



SUPPORT

Personal Needs Allowance

Bill A2163-2013

Sponsors Crouch, Finch and Giglio

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MFY Legal Services, Inc. envisions a society in which no one is denied justice because he or she cannot afford an attorney. To make this vision a reality, for 50 years MFY has provided free legal assistance to residents of New York City on a wide range of civil legal issues, prioritizing services to vulnerable and under-served populations, while simultaneously working to end the root causes of inequities through impact litigation, law reform and policy advocacy. MFY's Disability and Aging Rights Project focuses on protecting the rights of people who live in institutions, including nursing homes.

MFY supports this legislation, which would increase the "personal needs allowance" (PNA) for nursing home residents. A personal needs allowance is a small portion of a person's monthly income that she keeps to pay for her personal expenses not covered by Medicaid. Other states have passed legislation to provide a higher PNA to nursing home residents, and New York should do the same.

This legislation:

- Raises the PNA to \$45 (from \$20) for a person receiving or eligible for Supplemental Security Income;
- Raises the PNA to \$75 (from \$50) for a person who is not receiving or is not eligible to Supplemental Security Income; and
- Provides the PNA will have a 3% cost of living adjustment per year.

If implemented, this legislation will help nursing home residents meet their basic expenses not covered by Medicaid. A nursing home resident can use her PNA to buy essential items such as shoes, slippers, clothes, a haircut, books, a radio, gifts, stationary, stamps and cell phone service. However, the PNA amount has not changed in New York since the early 1980s and does not take into account inflation. According to the Bureau of Labor Statistics, the purchasing power of fifty dollars today is less than half of what it was in the early 1980s.

While PNA levels have remained stagnant for decades, Medicaid reimbursements for nursing homes have increased. This past year New York State provided nursing homes with a minimum \$73 per month increase for Medicaid reimbursement, per person.¹ The proposed PNA increase is modest compared to the nursing home reimbursement rates and will enable a resident to buy essential items.

MFY supports this legislation because it will enhance a nursing home residents' ability to meet their basic needs.

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¹ Nursing homes in the Northern Metropolitan region, including Dutchess, Orange and Putnam counties received a \$398 per month per resident increase.