



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CHRISTINE TODD WHITMAN
Governor

WILLIAM WALDMAN
Commissioner

VELVET G. MILLER
Director

MEDICAID COMMUNICATION NO. 96-28

DATE: November 22, 1996

TO: County Welfare Agency Directors
Institutional Services Section Area Supervisors

SUBJECT: Social Security Benefit Cost-of-Living Adjustment (COLA) for 1997

We have recently been advised by the Social Security Administration that the Social Security benefit cost-of-living adjustment (COLA) for 1997 is 2.9 percent and the new monthly premium for Medicare Part B (SMI) coverage is \$43.80. This COLA increase and the Medicare deduction, where appropriate, will be reflected in the January 1997 checks.

In completing a Form PA-3L with a January 1997 effective date, it is important to use the COLA increase to calculate the new Social Security benefit and for those individuals who are responsible for Medicare premiums on and after January 1, 1997, to use the new premium amount.

This information is vital for the accuracy of the 1997 COLA update process which automatically adjusts PA-3L Social Security income in the long-term care billing file. The Department of Health and Senior Services will return those PA-3L forms, with an effective date of 1997, which do not reflect the 1997 estimated COLA or the new Medicare premium amount.

Questions concerning this communication should be referred to the field service staff assigned to your county.

Sincerely,

Karen I. Squarrell
Acting Director

KIS:Jm

c Len Fishman, Commissioner
Susan C. Reinhard, Ph.D., Deputy Commissioner
Department of Health and Senior Services

Karen Highsmith, Director
Division of Family Development

Patricia Balasco-Barr, Director
Division of Youth and Family Services