



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

Volume 12 No. 35

May 2002

TO: Intermediate Care Facilities/Mental Retardation
State and County Governmental Psychiatric Hospitals
Long-Term Care Private Psychiatric Hospitals

SUBJECT: 2002 Social Security Cost of Living (COLA) Increase

EFFECTIVE: Immediately

The Social Security 2.6% cost of living increase went into effect on January 1, 2002. Unisys automatically recalculated the Social Security Income to reflect this increase on the PR-1 records that did not have an effective year of 2002.

A copy of the COLA UPDATE REPORT is enclosed. The Beneficiary Number (RECIP NO.), Beneficiary Name (RECIPIENT NAME), COMMENT, Social Security Amount Before (SSA AMT BEFORE), Social Security Amount After (SSA AMT AFTER), Net Income Before (NET INC BEFORE) and Net Income After (NET INC AFTER) are indicated for each beneficiary listed. A clarification of the comment is displayed as a Heading Footnote on the facility's first page.

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, *"MM EFF DTE NC" (PR-1 for '01 In System - No COLA Increase Applied) will appear in the "COMMENT" portion of the COLA UPDATE REPORT. (*MM designates month)

However, when the month displayed in the "comment" portion is greater than January 2002, it is recommended that the Statement of Available Income for Medical Payment (PR-1) on the beneficiary be reviewed. If the January 2002 COLA increase was not included, a "change" PR-1 effective for January 2002 must be requested from the Institutional Services Section (ISS) office, or the County Board of Social Services (CBOSS), as appropriate.

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)

The Social Security amount is in the 4th column entitled SSA AMT BEFORE. This figure represents the latest Social Security benefit amount in the Unisys system. The 5th column entitled SSA AMT AFTER represents the Social Security amount computed after applying the 2.6% COLA increase to the Social Security amount in the 4th column. The 6th column entitled NET INC BEFORE represents the patient payment prior to the COLA increase. The 7th column entitled NET INC AFTER represents the available income after subtracting the exempt income and Personal Needs Allowance (PNA) from the COLA adjusted Social Security benefit amount.

Since the NET INC AFTER is the beneficiary's PR-1 available income amount, we are requesting that you review the COLA computations.

If the computed amount in the NET INC AFTER column is different from the Long Term Care Turn Around Document (TAD) (MCNH-117) "PATIENT PAYMENT" amount, BLOCK #35, and the difference is \$1.00 or more, follow these procedures:

- 1) Change the "PATIENT PAYMENT" amount on the TAD (MCNH-117), Block #35, to reflect the actual amount of the patient liability and submit the TAD to Unisys, P.O. Box 4805, Trenton, N.J. 08650-4805.

Note: Electronic Media Claim (EMC) submitters are to change the "PATIENT PAYMENT" field on the records forwarded. Do not submit a LTC Turnaround Document (TAD) form for the patient liability change.

- 2) Inform the CBOSS or, if applicable, the Medicaid ISS area office, that a new PR-1 needs to be completed for the beneficiary.

If the difference is less than \$1.00, follow these procedures:

- 1) Change the "PATIENT PAYMENT" amount on the TAD (MCNH-117), Block #35 to reflect the actual amount of the patient liability and submit the TAD to Unisys.

- 2) DO NOT inform the CBOSS or the Institutional ISS area office.

Questions regarding this Newsletter should be directed to Provider Services, Unisys, at 1-800-776-6334.

**RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB
(BLUE TAB MARKED "5")**