



State of New Jersey

**DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**

ADMINISTRATIVE OFFICES
QUAKERBRIDGE PLAZA—BUILDING 5 & 7 & 12
QUAKERBRIDGE ROAD
TRENTON, NEW JERSEY 08619

ADDRESS REPLY TO:
CN-712
TRENTON, NEW JERSEY 08625

MEDICAID COMMUNICATION NO. 90-7

DATE January 29, 1990

TO: County Welfare Agency/Board of Social Services Directors

SUBJECT: Medicare Part B Premium Increase - January 1990

Effective with the January 1990 Social Security benefit check, the premium for Medicare Part B (SMI) coverage increased from \$31.90 to \$33.90. This includes the catastrophic health insurance premium of \$5.30, which was repealed along with the Medicare Catastrophic Coverage Act of 1988 on November 21, 1989. It is anticipated that the "rollback" to the actual 1990 Medicare Part B premium of \$28.60 will be implemented with the May 1990 Social Security benefit check and that two refund checks of \$10.60 each will be issued in February and April for the four months of overpayment.

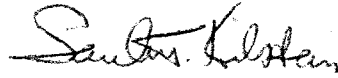
This Division has requested clarification from the Health Care Financing Administration concerning the post-eligibility treatment of income for payment of nursing facility care as well as the treatment of anticipated refund checks. Until further notification, you are instructed to use the full Medicare Part B premium, which includes the catastrophic health insurance premium, when calculating income to be used to offset the cost of nursing facility care as well as when calculating the amount which may be applied in Medically Needy cases to spend-down liability for 1990 budget periods.

This year's cost-of-living increase in Social Security benefits was 4.7%. The effect of the benefit increase in conjunction with the \$2.00 increase in the SMI premium, would have resulted in a decrease in the new Social Security benefit to persons with already low entitlements. The law requires that no one suffer a reduction in net Social Security benefits due to the increase in the SMI premium. This provision affects persons whose pre-January 1990 monthly Social Security benefit was \$42.50 or less. For affected persons, the new SMI premium is equal to the amount of the Social Security increase plus the old premium amount of \$31.90 (but not exceeding \$33.90).

Verification of the actual amount of an individual's new SMI premium can be accomplished by submission to the Social Security Administration of a Third Party Query with the "H" field completed.

Questions concerning this communication should be referred to the field staff assigned to your county.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Saul M. Kilstein". The signature is fluid and cursive, with the first name "Saul" being more prominent.

Saul M. Kilstein
Director

SMK:PH1

cc: Marion Reitz, Director
Division of Economic Assistance

Nicholas R. Scalera, Acting Director
Division of Youth and Family Services