

# The drive to raise the personal needs allowance — the right thing to do



**KATHY GALLIN** - JANUARY 27, 2025

Many who have known me through the years in our long-term care space and beyond would probably agree that there are few who are more passionate about the Personal Needs Allowance (PNA) provided to our facility residents than I am.

Signature HealthCARE has historically engaged with our residents (and stakeholders) with facility visits by team members like myself, who don't actually work in a facility every day but travel to our buildings, listening to how we can support their needs and improve their quality of life.

During one of these visits back in 2012, I was visiting with residents in one of our Kentucky facilities, and one came to me following our town hall meeting, asking me if there was anything I could do to get her a little more money so she could buy some of the things she loved, such as a special shampoo that made her happy.

Being naïve to what she was talking about, I inquired about this and was told that our residents who are on Medicaid receive a stipend, called a Personal Needs Allowance, to purchase items above and beyond what we provided to them. These purchases can include shoes, clothing, special soaps and shampoos, cosmetics, birthday cards, and even internet expenses. And, while I admit that I didn't dive into researching this at that time, it remained in my "bank" of things we needed to look at to help our residents.

And so began my research, learning that most Medicaid recipients who reside in nursing homes do have some personal income, some in the form of a retirement fund, a pension or even Social Security. These funds are typically used for the cost of room and board and medical expenses.

Medicaid rules designate that there are exclusions, such as personal articles, that are covered by the PNA. These amounts varied from state to state, and many had not been looked at since Medicaid was passed into law in 1965, when the cost of living was undeniably a lot less than it is now.

First-class stamps and candy bars both went for a nickel back then. You could buy a full-sized new car for around \$3,000. You could fill up your tank with gas that cost 30 cents a gallon.

When Congress and the president decided all those decades ago on how much a nursing home resident should be able to keep from his or her income toward their Personal Needs Allowance, they decided that \$30 per month would be fair.

Fast forward to 2014, when Signature held a facility visit with the president of the Senate in Florida, and he heard the message from our then-resident council president that she hardly had enough money in her PNA account at the end of the month. What transpired was legislative action to increase the PNA to \$105 per month. The following year, they raised it to \$130 per month, and during the 2023 legislative session, they raised it again to \$160 per month.

And so began my quest to increase the PNA in all of Signature's states of operation and beyond. In 2016, we met with our legislators in Georgia, and they responded with bipartisan support and ultimately raised their state's PNA from \$50 to \$70 per month.

Continuing on this journey, in 2019, I met with key legislators in Kentucky, sharing all of the information about PNAs, urging them to follow suit for their next legislative session. And then COVID hit!

With states not really knowing how the pandemic was going to impact them, especially from a budget standpoint, the PNA issue was put on "hold," and disbursements remained at \$40 per month until 2024 when I decided it was time to resurrect the grassroots effort of increasing the personal needs allowance in the commonwealth.

Meeting with legislators who we knew supported an increase in the PNA, we were successful in reaching our goal. With the support of the Kentucky Chamber of Commerce, the Legislature passed an increase in the PNA from \$40 to \$60 per month, a very welcome increase for our beloved residents.

At the same time, as a board member of the Tennessee Health Care Association, I brought this to our legislative committee and the THCA Board, and they approved taking this to the Legislature. We were once again successful, as the Tennessee General Assembly passed an increase in the PNA from \$50 per month to \$70 per month.

Other states have already seen the need to increase the PNA for their nursing home residents, states such as North Carolina (which raised its PNA in 2023), Texas, Rhode Island, North Dakota, Nebraska, Nevada and Iowa. Arizona and Colorado increase their PNAs annually, while Ohio is currently working to increase the PNA for its residents this legislative session.

The goal is to see an increase in the Personal Needs Allowance in all 50 states. While we are aware that this will require additional state Medicaid resources, it is a very minimal amount that is long overdue!

Maybe we should be looking at this through a more global lens and our federal partners should make this part of their policy efforts. But until then, we urge our elected state officials across the entire country to raise their respective Personal Needs Allowance levels... it's the right thing to do!

*Kathy Gallin is the VP of Legislative Affairs for Signature HealthCARE and currently serves on the Tennessee Health Care Association and Indiana Health Care Association boards. She's been honored nationally as a recipient of the McKnight's 2024 Women of Distinction Award and was the 2016 recipient of the Florida Health Care Association's Arthur B. Harris Government Services Award.*