



Date: December 21, 2023

To: Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions (ICF/IID)
Nursing Facilities (NF)

Subject: Information Letter No. 2023-45
Personal Needs Allowance (PNA) Adjustment (Replaces IL 2022-16)

Overview

This Information Letter (IL) explains the Personal Needs Allowance (PNA) available to individuals residing in nursing facilities (NF) and Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions (ICF/IID) and provides updated information on the benefit increase from House Bill (HB) 54 (88th Legislature, Regular Session, 2023), including instructions for specific circumstances regarding the resident PNA benefits and agency contacts.

HB 54 changed Human Resources Code §32.024(w) to increase the minimum monthly PNA for Medicaid beneficiaries residing in certain long-term care facilities, including a NF or ICF/IID. Effective January 1, 2024, the monthly PNA for residents in these facilities will increase from \$60 to \$75 for a person and from \$120 to \$150 for a couple.

Note: This change in the PNA requires approval from the Centers for Medicare and Medicaid Services (CMS). If anything changes as a result of coordination with CMS, HHSC will notify providers.

Background

Federal law mandates Medicaid recipients residing in NFs or non-state operated ICFs/IID and receiving assistance from Medicaid retain a portion of their monthly income to cover "personal needs" (Social Security Act §1902(q)). This benefit is referred to as a PNA. A facility provider may not apply these funds towards the cost of medical assistance furnished by the facility.

Individuals who receive a reduced Supplemental Security Income (SSI) payment of \$30 a month, also receive a supplemental PNA payment of \$30 from the Health and Human Services Commission (HHSC). Starting in January 2024, the state PNA supplemental payment will increase from \$30 to \$45 per person.

Note: *SSI recipients will receive the January 2024 increased state supplement payment in February 2024.*

Individuals who receive a Retirement, Survivors, and Disability Insurance (RSDI) benefit, are not eligible to receive a PNA supplemental payment from HHSC. The PNA is included in the determination of the recipient's co-payment to the facility. If a \$45 PNA supplemental payment is received for these individuals, it was issued in error and the funds must be returned within 30 days to:

Texas Health and Human Services Commission
Voucher Warrant Processing
Mail Code E-411
P.O. Box 149030
Austin, Texas 78714-9030

Facility Responsibilities

NF and ICF/IID providers who manage a resident's personal funds (i.e., a resident trust fund) are reminded of their roles and responsibilities in the disposition of the PNA supplemental payment under the following circumstances.

A. PNA-Eligible Resident Discharged from Facility for Reason Other than Death

1. Each facility is contractually obligated to complete and submit all necessary resident movement and discharge information and forms within 72 hours after the effective date of a discharge:
 - NFs: complete [Form 3618](#), Resident Transaction Notice, or [Form 3619](#), Medicare/SNF Patient Transaction Notice.

- ICFs/IID: record resident movements on the Individual Movement Form (Form 8578) through the Texas Medicaid and Healthcare Partnership's Long-Term Care (LTC) Online Portal. Instructions may be found in the Individual Movement Form section of the LTC ICF/IID Program User Guide for Providers.

If a facility previously managed the discharged resident's trust fund or served as the resident's representative payee, and receives the PNA supplemental payment, the facility must:

- Forward the PNA supplemental payment to the former resident if the forwarding address is known; or
- Return the PNA supplemental payment to HHSC if there is no known forwarding address for the former resident.

2. If there is a change in payee name or address or resident's address, the facility must:

- Immediately notify the Social Security Administration at 1-800-772-1213 (TTY 1-800-325-0778) and HHSC when there is a change in the name of the payee, the payee's address, or the resident's address.
- Immediately notify HHSC by contacting HHSC Provider Claims Services at 512-438-2200 and providing the resident's name and Social Security number, the payee name or change in payee information, address of the resident or payee, and a facility contact phone number. The PNA supplemental payments will be suspended if the payment is returned to HHSC due to invalid address or payee information and HHSC has not received notification of a change.

Payees who are not receiving an HHSC monthly PNA supplemental payment for an eligible resident must notify HHSC through HHSC Provider Claims at 512-438-2200. The payee must provide the resident's name and Social Security number, a brief description of the issue, identification of the PNA supplemental payment in question, and a telephone number where Provider Claims may contact the caller.

B. PNA-Eligible Resident Discharged from Facility as a Result of Death

1. If a facility is the payee for a resident eligible for a PNA supplemental payment, the facility notifies HHSC of the resident's date of death through the discharge process described above. If a facility receives a PNA supplemental payment for a resident who died in the prior month, the facility must:
 - Deposit the funds in the resident's trust fund as it is considered part of the deceased resident's estate; and
 - Notify the resident's heir, guardian, attorney, etc., of the existence of the deceased resident's trust fund. In the event a trust fund is not claimed by the deceased resident's heir, guardian, or attorney, the facility completes the escheatment process for the deceased resident's trust fund, [Form 2032, Escheatment of Consumer Funds](#).
2. If a facility receives a PNA supplemental payment for a resident the month after the PNA eligible resident was deceased, the facility must:
 - Review the month the PNA supplemental payment covers by reviewing the invoice number on the warrant stub (the last four digits of this number represent the benefit month);
 - Verify the PNA supplemental payment represents payment for a month following the resident's death; and
 - Return the PNA supplemental payment to HHSC:
 - ▶ Write the word "DECEASED" and the date the resident died on the outside of the envelope;
 - ▶ Include a copy of the resident's death certificate or obituary, if available; and
 - ▶ Return the PNA supplemental payment to HHSC using the address provided above.

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For ICF/IID questions, contact ICFIID.Questions@hhsc.state.tx.us .

For NF questions, contact Managed_Care_Initiatives@hhs.texas.gov.

Sincerely,

Michelle Erwin

[signature on file]

Deputy Associate Commissioner
Medicaid and CHIP Services