

Testimony in Support of Increasing the Personal Needs Allowance
House Human Services Committee
January 29, 2025
Bill 1485

Chairman Ruby and members of the House Human Services Committee, my name is Nikki Wegner, President of the North Dakota Long Term Care Association. Thank you for the opportunity to testify today. I represent 182 nursing facilities, basic care facilities, and assisted living facilities. I am here to advocate for an increase in the Personal Needs Allowance (PNA) for residents in long term care settings, along with the implementation of an annual cost-of-living adjustment.

Background

The Personal Needs Allowance is a portion of a resident's income that is exempt from Medicaid calculations, allowing individuals to retain funds for personal expenses such as clothing, toiletries, and other personal items. Historically, the PNA in North Dakota remained stagnant for many years, failing to keep pace with inflation and the rising cost of living. In recognition of this issue, the 2023 Legislative Assembly approved an increase of \$35, raising the PNA to \$100 per month, effective July 1, 2023.

Current Situation

While the recent increase was a positive step, the current PNA still falls short of meeting the personal needs of our residents. The cost of essential items continues to rise, and \$100 per month is insufficient for residents to cover necessary expenses that enhance their quality of life. Furthermore, without a mechanism to adjust the PNA annually, residents will continue to experience a decline in their purchasing power over time.

We respectfully request the following:

1. **Increase the Personal Needs Allowance:** We support raising the PNA to \$110 per month. This adjustment would provide residents with a more adequate allowance to meet their personal needs.
2. **Implement an Annual Cost-of-Living Adjustment:** To prevent the PNA from becoming outdated due to inflation, we recommend instituting an automatic

annual adjustment tied to the Consumer Price Index. This measure would ensure that the PNA remains responsive to economic changes, maintaining its real value over time.

Rationale

- **Enhancing Quality of Life:** Residents use their PNA for personal items and activities that are not covered by Medicaid, such as clothing, personal hygiene products, haircuts from their preferred stylist, and small gifts for family members. Also, more and more would like to have their smartphone. An increase would enable them to maintain dignity and a sense of normalcy in their daily lives.
- **Economic Considerations:** The cost of living has risen significantly, and the current PNA does not reflect these changes. Implementing an annual cost-of-living adjustment would ensure that residents' allowances keep pace with inflation, preventing future disparities.
- **Comparative Analysis:** Other states have recognized the importance of a sufficient PNA and have implemented higher allowances and annual adjustments. For example, Colorado provides a PNA of \$105.56, and Arizona adjusts its PNA annually based on 15% of the Federal Benefit Rate.

[Personal Needs Allowance Facts](#)

Conclusion

Increasing the Personal Needs Allowance to \$110 per month and implementing an annual cost-of-living adjustment are necessary steps to support the dignity and well-being of residents in long term care facilities. These changes would demonstrate our state's commitment to caring for its most vulnerable citizens, ensuring they have the means to meet their personal needs and maintain a satisfactory quality of life.

We urge the committee for a Do Pass on this important legislation. Thank you for your attention to this important matter. I am available to answer any questions you may have.

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