

# Senior Services News



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Division of Senior Benefits & Utilization  
Management*

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**TO:** Nursing Facilities (In-State and Out-of-State)

**SUBJECT:** 2012 Social Security Cost of Living Adjustment (COLA)

**EFFECTIVE:** January 1, 2012

The Social Security 3.6% cost of living increase goes into effect on January 1, 2012. Molina automatically recalculates the Social Security Income to reflect this increase on the PR1 records that do not have an effective year of 2012.

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.

PR1 records that are in the Molina System with an EFFECTIVE YEAR of 2012 should include the 3.6% COLA increase in the Social Security amount. Therefore, no automatic increase is applied to these records by Molina. In this situation, \*"MM12 EFF DTE NC" (PR1 for '12 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 2012, it is recommended that the Statement of Available Income for Medicaid Payment (PR1) form on the beneficiary be reviewed. If the January 2012 COLA increase is not included, a "CHANGE" PR1 effective for January 2012 must be requested from the county.

Should the beneficiary's available income (NET INC BEFORE column) on the COLA UPDATE REPORT equal zero, the NET INC AFTER column will also 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 Molina system. The 5th column entitled SSA AMT AFTER represents the Social Security amount computed after applying the 3.6% COLA increase to the Social Security amount in the 4th column. The 6th column entitled NET INC BEFORE represents the available income 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 PR1 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 Molina, P.O. Box 4805, Trenton, NJ 08650-4805.

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

- 2) Inform the County Welfare Agency that a new PR1 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 Molina.

**Note:** Electronic Media Claim (EMC) submitters are to refer to note above on "PATIENT PAYMENT" field.

- 2) DO NOT inform the County Welfare Agency.

Questions regarding this Newsletter should be directed to the Office of Provider Relations, Division of Senior Benefits and Utilization Management, Department of Health and Senior Services, at (609) 588-2885.

**RETAIN THIS NEWSLETTER FOR FUTURE REFERENCE**