



State of New Jersey  
DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CHRISTINE TODD WHITMAN  
Governor

MICHELE K. GUHL  
Commissioner  
MARGARET A. MURRAY  
Director

**MEDICAID COMMUNICATION NO. 00-24      DATE: December 11, 2000**

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

**SUBJECT:** Social Security Benefit Cost of Living Adjustment (COLA) for 2001

We have recently been advised by the Social Security Administration that the Social Security benefit cost-of-living adjustment (COLA) for 2001 is 3.5 percent and the new monthly premium for Medicare Part B (SMI) coverage is \$50.00. This COLA increase and the Medicare premium deduction, where appropriate, will be reflected in the January 2001 checks.

In completing a Form PR-1 with a January 2001 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, 2001, to use the new premium amount.

This information is vital for the accuracy of the 2001 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 2001, which do not reflect the 2001 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:E

C: Christine Grant, Commissioner  
William Conroy, Deputy Commissioner  
Department of Health and Senior Services

David Heins, Director  
Division of Family Development

Charles Venti, Director  
Division of Youth and Family Services