

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

H.B. 476  
Mar 23, 2023  
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10226-MRa-59

Short Title: Increase Personal Needs Allowance/Medicaid. (Public)

Sponsors: Representative Ball.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN  
3 SERVICES TO INCREASE THE PERSONAL NEEDS ALLOWANCE FOR MEDICAID  
4 RECIPIENTS WHO RESIDE IN INSTITUTIONS IN ORDER TO PARTIALLY  
5 CORRECT FOR INFLATION AND ALLOW OUR STATE'S RESIDENTS OF NURSING  
6 HOMES AND OTHER INSTITUTIONS TO RETAIN MORE OF THEIR OWN FUNDS  
7 TO PURCHASE PERSONAL ITEMS.

8 Whereas, Medicaid recipients in nursing homes and other institutional settings  
9 provide all of any available funds they may have to defray the cost of their care, but are permitted  
10 to retain a small amount, known as the Personal Needs Allowance, to purchase personal items  
11 such as clothing, underwear, toothbrushes, and personal hygiene products; and

12 Whereas, the Personal Needs Allowance for residents of nursing homes and other  
13 institutional settings has been thirty dollars (\$30.00) since 1987, which translates to residents  
14 having less than half of the buying power today than residents 32 years ago; and

15 Whereas, North Carolina is one of only four states in the country to never have  
16 increased the Personal Needs Allowance from the 1987 original amount; Now, therefore,  
17 The General Assembly of North Carolina enacts:

18 **SECTION 1.** The Department of Health and Human Services (DHHS) is directed to  
19 increase the Personal Needs Allowance from thirty dollars (\$30.00) to seventy dollars (\$70.00)  
20 for individual Medicaid recipients who are institutionalized and from sixty dollars (\$60.00) to  
21 one hundred forty dollars (\$140.00) for married couples who are Medicaid recipients when both  
22 spouses are institutionalized. DHHS shall deduct the applicable increased monthly amounts for  
23 personal needs from the total monthly income taken into consideration when applying the  
24 individual's or couple's income to the cost of institutionalized care. DHHS shall develop a plan  
25 to increase the Personal Needs Allowance at the start of each State fiscal year by an inflation  
26 factor determined by the DHHS in rule or in the NC Medicaid State Plan. DHHS shall submit to  
27 the Centers for Medicare and Medicaid Services any amendments to the NC Medicaid State Plan  
28 necessary to implement this section, and this section shall be implemented only upon approval  
29 and as of the effective date approved.

30 **SECTION 2.** There is appropriated from the General Fund to the Department of  
31 Health and Human Services, Division of Health Benefits, the sum of four million seven hundred  
32 thirty thousand dollars (\$4,730,000) in recurring funds for each year of the 2023-2025 fiscal  
33 biennium to implement the increase in the Personal Needs Allowance required by Section 1 of  
34 this act. These funds shall provide a State match for an estimated nine million six hundred  
35 thousand dollars (\$9,600,000) in recurring federal funds for each year of the 2023-2025 fiscal



- 1 biennium, and those federal funds are appropriated to the Division of Health Benefits to pay for  
2 costs associated with the rate increases under Section 1 of this act.  
3           **SECTION 3.** This act becomes effective July 1, 2023.