



STATE OF NEW JERSEY

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

MARGARET A. MURRAY
Director

DEPARTMENT OF HEALTH AND SENIOR SERVICES

SUSAN C. REINHARD
Deputy Commissioner

MEDICAID COMMUNICATION NO. 99-9

DATE: May 24, 1999

TO: County Welfare Agency Directors
Institutional Services Section Area Offices

SUBJECT: January 1999 Social Security Cost-of-Living Adjustment (COLA)
Automated Update to the Long-Term Care System

Attached for your review is the January 1999 Social Security Income Increase List for Medicaid beneficiaries in facilities in your county. For the January cost-of-living increase, an automatic 1.3% was computed for those beneficiaries who had a PA-3L in the long-term care billing system prior to January 1999.

The 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 1999 Social Security amount is entered on a PA-3L form that was in the long-term care billing system prior to January 1999, "99 EFF DTE NC" (PA-3L for 1999 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 1999 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.

When the month displayed in the "COMMENT" portion is greater than January 1999 (i.e., 2/99 EFF DTE NC), the "change" PA-3L should be reviewed as January 1999's available income would not reflect the COLA increase. In cases such as this, the facilities have been instructed to request a "change" PA-3L effective for January 1999.

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:

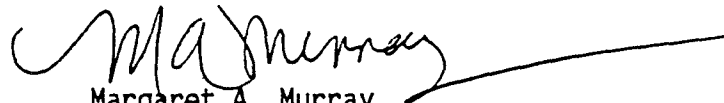
- 1) SSA ZERO (COLA APPLIED - NET INCOME SET TO ZERO)
- 2) SSI ZERO (COLA NOT APPLIED - NET INCOME ZERO)

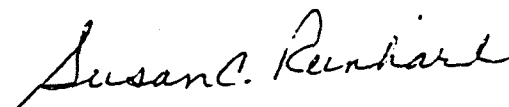
Since facilities are required to report all income changes, including those involving annual cost-of-living increases, a newsletter was sent instructing them to carefully review the latest 1999 billing document and compare the patient payment amount listed against the amount in the "Net Inc After" column on the COLA update report. The facilities were further instructed to

report **any** corrections of \$1.00 or greater to the county board of social services 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 Jim Bohan, Administrator, Fiscal Operations, Department of Health and Senior Services, at (609) 588-2885.

Sincerely, .


Margaret A. Murray
Director


Susan C. Reinhard, Ph.D.
Deputy Commissioner
Department of Health and Senior Services

MAM:G
Attachment

c: Christine Grant, Commissioner
Department of Health and Senior Services

David C. Heins, Director
Division of Family Development

Charles Venti, Director
Division of Youth and Family Services



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

Volume 9 No. 26

May 1999

TO: Intermediate Care Facilities/Mental Retardation
State and County Governmental Psychiatric Hospitals
Long-Term Care Private Psychiatric Hospitals

SUBJECT: 1999 Social Security Cost of Living (COLA) Increase

EFFECTIVE: Immediately

The Social Security 1.3% cost of living increase went into effect on January 1, 1999. Unisys automatically recalculated the Social Security Income to reflect this increase on the PA-3L records that did not have an effective year of 1999.

A copy of the COLA UPDATE REPORT is enclosed. The Beneficiary Number (RECIP NO.), Beneficiary Name (RECIPIENT NAME), COMMENT, Social Security Amount Before (SSA AMT BEFORE), Social Security Amount After (SSA AMT AFTER), Net Income Before (NET INC BEFORE) and Net Income After (NET INC AFTER) are indicated for each beneficiary listed. A clarification of the comment is displayed as a Heading Footnote on the facility's first page.

PA-3L records that are in the Unisys System with an effective year of 1999 should have included the 1.3% COLA increase in the Social Security amount. Therefore, no automatic increase was applied to these records by Unisys. In this situation, "99 EFF DTE NC" (PA3L for '99 In System - No COLA Increase Applied) will appear in the "COMMENT" portion of the COLA UPDATE REPORT.

However, when the month displayed in the "comment" portion is greater than January 1999, it is recommended that the Statement of Available Income for Medical Payment (PA-3L) on the beneficiary be reviewed. If the January 1999 COLA increase was not included, a "change" PA-3L effective for January 1999 must be requested from the Institutional Services Section (ISS) office, or the County Welfare Agency, as appropriate.

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)

The Social Security amount is in the 4th column entitled SSA AMT BEFORE. This figure represents the latest Social Security benefit amount in the Unisys system. The 5th column entitled SSA AMT AFTER represents the Social Security amount computed after applying the 1.3% COLA increase to the Social Security amount in the 4th column. The 6th column entitled NET INC BEFORE represents the patient payment prior to the COLA increase. The 7th column entitled NET INC AFTER represents the available income after subtracting the exempt income and Personal Needs Allowance (PNA) from the COLA adjusted Social Security benefit amount.

Since the NET INC AFTER is the beneficiary's PA-3L available income amount, we are requesting that you review the COLA computations.

If the computed amount in the NET INC AFTER column is different from the Long Term Care Turn Around Document (TAD) (MCNH-117) "PATIENT PAYMENT" amount, BLOCK #35, and the difference is \$1.00 or more, follow these procedures:

- 1) Change the "PATIENT PAYMENT" amount on the TAD (MCNH-117), Block #35, to reflect the actual amount of the patient liability and submit the TAD to Unisys, P.O. Box 4805, Trenton, N.J. 08650-4805.

Note: Electronic Media Claim (EMC) submitters are to change the "PATIENT PAYMENT" field on the records forwarded. Do not submit a LTC Turnaround Document (TAD) form for the patient liability change.

- 2) Inform the County Welfare Agency or, if applicable, the Medicaid Institutional Services Section (ISS) area office, that a new PA-3L needs to be completed for the beneficiary.

If the difference is less than \$1.00, follow these procedures:

- 1) Change the "PATIENT PAYMENT" amount on the TAD (MCNH-117), Block #35 to reflect the actual amount of the patient liability and submit the TAD to Unisys.
- 2) DO NOT inform the County Welfare Agency or the Institutional Services Section (ISS) area office.

Questions regarding this Newsletter should be directed to Provider Services, Unisys, at 1-800-776-6334.

**RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB
(BLUE TAB MARKED "5")**