

TO: Nursing Facilities (In-State and Out-Of-State) State and  
County Governmental Psychiatric Hospitals

SUBJECT: MEDICARE Part B Premium Increase - January 1994

BACKGROUND: Effective with the January 1994 Social Security checks, the  
premium amount could be less than \$41.10 for certain Social Security  
Beneficiaries with already low entitlements.

ACTION: County Welfare Agencies are currently in the process of  
making appropriate adjustments.

If the cost of living increase (2.6 percent for January 1994) in conjunction  
with the increase in the SMI premium results in the decrease in Social Security  
benefits, the SMI premium will be reduced.

NOTE: The majority of cases will reflect the \$41.10 Buy-In deduction.

New Medicaid Only institutional eligibles will have the SMI premium indicated  
on the Form PA-3L, Statement of Available Income for Medicaid Payment. For  
ongoing cases the State pays the premium through the Buy-In program so no  
deductions are made.

For your information, the institutional monthly cap for nursing facility  
placement for 1994 is \$1,338.00 and the SNF Medicare co-insurance rate for days  
21-100 in a skilled Medicare approved nursing facility is \$87.00 per day.

If you have any questions regarding this Newsletter, please contact Ellen Keane  
at the Bureau of Claims and Accounts, Division of Medical Assistance and Health  
Services at (609) 588-2885.

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