual to maintain, and the facility cannot access an individual's PNA. The PNA is a post-eligibility income deduction, reducing the amount of money the individual must contribute to their cost of care.

How and when will beneficiaries and facilities receive notice of the PNA increase?

In February 2023, beneficiaries and their authorized representatives will receive a new notice entitled 'Change in Your Monthly Personal Needs Allowance', which will provide information on the increase in the PNA. Individuals who receive Supplemental Security Income (SSI) will also receive a second notice, 'Delay in the Change of the Monthly Personal Needs Allowance for Supplemental Security Income (SSI) Beneficiaries' that explains the delay in their PNA increase, explained in the next section.

Which individuals are affected by the PNA increase starting in February 2023?

The PNA for an individual in a nursing facility not receiving a pension from the Department of Veterans Affairs (VA) is increasing from \$70 to \$100. The PNA for an individual in a nursing facility who is receiving a pension from the VA is increasing from \$90 to \$100. The PNA for a couple institutionalized in a facility is increasing from \$140 to \$200.

Individuals in nursing facilities who receive SSI and individuals in an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) who receive SSI will also see an increase from \$70 to \$100. However, due to the pending agreement with the Social Security Agency (SSA), these individuals will not receive the \$30 increase on February 1, 2023. They will begin to receive the \$100 PNA in approximately four months, which will include a retroactive amount for the delayed months.

What actions are required from facilities and beneficiaries?

Facilities are not required to take direct action related to the PNA update but should ensure that they are receiving the correct payments from the Medicaid agency and beneficiary if the beneficiary contributes to the cost of care. The net payment to a facility will remain the same for each Medicaid beneficiary, but the additional \$30 will come directly from the Medicaid agency instead of the beneficiary.

Beneficiaries will not be required to take any action to continue to receive the increased PNA.

Will there be any future changes to the PNA?

Starting in 2024, the District's PNA will be updated on an annual basis and tied to the federal COLA determined by the Social Security Administration. DHCF will publish a transmittal each year with the new PNA for institutionalized individuals and couples.

Questions regarding this transmittal should be directed to Caitlin Brandt, Management Analyst, Division of Eligibility Policy, Health Care Policy and Research Administration at (202) 478-9175 or via email at Caitlin.Brandt@dc.gov or Danielle Lewis-Wright, Associate Director, Division of Eligibility Policy, Health Care Policy and Research Administration at (202) 442-9052 or via email at Danielle.Lewis-Wright@dc.gov.

cc: Medical Society of the District of Columbia
DC Hospital Association
DC Primary Care Association
DC Health Care Association
DC Home Care Association
DC Behavioral Health Association
DC Coalition of Disability Service Providers