



State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
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Acting Director
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MEDICAID COMMUNICATION NO. 01- 09

DATE: May 21, 2001

TO: County Welfare Agency Directors
Institutional Services Section Area Offices

SUBJECT: January 2001 Social Security Cost-of-Living Adjustment (COLA)
Automated Update to the Long-Term Care System

Attached for your review is the January 2001 Social Security Income Increase List for Medicaid beneficiaries in facilities in your county. For the January cost-of-living increase, an automatic 3.5% was computed for those beneficiaries who had a PR-1 in the long-term care billing system prior to January 2001.

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 2001 Social Security amount is entered on a PR-1 form that was in the long-term care billing system prior to January 2001, "01 EFF DTE NC" (PR-1 for 2001 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 2001 amount exactly as it was entered on the PR-1, it is important that the amount that was entered on the PR-1 accurately reflects the COLA increase.

When the month displayed in the "COMMENT" portion is greater than January 2001 (i.e., 2/01 EFF DTE NC), the "change" PR-1 should be reviewed as January 2001's available income would not reflect the COLA increase. In cases such as this, the facilities have been instructed to request a "change" PR-1 effective for January 2001.

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)

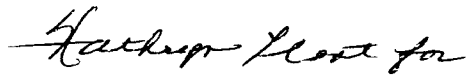
Since facilities are required to report all income changes, including those involving annual cost-of-living increases, a newsletter was sent instructing them to carefully review the latest 2001 billing document and compare the patient payment amount listed against the amount in the "Net Inc After" column on the COLA update report.

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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 PR-1 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, e.g., 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 June Britton, Administrative Analyst, Fiscal Operations, Department of Health and Senior Services, at (609) 588-2885.

Sincerely,



Deborah C. Bradley
Acting Director



William Conroy
Deputy Commissioner
Department of Health and Senior Services

DCB:S

Attachment (CWAs)

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