ASSEMBLY HEALTH INFRASTRUCTURE COMMITTEE

STATEMENT TO

# ASSEMBLY, No. 5440

# STATE OF NEW JERSEY

DATED: SEPTEMBER 14, 2026

The Assembly Health Infrastructure Committee reports favorably Assembly Bill No. 5440.

This bill would update the monthly personal needs allowance (PNA) rate provided in statute to reflect the current $50 PNA rate established in the FY2027 Appropriations Act. The $50 rate applies to Medicaid enrollees who reside in nursing homes, State and county psychiatric hospitals, and State developmental centers, and is intended for residents to spend at their discretion on personal items, such as haircuts, clothing, telephone expenses, and cards to send to family members.

The bill also specifies that, beginning on January 1 of the year following the bill's enactment, the PNA would be increased by the annual percentage change in the Consumer Price Index. The bill defines the Consumer Price Index as the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics in the United States Department of Labor, shown as an average index for the New York-Northern New Jersey-Long Island region and the Philadelphia-Wilmington-Trenton region combined.

In the case of residents eligible to receive SSI public assistance, a federal income supplement program designed to help aged, blind, and disabled individuals with little or no income, the federal government provides up to $30 each month for comfort items not provided by the facility. The State supplements the federal amount by $20 so that the monthly PNA received by SSI recipients living in nursing homes, State and county psychiatric hospitals, and State developmental centers is equal to that of Medicaid enrollees, or $50. The bill establishes the existing $50 personal needs allowance for SSI recipients living in these institutional settings in statute.

Under Medicaid, an individual's PNA is income that is disregarded when determining the amount that an individual residing in an institution must contribute to the cost or care. The State and federal government under the Medicaid program pay the remainder of the cost of care.