



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CN 712

TRENTON, NEW JERSEY 08625

MEDICAID COMMUNICATION NO. 94-6

DATE: March 7, 1994

TO: County Welfare Agency Directors
Institutional Services Section Area Offices

SUBJECT: Social Security Cost of Living Increase - 2.6% - January 1994

Attached for your review is the January 1994 Social Security Income Increase List for patients in facilities in your county. For the January cost-of-living increase, an automatic 2.6% was computed for those Medicaid patients who had a PA-3L in the long-term care billing system prior to January 1994.

The Division's COLA UPDATE REPORT has been enhanced with a "COMMENT" column. A clarification of the comment is displayed on the first page of each facility's report. Effective this year, if a 1994 Social Security amount is entered on a PA-3L that was in the long-term billing system prior to January 1994, a system generated COLA PA-3L **will not** be created for this case. In this situation, "94 EFF DTE NC" (PA-3L for 1994 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 1994 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 recipient's available income (NET INC BEFORE column) is zero, the recipient'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 February 1994 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 greater than \$1.00 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 patients that may be affected by cost of living adjustments, but is 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 billing system. Questions regarding this communication can be directed to the Bureau of Claims and Accounts at (609) 588-2885.

Sincerely,



Alan G. Wheeler
Acting Director

AGW:G

Attachment w/o

c: Marion E. Reitz, Director
Division of Family Development

Nicholas Scalera, Director
Division of Youth and Family Services