

JAN 10 2001

HUMAN RESOURCES

HOUSE FILE 22
BY GRUNDBERG

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:

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HF 22

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 fifty dollars per month, unless a
6 greater amount is allowed under state or federal law.

7 EXPLANATION

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

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**HOUSE FILE 22
FISCAL NOTE**

A fiscal note for House File 22 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.

House File 22 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 22 increases the amount to \$50. 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 \$50 per month from any outside income that is used toward the cost of care, such as a pension or Social Security benefit, or to receive \$50 from the State if the person has no outside income. This reduces the revenue used by the State by \$20 per month for every nursing 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 \$50 per month. This also increases by \$20 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.

ASSUMPTIONS

1. There are 15,091 persons residing in the nursing facilities governed by the Bill.
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.

FISCAL IMPACT

The fiscal impact of House File 22 will result in a total cost of \$3.6 million annually. The State portion of the cost is approximately \$1.4 million.

SOURCE

Department of Human Services

(LSB 1587yh, SLL)

FILED JANUARY 30, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR