

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Office of the Senior Deputy Director and Medicaid Director

Transmittal # 26-02

TO: District of Columbia Medicaid Providers

FROM: Melisa Byrd *M.B.*
Senior Deputy Director and Medicaid Director

DATE: January 6, 2026

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 January 1, 2026, the monthly PNA for institutionalized long-term care residents will increase to \$109.

Details

What is a Personal Needs Allowance (PNA)?

As defined in 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 January 2026, 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 of the PNA.

This transmittal serves as notice to facilities of the \$3 increase in payment by District Medicaid to non-SSI beneficiaries. Facilities are responsible for ensuring affected residents in their facilities receive the correct PNA of \$109 for individuals and \$218 for couples. Facilities will also receive a notice in January 2026 with an updated patient payability amount for each of their affected residents that currently contribute to the cost of their care.

Which individuals are affected by the PNA increase starting in January 2026?

The PNA for an individual in a nursing facility not receiving a pension from the Department of Veterans Affairs (VA) and individuals in a nursing facility receiving a pension from the VA is increasing from \$106 to \$109. The PNA for a couple institutionalized in a facility is increasing from \$212 to \$218.

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 \$106 to \$109.

The PNA for individuals in the Optional State Supplemental Payment Program (OSSP) in Assisted Living Facilities and Certified Residential Facilities has increased to \$141 for individuals and \$282 for couples. The annual OSSP transmittal with further information will also be released shortly.

What actions are required from facilities and beneficiaries?

It is the responsibility of facilities to ensure affected residents receive the current PNA amount and payments from the Medicaid agency and beneficiary. The net payment to a facility will remain the same for each Medicaid beneficiary, but the additional increase will come directly from the Medicaid agency instead of the beneficiary. The District's claims system, MMIS, will update with the correct patient liability.

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

Will there be any future changes to the PNA?

The District's PNA is updated on an annual basis and is tied to the federal Cost-of-Living Adjustment determined by the Social Security Administration. DHCF will publish a transmittal each year with the new PNA for institutionalized individuals and couples.

Contact

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.

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