

SUBJECT: Increasing the personal needs allowance for certain Medicaid recipients

COMMITTEE: Human Services — favorable, without amendment

VOTE: 8 ayes — Frank, Hinojosa, Hull, Klick, Meza, Neave, Noble, Rose
1 nay — Shaheen

WITNESSES: For — Alexa Schoeman, Long Term Care Ombudsman; (*Registered, but did not testify*: Amanda Fredriksen, AARP; Anne Dunkelberg, Every Texan (formerly CPPP); Myra Leo, Methodist Healthcare Ministries; Laurie Vanhooose, Texas Association of Health Plans; Troy Alexander, Texas Medical Association; Dan Finch, Texas Medical Association; Ashley Ford, The Arc of Texas; Jennifer Allmon, The Texas Catholic Conference of Bishops)

Against — None

On — (*Registered, but did not testify*: Janice Quertermous, Texas Health and Human Services Commission)

BACKGROUND: Human Resources Code sec. 32.024(w) requires the executive commissioner of the Health and Human Services Commission to set a personal needs allowance of at least \$60 per month for Medicaid recipients who are residents of long-term care facilities.

DIGEST: HB 270 would increase the personal needs allowance for Medicaid recipients in long-term care facilities from \$60 to \$75.

If a state agency determined that a waiver or authorization from a federal agency was necessary for implementation of any provision of the bill, the agency would be required to request the waiver and would be permitted to delay implementation of that provision until the waiver or authorization was granted.

The bill would take effect September 1, 2021, and would apply only to

personal needs allowances paid on or after the effective date.

**SUPPORTERS
SAY:**

HB 270 would increase the personal needs allowance to \$75, allowing residents of long-term care facilities to retain more of their money from Social Security to purchase personal items such as haircuts, toiletries, cellphone minutes and data, and other items, the costs of which are often overlooked when budgeting for the needs of these residents.

Residents of long-term care facilities who receive Medicaid are allowed to keep a certain amount of their Social Security income for their own personal needs, an amount that is known as a personal needs allowance. The amount is set by the executive commissioner of the Health and Human Services Commission, subject to a statutory minimum, and has not been raised since 2006. The current minimum monthly personal needs allowance of \$60 does not adequately account for the increase in the cost of living and goods since the allowance was last increased more than a decade ago.

The bill's \$15 increase in the personal needs allowance would account for the increase in cost of living and goods over the years and would enable residents to maintain meaningful control over their budgets. When an individual enters a long-term care facility, they often lose much of the autonomy associated with their previous life, and increasing the personal needs allowance would allow these residents to maintain some of that autonomy through increased flexibility related to personal finances.

To ensure effective implementation of the increase in the personal needs allowance and should any unforeseen costs arise, \$18 million could be made available to the Health and Human Services Commission for fiscal 2022-23 through a rider in Art. 11 of CSSB 1 by Nelson (Bonnen), the general appropriations act, contingent on the passage of this bill.

**CRITICS
SAY:**

Increasing the personal needs allowance for certain residents of long-term care facilities would cost Texas close to \$10 million in general revenue related funds through the next biennium.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of about \$10 million to general revenue related funds through fiscal 2022-23. A contingency rider for \$18 million was included for consideration in Art. 11 of CSSB 1 by Nelson (Bonnen), the general appropriations act for fiscal 2022-23.