



State of New Jersey  
Department of Human Services  
Division of Medical Assistance & Health Services

# NEWSLETTER

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**TO:** Medicaid Nursing Facility Providers

**SUBJECT:** Increase in Personal Needs Allowance (PNA)

**EFFECTIVE:** July 1, 2017

**PURPOSE:** Operational Instructions to Manage PNA Increase

**BACKGROUND:** Effective July 1, 2017, the New Jersey Legislature has made a provision in the State Fiscal Year 2018 Appropriations Act for raising the nursing facility Personal Needs Allowance (PNA) standard from \$35 to \$50 per month for fiscal year 2018. This means that most eligible NJ FamilyCare - Aged, Blind, Disabled (Medicaid) individuals residing in a nursing facility, will have an additional \$15 per month that they can spend on their personal needs and that the amount they pay each month in cost share will be temporarily reduced by \$15. This Newsletter does not address the PNA increase for individuals receiving Supplemental Security Insurance (SSI), a separate communication will be issued regarding their increase.

Cost share is the amount that is paid each month by the Medicaid recipient to the provider and is calculated on the Personal Responsibility – 1 form (PR-1) based on the Post-Eligibility Treatment of Income rules stated in 42 CFR 435.725. In order to facilitate this change systemically, all cost share amounts calculated in the Personal Responsibility system will be temporarily reduced by \$15.00 effective July 1, 2017. Unfortunately, each individual will not receive a copy of their updated PR-1 form until it is time for their case to be redetermined. Redeterminations occur either annually or upon a change in personal circumstances. At redetermination, the PNA amounts will be updated retroactively on the PR-1 forms to reflect this change.

**OPERATIONS:** In order to facilitate this change systemically, all cost share amounts calculated in the Personal Responsibility-1 (PR-1) system will be temporarily reduced by \$15.00 per month effective July 1, 2017. Providers will see this change reflected in E-MEVs by September 1, 2017.

Since the Division is not able to provide each individual with an updated copy of their PR-1 form, they will receive a copy of the attached letter notifying them of this change. The letter instructs them to reduce their cost share payments to facilities by \$15.00 each month effective July 1, 2017. If they have already paid the cost share amount due

in July to the facility, they are instructed to reduce their payment in August by \$30 (for July and August) and then reduce it by \$15 in the months thereafter. At redetermination, the PNA amounts will be updated retroactively on the PR-1 forms to reflect this change.

To balance this payment decrease out, the nursing facilities will receive an additional \$15 dollars per month in their payments from their Managed Care Organizations, or if their claim is fee-for-service, from the State of NJ. For facilities that manage their resident's PNAs accounts, please ensure their accounts reflect this increase starting July 1.

**Questions regarding this Newsletter should be directed to the Medicaid Member/Provider Hotline at 1-800-356-1561.**

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