

JAN 13 2006  
HUMAN RESOURCES

HOUSE FILE 2057

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and PAULSEN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the personal needs allowance amount for  
2 residents of nursing facilities under the medical assistance  
3 program.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2057

1 Section 1. NEW SECTION. 249A.30A MEDICAL ASSISTANCE --  
2 PERSONAL NEEDS ALLOWANCE.

3 The personal needs allowance under the medical assistance  
4 program, which may be retained by a resident of a nursing  
5 facility as defined in section 135C.1, shall be fifty dollars  
6 per month.

7 EXPLANATION

8 This bill allows residents of nursing facilities  
9 participating in the medical assistance program to retain a  
10 personal needs allowance of \$50 per month. The current  
11 personal needs allowance is \$30 per month per administrative  
12 rule.

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**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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HF 2057 - Personal Needs Allowance (LSB 5245YH)  
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Fiscal Note Version – New

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**Description**

House File 2057 increases the personal needs allowance for Medical Assistance (Medicaid) Program recipients residing in nursing facilities from \$30 to \$50 per month.

**Background**

Currently, federal regulations require that Medicaid recipients who reside in nursing facilities are permitted to retain from their income a personal needs allowance of \$30 per month. This amount is specified by an administrative rule. States have the option of increasing this amount. The Bill increases the personal needs allowance for Medicaid recipients in a nursing facility to \$50 per month.

**Assumptions**

1. There are an estimated 681 nursing facility residents with no other source of income, requiring the additional \$20 per month to be 100.0% State funds. The increased cost to fund this population is \$163,440 in State funds.
2. There are an estimated 13,000 residents in facilities who would keep an additional \$20 per month under this Bill.
3. The State match rate would be an average of 37.61%.
4. The estimated cost to increase the allowance by \$20 for the State/federal population is \$1.18 million in State funds.

**Fiscal Impact**

The total cost of HF 2057 is an estimated \$3.28 million for FY 2007. The State share of the total cost is \$1.34 million for FY 2007.

**Source**

Department of Human Services

/s/ Holly M. Lyons

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February 13, 2006

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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