



DATE: **October 22, 2024**

OPERATIONS MEMORANDUM #24-10-02

SUBJECT: Personal Needs Allowance (PNA) Deduction Increase Affecting Long-Term Care (LTC) Budgets Effective January 1, 2025

TO: Executive Directors

FROM: Robert Hixson
 Director
 Bureau of Operations

PURPOSE

To announce to the County Assistance Offices (CAOs) an increase to the PNA deduction for individuals residing in an LTC facility, State Veterans Home or Intermediate Care Facility (ICF). The basic PNA deduction will increase to \$60.00 effective January 1, 2025.

BACKGROUND/DISCUSSION

Effective January 1, 2025, the basic PNA deduction will increase from \$45.00 to \$60.00. As a result of this increase, the following will be affected:

1. Individuals residing in a LTC facility (facility codes 14, 24, 34, 35, 36, 37) as well as individuals residing in an ICF (facility codes 25, 71) without sheltered workshop earnings will now receive a deduction of \$60.00 from the Cost of Care systematically.

2024	2025
\$45.00	\$60.00

2. Individuals residing in a State Veterans Home (Enhanced Veterans Reimbursement) (facility code 32) will now receive a deduction of \$465.00 from the Cost of Care systematically.

2024	2025
\$450.00	\$465.00

3. Individuals residing in an ICF (facility codes 25, 71) who receive sheltered workshop earnings (income code 07) will now receive the graduated PNA deduction listed below from the Cost of Care systematically.

- If the sheltered workshop income is less than or equal to \$50.00 per month, then \$80.00 will be deducted from the Cost of Care.
- If the sheltered workshop income is between \$50.01 and \$90.00 per month, then \$100.00 will be deducted from the Cost of Care.
- If the sheltered workshop income is between \$90.01 and \$150.00 per month, then \$140.00 will be deducted from the Cost of Care.
- If the sheltered workshop income exceeds \$150.00 per month, then \$140.00 plus 50 percent of the difference between the actual gross sheltered workshop earnings and \$150.01 will be deducted from the Cost of Care.

Example: Ms. Smith has sheltered workshop earnings of \$200.00:

\$200.00	Total sheltered workshop earnings
<u>- \$150.01</u>	
\$ 49.99	

\$ 25.00	50 percent of the remainder, round up
<u>+ \$140.00</u>	
\$165.00	Total PNA Deduction

Sheltered Workshop Earnings Per Month	2024	2025
Less than \$50.00	\$ 65.00	\$ 80.00
Between \$50.01 and \$90.00	\$ 85.00	\$100.00
Between \$90.01 and \$150.00	\$125.00	\$140.00
Above \$150.01	\$125.00 plus half the difference between gross earnings and \$150.01, rounded up to the nearest dollar.	\$140.00 plus half the difference between gross earnings and \$150.01, rounded up to the nearest dollar.

4. Institutionalized Supplemental Security Income (SSI) recipients (A/J/M budgets with Program Status Code 45) will receive a deduction of \$60.00 from their Cost of Care.
- SSI recipients will continue to receive \$30 SSI while in an institutionalized status with the Social Security Administration (SSA).
 - SSI recipients will receive an increase to their monthly state funded State Supplemental Payment (SSP) issuance from \$15.00 to \$22.10.
 - SSI recipients will keep \$30.00 SSI and \$22.10 SSP to equal \$52.10 total income while in a LTC facility.
 - A/J/M 45 recipients with only SSI and SSP income have a \$0.00 Cost of Care.
 - Individuals authorized for A/J/M 45 after December 23, 2024, will receive the increased SSP of \$22.10 for January 1, 2025, on-going, and for all months retroactively authorized prior to January 1, 2025.
 - Individuals authorized for A/J/M 45 December 23, 2024, and prior will receive a \$15.00 SSP in each retroactive month, but will start receiving the increased SSP of \$22.10 for January 1, 2025, and on-going.

NOTE: This will continue to require manual 902Z Third Party Liability (TPL) data entry and manual notices as explained in the [LTC Procedural Desk Guide](#).

SSP for Institutionalized SSI Recipients	
2024	2025
\$15.00	\$22.10

5. ECIS will continue to use the \$45.00 basic PNA deduction for any retroactive months when determining the Cost of Care **prior** to January 1, 2025.
6. The CAO should use the \$45.00 basic PNA deduction for any retroactive months when determining the Cost of Care **prior** to January 1, 2025, on any manual notices.

NEXT STEPS

1. Review this Operations Memorandum (Ops Memo) with appropriate staff.

2. This Ops Memo will be obsolete after the information it contains is incorporated into the LTC Handbook.
3. Direct all questions to your Area Manager.