SB 118-FN - AS INTRODUCED

2025 SESSION

25-0349
05/08

SENATE BILL ***118-FN***

AN ACT relative to the personal needs allowance of residents of nursing homes.

SPONSORS: Sen. Birdsell, Dist 19; Sen. Avard, Dist 12; Sen. Prentiss, Dist 5; Sen. Rosenwald, Dist 13; Rep. Weber, Ches. 5; Rep. W. MacDonald, Rock. 16

COMMITTEE: Health and Human Services

ANALYSIS

This bill adjusts the personal needs allowance for nursing home residents to reflect social security increases on an annual basis rather than the current 5-year adjustment.

The bill is a request of the department of health and human services.

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Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

SB 118-FN - AS INTRODUCED

25-0349
05/08

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to the personal needs allowance of residents of nursing homes.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Personal Needs Allowance of Residents of Nursing Homes. Amend RSA 167:27-a, II to read as follows:

II. Every [~~5 years~~] ***year***, the commissioner shall make the adjustment for cost of living increases in the personal needs allowance to reflect social security increases.

2 Effective Date. This act shall take effect January 1, 2026.

LBA
25-0349
1/21/25

SB 118-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to the personal needs allowance of residents of nursing homes.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2025	**FY 2026**	**FY 2027**	**FY 2028**
Revenue	$0	$0	$0	$0
Revenue Fund(s)	None			
Expenditures*	$0	$25,000 to $50,000 general funds; $25,000 to $50,000 federal funds	$50,000 to $250,000 general funds; $50,000 to $250,000 federal funds	$50,000 to $250,000 general funds; $50,000 to $250,000 federal funds
Funding Source(s)	General Fund, Federal Funds			
Appropriations*	$0	$0	$0	$0
Funding Source(s)	None			

***Expenditure = Cost of bill** ***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

This bill requires the Department of Health and Human Services to adjust the personal needs allowance for nursing home residents every year, rather than every five years as under current statute. The Department notes that nursing facility residents that receive Medicaid are expected to contribute part of their income to the cost of their care; the personal needs allowance is a small allowance that those residents are allowed to retain. An annual update to the personal needs allowance will therefore result in an indeterminable increase in state expenditures, since the Medicaid program will pay more for nursing facility services as the allowance increases due to inflation. There will be no fiscal impact in years ending in 0 or 5, as this is when the Department would adjust the allowance under current law. Since the Department is unable to predict inflation with a high degree of certainty, it assumes a cost increase of between $50,000 and $100,000 in FY26 and between $100,000 and $500,000 in subsequent years. This cost would be paid for with 50 percent state general funds and 50 percent matching federal funds.

AGENCIES CONTACTED:

Department of Health and Human Services