

2/12/01 Referred to approp.

FEB 6 2001  
Place On Calendar

HOUSE FILE 181  
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO HF 22)

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

**A BILL FOR**

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

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

HF 181

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1 Section 1. MEDICAL ASSISTANCE -- PERSONAL NEEDS ALLOWANCE.  
2 The department of human services shall adopt rules which  
3 provide that the personal needs allowance under the medical  
4 assistance program, which is retained by a resident of a  
5 health care facility, is forty dollars per month beginning  
6 July 1, 2001, and is fifty dollars per month beginning July 1,  
7 2002, unless a greater amount is allowed under state or  
8 federal law.

9 EXPLANATION

10 This bill directs the department of human services to adopt  
11 rules to allow residents of health care facilities  
12 participating in the medical assistance program to retain a  
13 personal needs allowance of \$40 per month beginning July 1,  
14 2001, and \$50 per month beginning July 1, 2002, unless a  
15 greater amount is allowed to be retained under state or  
16 federal law. The current personal needs allowance is \$30 per  
17 month.

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**HOUSE FILE 181  
FISCAL NOTE**

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A fiscal note for **House File 181** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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House File 181 increases the personal needs allowance retained by a resident of a health care facility. For FY 2001, this is \$30 per month per resident. House File 181 increases the amount to \$40. This permits a resident of a nursing home who is receiving financial benefits from the Medical Assistance Program (also known as Medicaid or Title XIX) to keep \$40 per month from any outside income that is used toward the cost of care, such as a pension or Social Security benefits, or to receive \$40 from the State if a person has no outside income. This reduces the revenue used by the State by \$10 per month for every nursing home facility resident receiving financial assistance which is used to offset the cost of the nursing home care, if the resident receives an outside income of at least \$40 per month. This also increases by \$10 per month the cost to the State for the residents of nursing facilities who have no outside income. The Bill includes those individuals in intermediate care facilities, skilled nursing facilities, and in nursing facilities for the mentally ill, as well as the State Resource Centers at Woodward and Glenwood and a limited number of individuals residing at the State Mental Health Institutes.

**ASSUMPTIONS**

1. There are 15,091 persons residing in the nursing facilities governed by the Bill and eligible for financial assistance.
2. Of the 15,091 persons, 540 have no outside income, and 14,551 have an outside income.
3. Changes in the personal needs allowance for those with no outside income are 100.0% State funded, while changes in the personal needs allowance for those with outside income are 37.19% State funded.
4. The State would be responsible for 100.0% of the costs for clients which receive Supplemental Security Income (SSI) and reside at the State Resource Centers, for 204 clients. The State would be responsible for 37.33% of the cost for those clients not receiving SSI, or 463 clients.
5. The State would be responsible for 37.33% of the cost of the \$10 per month increase for a limited number of clients residing at the Mental Health Institutes. This number is estimated at 37 clients.

**FISCAL IMPACT**

The fiscal impact of House File 181 will result in a total cost of \$1.9 million annually. The State portion of the cost is approximately \$761,000. The estimate does not include computer software modifications for the Department of Human Services which are expected to be minimal.

SOURCE

Department of Human Services

(LSB 1587hv, SJL)

FILED FEBRUARY 8, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR