



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

IRISTINE TODD WHITMAN  
Governor

MICHELE K. GUHL  
Commissioner

MARGARET A. MURRAY  
Director

**MEDICAID COMMUNICATION NO. 98-21**

**DATE: November 23, 1998**

**TO:** County Welfare Agency Directors  
Institutional Services Section Area Supervisors

**SUBJECT:** Social Security Benefit Cost of Living Adjustment (COLA) for 1999

We have recently been advised by the Social Security Administration that the Social Security benefit cost-of-living adjustment (COLA) for 1999 is 1.3 percent and the new monthly premium for Medicare Part B (SMI) coverage is \$45.50. This COLA increase and the Medicare premium deduction, where appropriate, will be reflected in the January 1999 checks.

In completing a Form PA-3L with a January 1999 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, 1999, to use the new premium amount.

This information is vital for the accuracy of the 1999 COLA update process which automatically adjusts PA-3L Social Security income in the long-term care billing system. The Department of Health and Senior Services will return those PA-3L forms, with an effective date of 1999, which do not reflect the 1999 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,

Margaret A. Murray  
Director

MAM:C

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

David Heins, Acting Director  
Division of Family Development

Charles Venti, Acting Director  
Division of Youth and Family Services