



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

New Jersey Health Services Program

NEWSLETTER

Volume 2 No. 13

March 1992

TO: Nursing Facilities (In-State and Out-Of-State),
Intermediate Care Facilities/Mental Retardation,
State and County Governmental Psychiatric
Hospitals, and Private Residential Treatment Centers

SUBJECT: Social Security Cost of Living Increase: 3.7% January 1992

The Social Security cost of living increase for January 1992 is 3.7 percent and has been systemically calculated by Unisys/Paramax on your January billing. Your pre-printed Turn Around Documents (TADs) for February 1992 billing will not reflect the change in the patient payment amount (Block 35). Please change the patient payment amount to reflect the Cost of Living Adjustment (COLA) increase on the TADs. A copy of the COLA Update Report for Medicaid recipients in your facility was generated by Unisys/Paramax and is attached.

The COLA Update Report is in a format different from the previous years. The Social Security benefit amount is listed in the column entitled, "SSA Amt Before". This figure is the amount of the patient's Social Security benefit prior to the application of the COLA from the PA-3L information in the Unisys/Paramax system.

The COLA adjusted benefit amount is listed in the next column, "SSA Amt After". This figure represents an automatic 3.7% increase computed for those patients who had a PA-3L in the Unisys/Paramax long-term care system with an effective date prior to January 1992.

The next column is "Net Inc Before". This figure represents the patient payment amount prior to the COLA adjustment. The next column is the "Net Inc After". This figure represents the patient payment amount after the COLA adjustment. Verify the patient payment amount listed on the pre-printed TADs for February 1992 billing against the amount listed on the COLA Update Report in the column headed, "Net Inc After". If the computed amount in the "Net Inc After" column is different from the TAD Block 35 and the difference is greater than \$1.00, the following procedures are to be followed:

- 1) Change the patient payment amount on the Turn Around Document in Block 35 and submit to Unisys/Paramax. Since the patient payment amount will be higher than the patient payment amount in the system, Unisys/Paramax billing system will automatically take the higher income towards the cost of care.
- 2) Report all the differences of more than \$1.00 to the County Welfare Agency or the Institutional Services Section (ISS) area office, as appropriate, to ensure that a new PA-3L is issued.

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If the difference is \$1.00 or less, note the correct amount on the COLA Update Report and return the list to the Bureau of Claims and Accounts (BCA), CN-712, Trenton, NJ 08625. BCA will process the change. A new PA-3L is not required for amounts of \$1.00 or less.

Your cooperation is crucial to the accurate and efficient operation of the long-term care billing system. Questions regarding this communication should be directed to Ellen Keane at (609) 588-2860.

Attachment: COLA Update Report (only for Medicaid providers)