State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
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MEDICAID COMMUNICATION NO. 02-07 **DATE:** January 24, 2002

TO: County Welfare Agency Directors
Institutional Services Section Area Supervisors

SUBJECT: Social Security Benefit Cost of Living Adjustment (COLA) for 2002

As you already may be aware, the Social Security benefit cost-of-living adjustment (COLA) for 2002 is 2.6 percent and the new monthly premium for Medicare Part B (SMI) coverage is $54.00. This COLA increase and the Medicare premium deduction, where appropriate, were reflected in the January 2002 checks.

In completing a Form PR-1 with a January 2002 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 the Medicare premiums on and after January 1, 2002, to use the new premium amount.

This information is vital for the accuracy of the 2002 COLA update process, which automatically adjusts PR-1 Social Security income in the long-term care billing system. The Department of Health and Senior Services will return those PR-1 forms, with an effective date of 2002, which do not reflect the 2002 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,

Deborah C. Bradley
Acting Director

DCB:Hh

c: Clifton R. Lacy, M.D., Commissioner-Designate
William Conroy, Deputy Commissioner
Department of Health and Senior Services

David Heins, Director
Division of Family Development

Charles Venti, Director
Division of Youth and Family Services