



## State of New Jersey

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

Deborah C. Bradley  
*Acting Director*

DEPARTMENT OF HEALTH AND SENIOR SERVICES

William Conroy  
*Deputy Commissioner*

**MEDICAID COMMUNICATION NO. 02-12**

**DATE: March 25, 2002**

**TO:** County Welfare Agency Directors  
Institutional Services Section Area Offices

**SUBJECT:** January 2002 Social Security Cost-of-Living Adjustment (COLA)  
Automated Update to the Long-Term Care System

Attached for your review is the January 2002 Social Security Income Increase List for Medicaid beneficiaries in facilities in your county. For the January cost-of-living increase, an automatic 2.6% was computed for those beneficiaries who had a PR-1 in the long-term care billing system prior to January 2002.

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. PR-1 records that are in the Unisys System with an EFFECTIVE YEAR of 2002 should have included the 2.6% COLA increase in the Social Security amount. Therefore, no automatic increase was applied to these records by Unisys. In this situation, "02 EFF DTE NC" (PR-1 for '02 In System - No COLA Increase Applied) will appear in the "COMMENT" portion of the COLA UPDATE REPORT.

However, the facilities were advised to review the beneficiary's Statement of Available Income for Medicaid Payment (PR-1) form when the month displayed in the "COMMENT" portion is greater than January 2002. If the January 2002 COLA increase was not included, the facilities will request a "change" PR-1 effective for January 2002.

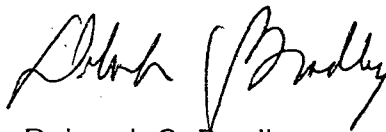
If on the COLA UPDATE REPORT the beneficiary's available income (NET INC BEFORE column) is zero, the beneficiary's available income (NET INC AFTER column) will remain zero and one of two messages will appear in the "COMMENT" portion of the report:

- 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 2002 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 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:Hh

Attachment (CWAs)

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

David C. Heins, Director  
Division of Family Development

Charles Venti, Director  
Division of Youth and Family Services