

**CLIENT ALERT: AUGUST 29, 2008**

**PROPOSED AMENDMENTS TO  
PERSONAL NEEDS ALLOWANCE ACCOUNTS (“PNAs”) REQUIREMENTS FOR  
LONG TERM CARE FACILITIES AND NONACUTE HOSPITALS**

Recently, Medicaid issued proposed regulations that, if promulgated, will amend the financial and accountability requirements for managing PNAs, highlights of which are detailed below.

**Comments.** If your organization would like to submit comments on the proposed regulations, you may do so in writing to the Medicaid Director, EOHHS, One Ashburton Place, Room 1109, Boston, Massachusetts 02108, or e-mail them to [masshealthpublicnotice@state.ma.us](mailto:masshealthpublicnotice@state.ma.us). E-mailed comments should contain the sender’s name, mailing address, and organization or affiliation, if any. Comments will be accepted through September 12, 2008.

**Important Changes and Clarifications.** While many of the PNA account management requirements would remain constant, please note the following proposed changes:

1. The retention period for PNA records would be shortened from four years to two. For this two-year period, PNA records must be kept on site. Your organization should determine whether to maintain a longer retention period, taking into consideration other record retention requirements as well as your facility’s and clients’ particular needs and circumstances. If you choose to keep records for longer than two years, you may store those older records off-site, but you must still make the records available for inspection by MassHealth personnel upon request, even though you are not obligated to retain them. At the conclusion of your retention period, the records should be destroyed in compliance with Chapter 93I of the Massachusetts General Laws. (See articles on our website at <http://www.kb-law.com/news/index.php> concerning Chapters 93H and 93I of the General Laws.)
2. PNA funds of MassHealth members would not be commingled except with the PNA funds of other MassHealth residents or patients at your facility, consistent with existing Attorney General regulations applicable to long term care facilities.
3. All interest earned on PNA funds would need to be credited directly to the PNAs; in pooled accounts, there would need to be a separate accounting for each member’s share.

4. The annual PNA balance accounting would need to be submitted with bank statements.
5. PNA accounts with less than \$50 would now also be kept in an interest bearing account, a non-interest bearing account, or a petty cash fund. It is unclear if all other accounting and management requirements will now apply to these smaller PNA accounts.
6. Failure to comply with these regulations could result in administrative action including fines of up to \$100 per violation, \$100 per day, or three times the payable amount of each claimed violation.

**More information.** For additional information, including links to the proposed regulations, please visit the MassHealth website, available at <http://tinyurl.com/67kr99>.