



COMMISSIONER
Jon Weizenbaum

Date: May 9, 2016

To: Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions (ICF/IID)
Nursing Facilities (NFs)

Subject: Information Letter No.16-18
Guidelines for Personal Needs Allowances
(Replaces IL 07-15, IL 09-124, and IL 12-32)

The purpose of this Information Letter is to provide an overview of the Personal Needs Allowance (PNA) benefit, including instructions for specific circumstances regarding the disposition of resident PNA benefits. This letter serves to update contact information and replaces Information Letter (IL) 07-15, IL 09-1 24, and IL 12-32.

Federal law mandates Medicaid recipients residing in a NF or in an ICF/IID receiving assistance from Medicaid retain a portion of their monthly income to cover "personal needs." This benefit is referred to as a PNA. Since January 1, 2006, Texas set the minimum PNA monthly amount at \$60. PNA is paid by two sources: \$30 from the individual's Supplemental Security Income (SSI) and \$30 from the Texas Department of Aging and Disability Services (DADS) PNA. These funds belong to the resident for personal use and are not to be applied against the cost of medical assistance furnished by the facility.

If individuals receive a Retirement, Survivors, and Disability Insurance (RSDI) benefit, also known as an applied income, they are not eligible to receive a PNA warrant from either SSI or DADS. The \$60 amount is included in the RSDI benefit. If a \$30 warrant is issued under these circumstances, it was issued in error and must be returned within 30 days to:

Texas Department of Aging and Disability Services
Personal Needs Allowance
Mail Code W-300
P.O. Box 149030
Austin, Texas 78714-9030

Facility Responsibilities:

NF and ICF/IID providers that manage personal funds (resident trust fund) are reminded about requirements related to the roles and responsibilities for each facility in the disposition of the PNA benefit warrants. Below are instructions for facilities related to specific circumstances involving the disposition of the resident's PNA benefit.

PNA-Eligible Resident Discharged from Facility

Each facility is contractually obligated to complete and submit all necessary resident movement and discharge information and forms within 72 hours of the date of the transaction. NFs and ICF/IIDs must complete [Form 3618, Resident Transaction Notice](#), or [Form 3619, Medicare/SNF Patient Transaction Notice](#), so that an individual's information is updated at DADS.

A. Facility manages the resident's Trust Fund and/or is the Payee for the PNA eligible resident

The facility notifies DADS a resident moved from the facility through the discharge process. If the facility receives the PNA benefit for a resident who moved, the facility must:

- forward the PNA benefit warrant to the resident if the forwarding address is known; or
- return the PNA benefit warrant to DADS if there is no known forwarding address for the resident.

B. PNA-Eligible Resident Discharged from Facility as a Result of Death

Facility is the Payee for the PNA eligible resident

The facility notifies DADS of the resident's date of death through the discharge process. If the facility receives a PNA warrant for a resident who died in the prior month, the facility must:

- deposit the warrant in the resident's trust fund as it is considered part of the deceased resident's estate; and
- notify the resident's heir, guardian, attorney, etc., of the existence of the deceased resident's trust fund.

In the event the trust fund is not claimed by the deceased resident's heir, guardian or attorney, the facility completes the escheatment process for the deceased resident's trust fund, see IL 2009-82, [Form 2032, Escheatment of Consumer Funds](#).

Facility Receives PNA Warrant for resident beyond the month after the PNA eligible resident was deceased

The facility:

- reviews the month the PNA warrant covers by looking at the invoice number on the warrant stub (the last four digits of this number represent the benefit month);
- verifies the PNA warrant represents payment for the month, or a month, following the resident's death; and
- if the warrant represents a month beyond the month after the resident's death, the facility:

- writes the word “DECEASED” and the date the resident died on the outside of the envelope;
- includes a copy of the resident’s death certificate, obituary, etc., if available; and
- returns the PNA warrant to DADS at the following address:

Texas Department of Aging and Disability Services
Personal Needs Allowance
Mail Code W-300
P.O. Box 149030
Austin, Texas 78714-9030.

Change in payee name and/or address or resident address change

The payee or the facility must notify the Social Security Administration (SSA) and DADS when there is a change in the name of the payee, the payee's address, or the resident's address.

Information must be relayed to DADS immediately by contacting DADS Provider Claims Services at (512) 438-2200. Information should include the resident's name and Social Security number, the payee name or change in payee information, address of the resident or payee, and a call back phone number. PNA benefits will be suspended if the benefit warrant is returned to DADS due to invalid address or payee information and DADS has not received notification of change.

Payees who are not receiving the DADS monthly PNA warrants for an eligible resident must notify DADS through DADS Provider Claims at (512) 438-2200. The payee must include the resident's name and Social Security number, a brief description of the issues, the identification of the warrant in question, and a telephone number where DADS may contact the caller.

Sincerely,

[signature on file]

Elisa J Garza,
Assistant Commissioner
Access & Intake

[signature on file]

S. Michelle Martin
Director
Center for Policy and Innovation