

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

Subject: 1996 Social Security Cost-of-Living (COLA) Increase

Effective: Immediately

The Social Security 2.6% cost-of-living increase went into effect on January 1, 1996. Unisys automatically recalculated the Social Security Income to reflect this increase on the PA-3L records that did not have an effective year of 1996.

The Division's COLA UPDATE REPORT is enclosed. The Beneficiary Number, Beneficiary 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 first page of the report.

PA-3L records that are in the Unisys system with an effective **YEAR** of 1996 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, "96 EFF DTE NC" (PA3L for 96 In System - No COLA Increase Applied) will appear in the "COMMENT" portion of the COLA UPDATE REPORT.

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 PA-3L available income amount, we are requesting that you review the 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 \$1.00 or more, 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, P.O. Box 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 beneficiary.

If the difference is less 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.
- 2) DO NOT inform the County Welfare Agency or the Institutional Services Section (ISS) area office.

Questions regarding this Newsletter should be directed to Joseph Nowak, Unit Supervisor, Provider Relations, Division of Medical Assistance and Health Services, at (609) 588-2885.

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