

To: Nursing Facilities (In-State and Out-Of-State),
Intermediate Care Facilities/Mental Retardation,
State and County Governmental Psychiatric Hospitals

Subject: 1994 Social Security Cost of Living (COLA) Increase

Effective: Immediately

The Social Security 2.6% cost of living increase went into effect on January 1, 1994. Unisys automatically recalculated the Social Security Income previously reported on the PA-3L to reflect this increase.

The Division's COLA UPDATE REPORT has been enhanced with a "COMMENT" column. A clarification of the comment is displayed on the facility's first page. The Recipient Number, Recipient Name, 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) continue to be indicated for each recipient listed. A copy of the new COLA UPDATE REPORT is enclosed.

PA-3L records with the effective YEAR of 1994 include the 2.6% COLA increase and therefore, no automatic increase was applied to these records by Unisys. In this situation, "94 EFF DTE NC" (PA3L for 94 In System - No COLA Increase Applied) will appear in the "COMMENT" portion of the COLA UPDATE REPORT.

If on the COLA UPDATE REPORT the recipient's available income (NET INC BEFORE column) is zero, the recipient'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 patient Social Security benefit amount that had been on 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 patient payment after subtracting the exempt income and Personal Needs Allowance (PNA) from the COLA adjusted Social Security benefit amount.

Since the NET INC AFTER represents the PA-3L patient payment, we are requesting that you review each recipient's new COLA computation.

If the computed amount in the NET INC AFTER column is different from the Turn Around Document (TAD) "PATIENT PAYMENT AMOUNT", Block #35, and the difference is greater than \$1.00 follow these procedures:

- 1) Change the "PATIENT PAYMENT AMOUNT" on the TAD, Block #35, to reflect the actual amount of the patient liability and submit the TAD to Unisys, CN 4805, Trenton, N.J. 08650-4805.
- 2) Inform the County Welfare Agency or the Institutional Services Section (ISS) area office that a new PA-3L needs to be completed for the recipient.

If difference is less than \$1.00, no action is required.

Questions regarding this Newsletter should be directed to Ellen Keane, Acting Chief, at the Bureau of Claims and Accounts, Division of Medical Assistance and Health Services, (609) 588-2885.

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(BLUE TAB MARKED "5")