

The **Personal Needs Allowance (PNA)** is the monthly sum of money that residents who receive Medicaid may retain from their personal income. Any income above the allowance is applied toward the cost of their care. The amount and what expenses are expected to be addressed differ for residents in nursing homes vs residents of assisted living facilities.

North Carolina has opted for the federal minimum PNA for nursing home residents (\$30) since 1996. Nursing home residents use their funds to buy clothing, hair dressing, snack foods, activity expenses or other personal expenses.

For assisted living residents the \$46 PNA has not increased since 2003. There are a number of items assisted living residents have to use these funds for that are covered expenses in nursing homes. Most important are individual toiletries and co-pays on prescription drugs. Since 2006, Medicaid assisted living residents were required to have a co-pay for prescription drug benefits (an average of over \$17 per month). No adjustment was made to cover drug co-pays. In addition to prescription drugs, residents use their personal needs allowance to pay for other over-the-counter medications, haircuts, clothing, shoes, individual toiletries (shampoo, deodorant, tooth brushes, toothpaste, lotion, etc.) and snack foods. Residents often end up with no spending money at all after paying for all essential personal items and facilities often subsidize the costs of these items on behalf of their residents. Some do, and some don't.