



State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
P.O. Box 712
Trenton, NJ 08625-0712
Telephone 1-800-356-1561

JAMES E. MCGREEVEY
Governor

GWENDOLYN L. HARRIS
Commissioner

KATHRYN A. PLANT
Director

MEDICAID COMMUNICATION NO. 03- 03

DATE: January 24, 2003

TO: County Welfare Agency Directors
Institutional Services Section Area Supervisors

SUBJECT: Social Security Benefit Cost of Living Adjustment (COLA) for 2003

As you already may be aware, the Social Security benefit cost-of-living adjustment (COLA) for 2003 is 1.4 percent and the new monthly premium for Medicare Part B (SMI) coverage is \$58.70. This COLA increase and the Medicare premium deduction, where appropriate, were reflected in the January 2003 checks.

In completing a Form PR-1 with a January 2003 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, 2003, to use the new premium amount.

This information is vital for the accuracy of the 2003 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 2003, which do not reflect the 2003 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,

Kathryn A. Plant
Director

KAP:Gg

c: Clifton R. Lacy, Commissioner
Department of Health and Senior Services

Pearl Elias, Acting Director
Division of Family Development

Doris Jones, Acting Director
Division of Youth and Family Services