



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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Commissioner

ANN CLEMENCY KOHLER
Director

MEDICAID COMMUNICATION NO. 03-20

DATE: November 19, 2003

TO: County Welfare Agency Directors
Institutional Services Section Area Supervisors

SUBJECT: Social Security Benefit Cost of Living Adjustment (COLA) for 2004

As you already may be aware, the Social Security benefit cost-of-living adjustment (COLA) for 2004 is 2.1 percent and the new monthly premium for Medicare Part B (SMI) coverage is \$66.60. This COLA increase and the Medicare premium deduction, where appropriate, will be reflected in the January 2004 checks.

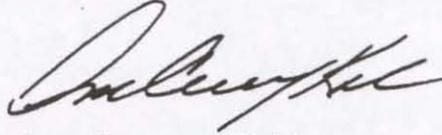
In completing a Form PR-1 with a January 2004 effective date, it is important to use the COLA increase to calculate the new Social Security benefit, and for those individuals who are responsible for the Medicare premiums on and after January 1, 2004, to use the new premium amount.

This information is vital for the accuracy of the 2004 COLA update process, which automatically adjusts PR-1 Social Security income in the long-term care billing system. The Department of Health and Senior Services will return those PR-1 forms, with an effective date of 2004, which do not reflect the 2004 estimated COLA or the new Medicare premium amount.

PeopleFIRST
NJ Department of Human Services

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

Sincerely,



Ann Clemency Kohler
Director

ACK:Gg

c: Clifton R. Lacy, Commissioner
Susan Reinhard, Senior Policy Advisor
Department of Health and Senior Services

Jeanette Page-Hawkins, Director
Division of Family Development

Edward Cotton, Director
Division of Youth and Family Services

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