



# OFFICE OF MANAGEMENT & BUDGET

## State Budget Office

One Capitol Hill  
Providence, RI 02908-5890

Office: (401) 222-6300  
Fax: (401) 222-6410

State Fiscal Note for Bill Number:

2025-S 0096

**Date of State Budget Office Approval:** Monday, April 7, 2025

**Date Requested:** Friday, January 31, 2025

**Date Due:** Saturday, February 15, 2025

Impact on Expenditures		Impact on Revenues	
FY 2025	N/A	FY 2025	N/A
FY 2026	\$1,246,500	FY 2026	\$0
FY 2027	\$1,246,500	FY 2027	\$0

### Explanation by State Budget Office:

This bill amends RIGL 40-8-2 entitled "Definitions" by increasing the \$75 per month personal-needs allowance paid to Medicaid recipients living in nursing and assisted living facilities to \$100 per month. The bill would take effect on July 1, 2025.

### Summary of Facts and Assumptions:

Nursing and assisted living facilities are allowed to retain members' income (Social Security, SSI, other retirement income) to offset the cost of the member's care. Each member is allowed to keep a portion of their income as a personal needs allowance, the personal needs allowance is not retained by the facility and does not offset the cost of care. The federal minimum requirement for a personal needs allowance is \$30 a month, and under current law Rhode Island has elected to increase the personal needs allowance to \$75.

Medicaid pays for cost of care that is not financed by the member's retained income and Medicare. Any decrease in the portion of income retained by a nursing or assisted living facility will result in an increased share of the cost of a member's care supported by Medicaid.

This bill proposes to increase the personal needs allowance to \$100 per month.

An increase in the personal needs allowance directly decreases the income nursing and assisted living facilities are allowed to retain to offset the cost of providing care. The Medicaid program will be required to backfill the loss of revenue to nursing and assisted living facilities at the prevailing FMAP rate. Based on data provided by the Executive Office of Health and Human Services a total of 4,155 members are eligible for these personal needs allowance. This represents a snapshot of eligibles in July 2024.

This act would take effect on July 1, 2025. Due to timing, no fiscal impact is reported in FY 2025.



# OFFICE OF MANAGEMENT & BUDGET

## State Budget Office

One Capitol Hill  
Providence, RI 02908-5890

Office: (401) 222-6300  
Fax: (401) 222-6410

*State Fiscal Note for Bill Number:*

**2025-S 0096**

Using the current caseload of 4,155 members, total FY 2025 expenditures are projected to be \$3.7 million. In FY 2026 the personal needs allowance will increase by \$25 to \$100 per month, or \$1,200 per year. Applying the increased personal needs allowance will result in a \$1.2 million increase in expenditures in FY 2026 as compared to projected expenditures in FY 2025. In FY 2026, the FMAP rate is 57.20 percent, applying this rate to the projected increased expenditures of \$1.2 million results in a \$712,998 million increase in federal funds expenditures and a \$533,502 increase in general revenue expenditures.

In FY 2027 the personal needs allowance will remain \$100 per month, or \$1,200 a year. Using the current caseload of 4,155 members, total FY 2027 expenditures are projected to be \$5.0 million. This results in an increase of \$1.2 million in expenditures compared to FY 2025 projections. In FY 2027, the utilized preliminary FMAP rate is 57.80 percent, applying this rate to the projected increased expenditures of \$4.9 million results in a \$720,477 increase in federal funds expenditures and a \$526,023 increase in general revenue expenditures.

### Comments on Sources of Funds:

Medicaid expenditures are jointly financed by general revenues and federal funds according to the prevailing Federal Medicaid Assistance Percentage (FMAP), which is 55.99 percent in SFY 2025 and 57.20 percent in FY 2026. For FY 2027, this fiscal note utilizes the FY 2027 preliminary FMAP, 57.80 percent.

### Summary of Fiscal Impact:

FY 2025: No fiscal impact due to timing

FY 2026:

General Revenue: \$533,502

Federal Funds: \$712,988

All Funds: \$1,246,500

FY 2027:

General Revenue: \$526,023

Federal Funds: \$720,477

All Funds: \$1,246,500

Budget Office Signature: \_\_\_\_\_

  
Digitally signed by Joseph  
Codega  
Date: 2025.04.08 09:16:38  
-04'00'

Fiscal Advisor Signature: \_\_\_\_\_

