



How Much Monthly Income Can be Kept When Residing in a Medicaid-Funded Nursing Home?

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TABLE OF CONTENTS

- PNA Definition
- How Can the PNA Be Spent
- Who Manages the PNA
- Table: PNA Amounts by State
- PNA Amount Exceptions
- PNA Increase Frequency

What is Medicaid's Personal Needs Allowance?

Medicaid's Personal Needs Allowance (PNA) is the amount of monthly income a Medicaid-funded nursing home resident can keep of their personal income. Since room, board, and medical care are covered by Medicaid, the majority of one's income must go towards the cost of nursing home care. The PNA is intended to cover the nursing home resident's personal expenses, which are not covered by Medicaid. This may include but is not limited to haircuts, vitamins, clothing, magazines, and vending machine snacks.

Federal law requires that a Medicaid-funded nursing home resident receive a Personal Needs Allowance. Authorized by the Supplemental Security Act Amendments of 1972, and enacted in 1974, the federally mandated PNA was set at \$25 / month. The 1987 Omnibus Budget Reconciliation Act, effective in 1988, increased it to \$30 / month, where it still remains. Each state, however, can allow for a higher Personal Needs Allowance, up to a maximum of \$200 / month. While the PNA amount varies by state, it ranges between \$30 / month and \$200 / month.

Under certain circumstances, if a nursing home resident does not have their own monthly income, the Personal Needs Allowance is provided by the state in which one resides.

* Medicaid nursing home beneficiaries who have a spouse living at home may also be able to transfer a portion of their personal monthly income to their spouse. This is called a [Monthly Maintenance Needs Allowance](#) and is intended to ensure the spouse remaining at home does not become impoverished.

Ways in Which the PNA Can and Cannot be Spent

A nursing home resident's Personal Needs Allowance can be spent towards a variety of personal items and services. This includes clothing, shoes, vending machine snacks, specialty food, multivitamins, haircuts, cosmetics, toiletries, magazines, books, knitting needles and yarn, greeting cards, postage, cigarettes, and cell phone bills. While purchases generally should be for the sole benefit of the nursing home resident, some states allow residents to purchase small gifts for relatives. The rules, however, are state-specific. For example, Connecticut allows gifts to be purchased, but limits the gift to \$25. West Virginia also allows residents to purchase gifts, although the current dollar value limit was not available. Unless one is aware of the rules in one's state of residence, it is not advised that any portion of one's Personal Needs Allowance be used towards gifts or given to family members.

A resident's Personal Needs Allowance cannot be used towards items and / or services paid for by Medicaid. For instance, federal regulations require the nursing home to provide the resident (at no charge) with basic personal hygiene items, such as a toothbrush, toothpaste, dental floss, denture adhesive and cleaner, shampoo, bath soap, deodorant, moisturizing lotion, comb, razors, incontinence supplies, and tissues. If a resident chooses to purchase a specific brand that is not provided by the nursing home, their Personal Needs Allowance can be used.

It is suggested that one does not purchase items that would [count as an asset](#) towards Medicaid eligibility.

* Personal Needs Allowances are not necessarily limited to seniors residing in Medicaid-funded nursing home facilities. Seniors can also receive Medicaid-funded home and community based services via [Medicaid Waivers](#) to prevent unnecessary nursing home admissions. Based on the living setting, such as an assisted living residence, the Medicaid beneficiary may have to contribute income towards the cost of care and be limited to a PNA. The amount of the Personal Needs Allowance would be state-specific, just as with nursing home care, but would be a higher amount than for persons residing in nursing homes.

Does the PNA Need to be Spent in Its Entirety Each Month?

No, it is not required that one's monthly Personal Needs Allowance be completely spent by the end of each month. However, any remaining funds will count as an asset. This is relevant, as Medicaid has an asset limit, which in 2023, is generally \$2,000. [See state-specific asset limits.](#) If one's remaining Personal Needs Allowance would cause them to be over the asset limit, it is essential they spend it to avoid becoming Medicaid ineligible due to having "excess" assets.

Who Manages One's Personal Needs Allowance?

While a nursing home resident or their guardian can manage one's Personal Needs Allowance, the nursing home facility in which a resident resides often manages it for them. While the exact rules for managing the allowance varies based on the state, a nursing home cannot use any portion of the funds without approval from the nursing home resident or their guardian. Documentation of all transactions must be maintained by the nursing home. This might include an itemized record of deposits and spending, written consent from the resident or their guardian to spend funds for each transaction, signed receipts, vouchers, and paid bills.

A guardian who manages a resident's Personal Needs Allowance must also maintain documentation of how the funds are spent.

Table: Medicaid Personal Needs Allowance Amounts by State

2023 Medicaid Monthly Personal Needs Allowance by State (Updated Feb. 2023)	
Alabama	\$30.00
Alaska	\$200.00
Arizona	\$137.10
Arkansas	\$40.00
California	\$35.00
Colorado	\$95.97
Connecticut	\$75.00
Delaware	\$50.00
District of Columbia	\$100.00

Florida	\$130.00
Georgia	\$70.00
Hawaii	\$50.00
Idaho	\$40.00
Illinois	\$30.00
Indiana	\$52.00
Iowa	\$50.00
Kansas	\$62.00
Kentucky	\$40.00
Louisiana	\$38.00
Maine	\$40.00
Maryland	\$93.00
Massachusetts	\$72.80
Michigan	\$60.00
Minnesota	\$121.00
Mississippi	\$44.00
Missouri	\$50.00
Montana	\$50.00
Nebraska	\$60.00
Nevada	\$35.00
New Hampshire	\$74.00
New Jersey	\$50.00
New Mexico	\$83.00
New York	\$50.00
North Carolina	\$30.00
North Dakota	\$65.00
Ohio	\$50.00
Oklahoma	\$75.00

Oregon	\$74.75
Pennsylvania	\$45.00
Rhode Island	\$50.00
South Carolina	\$30.00
South Dakota	\$60.00
Tennessee	\$50.00
Texas	\$60.00
Utah	\$45.00
Vermont	\$72.66
Virginia	\$40.00
Washington	\$75.36
West Virginia	\$50.00
Wisconsin	\$45.00
Wyoming	\$50.00

Are There Circumstances Under Which One Might Receive a Higher PNA?

Veterans who do not have a spouse or dependent child and receive a VA enhanced pension, such as the [Aid & Attendance Pension](#) (A&A Pension), might receive a higher monthly Personal Needs Allowance than a state's listed amount above. When a veteran with no spouse or dependent child resides in a Medicaid-funded nursing home facility, their pension amount is reduced to \$90 / month. If a state's PNA is under \$90 / month, the state might increase the PNA to \$90 / month to allow the veteran to keep their reduced pension. Illinois is one such example. The state has a \$30 / month Personal Needs Allowance and increases the PNA to \$90 / month for a veteran in this situation. To be clear, the \$90 / month reduced pension becomes the individual's Personal Needs Allowance. Other states disregard the \$90 / month reduced pension altogether and let the veteran keep it along with a monthly Personal Needs Allowance. Texas, in some cases, will allow a veteran to keep both the \$90 / month reduced pension and the state's \$60 / month PNA.

While not technically a Personal Needs Allowance, an individual residing in a Medicaid-funded nursing home may be able to retain some of their personal income to maintain their home. This Home Maintenance Allowance is limited to 6 months and is intended to keep one's home maintained for their return. To receive this allowance, the nursing home resident must have "[Intent to Return](#)" home, cannot have a spouse or relative living there, and it must be determined

by a physician that they will likely return home within 6 months. To be clear, this monthly allowance is in addition to a state's monthly Personal Needs Allowance. Like the PNA, the amount of the Home Maintenance Allowance varies by state. As an example, California allows \$209 / month as their "Home Upkeep Allowance" and Pennsylvania allows \$936.10 / month as their "Home Maintenance Deduction".

How Often Does a State's Personal Needs Allowance Increase?

There is no federally set rule as to how often a state must increase their Personal Needs Allowance. Four states, Alabama, Illinois, North Carolina, and South Carolina, continue to use the 1988 federally set minimum Personal Needs Allowance of \$30 / month. This means the PNA in these states has not changed in over 30 years. Other states periodically increase their Personal Needs Allowance. For instance, Georgia's PNA was set at \$50 / month for many years. In 2018, it increased to \$65 / month, and in 2019, it increased to \$70 / month, where it has remained. Massachusetts is another example. The state increased their PNA to \$72.80 in 2007 and it has since remained unchanged. Other states increase their Personal Needs Allowance on an annual basis. One such state is Arizona, which has their Personal Needs Allowance set at 15% of the Federal Benefit Rate (FBR). Since the FBR increases annually in January, the state's PNA also increases each year accordingly. Colorado also increases their PNA annually.

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