

OFFICE OF POLICY AND LEGAL ANALYSIS

Date: April 22, 2021 (2nd memo)
To: Joint Standing Committee on Health & Human Services
From: Anna Broome, Legislative Analyst

LD 74 Resolve, To Ensure Appropriate Personal Needs Allowances for Persons Residing in Long-term Care Facilities (McCrea)

SUMMARY: This resolve directs DHHS to amend its MaineCare rules to provide for increases in the personal needs allowances of residents in nursing facilities from \$40 to \$70 per month and residential care facilities from \$70 to \$100 per month. (The personal needs allowance is in chapter 332 of the MaineCare Eligibility Manual.)

Questions from last work session from DHHS:

Fiscal impact:

1. NFs – from \$40 to \$50? **Annual impact of \$522,610, GF \$189,760, FF \$332,850**
2. Residential care PNMI from \$50 to \$70? **Annual impact of \$1,046,940, GF \$420,152, FF \$626,788 for all Residential Care Facilities. Just PNMI facilities, annual impact of \$207,560, GF \$83,296, FF \$124,263.**
3. ID residential going from \$40 to \$50? **Included in Residential Care facility impact above.**
4. Some estimate of the impact of a COLA. **COLA increases, 1.92% average annual increase over the last 4 years. Costs would increase, State and Federal, by that amount if PNA increases by that amount. There may be additional system costs to implement an annual increase due to COLA.**

ID question:

What is the correct terminology for ID PNAs? **ICF-IID can be considered either an NFs or residential care PNMI. Most of them are categorized as NF which is why Rep Craven knows they have a \$40 PNA. We would not want to add specific language to for ICF-IID as they will be included appropriately in the increase listed above. If**

we create a separate language for this type of facility it will require additional costs to systems and rules as we will need to create a whole new PNA, facility classification, and rules to ensure they handled differently from all other PNAs.

Reminder about the drafting issues:

- PNA in the rules for residential care are determined for the individual and for a couple. Residential care is \$70/\$120; SSI is \$50/\$100. The bill states “persons residing in ...” and “residents” – is it clear this means an individual?
 - DHHS: The rules in residential care are drafted to include a PNA of \$50 plus a federal disregard of \$20 (the federal disregard is applied once per household). The federal disregard is not applied to income based on need (i.e. SSI). The way that the bill is written could increase the PNA for some residents by \$50 per month rather than \$30.
 - If the bill was drafted to say \$50 to \$80 that would still result in \$100 total disregard as intended and covers both individuals and couples. (The federal disregard would not change.)
- NFs – people on VA pensions or certain people in VA NFs have a \$130 PNA due to Section 1902(r)(1) of the Social Security Act which excludes \$90 of the VA pension as income + \$40 PNA. (Just an FYI.)