



## Massachusetts Personal Needs Allowance

### FACT SHEET

- What is the Personal Needs Allowance? The Personal Needs Allowance (PNA) is the monthly sum of money that residents who receive Medicaid may retain from their personal income. Any income above the allowance is applied toward the cost of their care. The amount and what expenses are expected to be addressed differ for residents in nursing homes vs residents of assisted living facilities.<sup>1</sup>
- These funds are typically used for their cost of room and board and medical expenses, however, Medicaid rules designate that there are exclusions, such as personal articles which are covered by the Personal Needs Allowance (PNA).
- This allowance is intended for residents to spend at their discretion on items such as cell phones, clothing, shoes, haircuts, cosmetics, internet expenses beyond what a facility provides, a meal out with friends, cards or gifts to send to family members, reading materials, or hobbies.
- Massachusetts last set the rate of what's known as the Personal Needs Allowance (PNA) in the FY' 2008 budget at \$72.80 per month! That means for the past eighteen years, despite inflation averaging 3 percent a year, the rate has been flat. We all know that the cost of everything is more than the price in 2008. That means nursing home residents have tough choices to make in what they can afford to maintain their dignity and quality of life.
- If the personal needs allowance had kept pace with inflation when it was last increased, it would be at least \$113.42 today.<sup>2</sup> That may not seem like a lot of money, and it isn't; but it would be an improvement in the lives of some of our most vulnerable. A little more money to spend would not only help those living in a nursing home, but the added purchasing power could benefit local businesses as well.
- 18 states have a higher monthly PNA for nursing home residents, BUT have a lower cost of living than Massachusetts.<sup>3</sup> In 2010, Massachusetts ranked 7<sup>th</sup> with only 6 states having a higher PNA.
- Since 2007, the cost of living in Massachusetts has increased by 21%<sup>4</sup>

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<sup>1</sup> [Personal Needs Allowance — FOR Long-Term Care](#)

<sup>2</sup> [Inflation Calculator](#)

<sup>3</sup> The source of Monthly Allotted PNA amounts is the American Council on Aging. See <https://www.medicaidplanningassistance.org/personal-needs-allowance/>

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- Social Security Cost-Of-Living Adjustments Since 2007

Year	COLA	Year	COLA
2008	5.8	2015	0.0
2009	0.0	2016	0.3
2010	0.0	2017	2.0
2011	3.6	2018	2.8
2012	1.7	2019	1.6
2013	1.5	2020	1.3
2014	1.7	2021	5.9
		2022	8.7
		2023	3.2
		2024	2.5

Each year Social Security Benefits have been recalculated to reflect the increases in the Consumer Price Index. By law the Social Security Administration uses the national average wage indexing series to index that person's earnings. Such indexation ensures that a worker's future benefits reflect the general rise in the standard of living that occurred during his or her working lifetime.<sup>5</sup> Since the Personal Needs Allowance (PNA) is a fixed dollar amount (currently \$72.80 in Massachusetts), nursing home residents do not see any increase in the amount they can retain for personal use, despite an overall increase in benefits with the balance retained by the nursing home to cover expenses for care and profits.

- Costs of goods have increased dramatically -but nursing home residents are unable to afford the small items that bring quality and dignity to their lives:
  - Average cell phone for 55+ = \$20 month (Consumer Cellular)<sup>6</sup>
  - 6 pack of Coca Cola average price is \$4.69<sup>7</sup>
  - Chips average price \$4 .98 per 14 oz. bag <sup>8</sup>(Walmart)
  - Average women's haircut in MA - \$66.00<sup>9</sup>
  - Average cost of women's walking shoes - \$143 -154.99<sup>10</sup>
  - Cosmetics. Such as anti-aging hydrating moisturizer - \$59.00<sup>11</sup>
- Often-times administrators and nursing facility staff will go above and beyond and take money from their own pockets to help residents purchase some of these items.

<sup>5</sup> [National Average Wage Index](#)

<sup>6</sup> [Cell Phone Plans | Consumer Cellular](#)

<sup>7</sup> [Coca-cola Soda - 6pk/16.9 Fl Oz Bottles : Target](#)

<sup>8</sup> [Cape Cod Chips – Walmart.com](#)

<sup>9</sup> [How Much Is a Haircut? Pricing Guide with Tips - StyleSeat](#)

<sup>10</sup> [Amazon.com | New Balance Women's 928 V3 Lace-Up Walking Shoe | Walking](#)

<sup>11</sup> [Confidence in a Cream Anti-Aging Hydrating Moisturizer - IT Cosmetics](#)