State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CHRISTINE TODD WHITMAN
Governor

WILLIAM WALDMAN
Commissioner

MEDICAID COMMUNICATION NO. 97-13 **DATE:** July 25, 1997

TO: County Welfare Agency Directors
Institutional Services Section Area Offices

SUBJECT: January 1997 Social Security Cost-of-Living Adjustment (COLA) Automated Update to the Long-Term Care System

Attached for your review is the January 1997 Social Security Income Increase List for Medicaid beneficiaries in facilities in your county. For the January cost-of-living increase, an automatic 2.9% was computed for those beneficiaries who had a PA-3L in the long-term care billing system prior to January 1997.

The Division's COLA UPDATE REPORT continues to be enhanced with a "COMMENT" column. A clarification of the comment is displayed on the first page of each facility's report. If a 1997 Social Security amount is entered on a PA-3L form that was in the long-term care billing system prior to January 1997, "97 EFF DTE NC" (PA-3L for 1997 In System - No COLA Increase Applied) will appear in the "COMMENT" portion of the COLA UPDATE REPORT. Since the COLA UPDATE REPORT will show the 1997 amount exactly as it was entered on the PA-3L, it is important that the amount that was entered on the PA-3L accurately reflects the COLA increase.

If on the COLA UPDATE REPORT the beneficiary's available income (NET INC BEFORE column) is zero, the beneficiary's available income (NET INC AFTER column) will remain zero and one of two messages will appear in the "COMMENT" portion of the report:

1) SSA ZERO (COLA APPLIED - NET INCOME SET TO ZERO)

2) SSI ZERO (COLA NOT APPLIED - NET INCOME ZERO)

Since facilities are required to report **all** income changes, including those involving annual cost-of-living increases, a newsletter was sent instructing them to carefully review the latest 1997 billing document and compare the patient payment amount listed against the amount in the "Net Inc After" column on the COLA update report. The facilities were further instructed to report **any** corrections of $1.00 or greater to the county welfare agency or the Institutional Services Section area office, as appropriate, to ensure that a new PA-3L is issued. No action is required for differences of less than $1.00. The income of those Medicaid beneficiaries that may be affected by cost-of-living adjustments, but not subject to the Social Security

automatic increase, i.e., Railroad Retirement, is included in "Net Inc After" and should also be reviewed.

This information is to be communicated to appropriate staff. Your cooperation in this matter is necessary for the accurate and efficient operation of the long-term care billing system. Questions regarding this communication can be directed to Joseph Nowak, Unit Supervisor, Provider Relations, Department of Health and Senior Services, at (609) 588-2885.

Sincerely,

Karen I. Squarrell
Acting Director

KIS:G
Attachment

c: Len Fishman, Commissioner
Susan C. Reinhard, Ph.D., Deputy Commissioner
Department of Health and Senior Services

Karen Highsmith, Director
Division of Family Development

Michele Guhl, Acting Director
Division of Youth and Family Services