



Maine Health Care Association

**Testimony of Angela Cole Westhoff, President and CEO
Maine Health Care Association**

To the Joint Standing Committee on Health & Human Services

March 22, 2023, at 1:00 PM

**In support of LD 587, Resolve, to Automatically Increase a Residential Care or Nursing Facility
Resident's Personal Needs Allowance Under the MaineCare Program When the Consumer
Price Index Increases**

Good afternoon Senator Baldacci, Representative Meyer, and distinguished members of the Committee on Health and Human Services. My name is Angela Westhoff, and I serve as the President & CEO of the Maine Health Care Association. We represent approximately 200 nursing homes, assisted living, and residential care facilities (also known as Private Non-Medical Institutions or PNMI) across the state. Our mission is to empower members to ensure the integrity, quality, and sustainability of long term care in Maine.

I am here today to provide testimony in support of LD 587. This resolve requires the Department to amend its MaineCare rules to apply an annual cost-of-living increase to the personal needs allowance for MaineCare members residing in nursing facilities and residential care facilities. The cost-of-living increase applies the metrics used by the Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W, for the Northeast Region.

Under the MaineCare Eligibility Manual rules, the State says that a resident of a nursing facility or a residential care facility who receives MaineCare may retain a monthly personal needs allowance (PNA) from their personal income. Any income above the PNA is applied toward the cost of care, which is the amount the State expects the resident to contribute to their care in the facility.

Nursing home and residential care residents depend on their PNA to obtain many personal care items and services that we tend to take for granted. Some examples include hair care, phone service, glasses, over-the-counter medications, snacks, outings, newspaper subscriptions, clothing and gifts for family and friends. Currently, the PNA for a resident in a nursing facility is \$40 per month and for a resident in a PNMI it is \$70 per month. These amounts were last increased in 1985 – 38 years ago. Based on inflation, \$40 back then is worth \$114 today. And in 2023 alone, social security beneficiaries received a historic 8.7% cost of living increase, which equates to an average increase of \$140 per month per beneficiary. Logically, one might assume that social security recipients residing in long term care facilities now have correspondingly additional money in their pockets to meet their personal needs, but that is not the case. Instead, these increased funds go to the state, reducing the state's share of the cost of care.

Moreover, federal and state regulations require personal needs accounts always maintain a positive balance. Long term care facilities are diligent in their oversight, contacting families and responsible parties before funds are depleted. Our members indicate that if families and responsible parties cannot provide the resources, they meet the need through donations, staff members, or other facility funds. Is it fair that we continue to rely on the generosity of others to meet the needs of older adults residing in long term care facilities?

The meager amount we allow residents to keep for their personal needs has been stagnant for decades despite numerous past legislative attempts to increase the personal needs allowance. Historically, the number one reason these previous attempts to increase the PNA failed is because there were insufficient state funds to support it at the end of the session. I thank Senator Brakey for introducing this bill, and we hope the 131st Legislature can fund this long-overdue change.

We urge you to support LD 587. Thank you for the opportunity to provide comments today.