



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CHRISTINE TODD WHITMAN
Governor

WILLIAM WALDMAN
Commissioner

VELVET G. MILLER
Director

MEDICAID COMMUNICATION NO. 95-17

DATE: November 14, 1995

TO: County Welfare Agency Directors
Institutional Services Section Area Supervisors

SUBJECT: Social Security Benefit Cost-of-Living Adjustment (COLA) for 1996

We have recently been advised by the Social Security Administration that the Social Security benefit cost-of-living adjustment (COLA) for 1996 is 2.6 percent and the new monthly premium for Medicare Part B (SMI) coverage is reduced to \$42.50. This COLA increase and the Medicare deduction, where appropriate, will be reflected in the January 1996 checks.

In completing a Form PA-3L with a January 1996 effective date, it is important to use the COLA increase to calculate the new Social Security benefit and for those individuals who are responsible for Medicare premiums on and after January 1, 1996, to use the new premium amount.

This information is vital for the accuracy of the 1996 COLA update process which automatically adjusts PA-3L Social Security income in the long-term care billing file. The Division will return those PA-3L forms, with an effective date of 1996, which do not reflect the 1996 estimated COLA or the new Medicare premium amount.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Velvet G. Miller".

Velvet G. Miller
Director

VGM:Jm

c Karen Highsmith, Acting Director
Division of Family Development

Patricia Balasco-Barr, Director
Division of Youth and Family Services