

## DEPARTMENT OF AGING

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# PROGRAM MEMO

TO: <b>AREA AGENCIES ON AGING DIRECTORS</b>	NO.: <b>PM 05-04 (P)</b>
SUBJECT: <b>SFY 2004-05 Health Insurance Counseling and Advocacy Program (HICAP) Planning Estimate Amendment #2</b>	DATE ISSUED: 03-30-05
REVISED	EXPIRES: June 30, 2006
REFERENCES: <b>Older Californians Act, Welfare and Institutions Code 9100, et. seq.</b>	SUPERSEDES:
PROGRAMS AFFECTED: <input type="checkbox"/> All <input type="checkbox"/> Title III-B <input type="checkbox"/> Title III-C1/C2 <input type="checkbox"/> Title III-D <input type="checkbox"/> Title III-E <input type="checkbox"/> Title V <input type="checkbox"/> CBSP <input type="checkbox"/> MSSP <input type="checkbox"/> Title VII <input type="checkbox"/> ADHC <input checked="" type="checkbox"/> Other: <u>HICAP</u>	
REASON FOR PROGRAM MEMO: <input type="checkbox"/> Change in Law or Regulation <input type="checkbox"/> Response to Inquiry <input checked="" type="checkbox"/> Other Specify: <u>Transmit Revised HICAP Planning Estimates</u>	
INQUIRIES SHOULD BE DIRECTED TO: <b>Your AAA-Based Team Fiscal Specialist</b>	

This Program Memo transmits your revised Health Insurance Counseling and Advocacy Program (HICAP) Planning Estimates for SFY 2004-05. This revision provides additional federal funds made available for the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA).

## Increased Federal MMA Funds

The Department has applied for federal funds totaling \$2,482,144 in the federal grant period April 1, 2005 through March 31, 2006. Based on this application, the Department is allocating the proposed increase applicable to the current state fiscal year of \$346,000 in this amendment. As with the previous SHIP supplemental funds, the method of distribution is to divide the funds in half, with one-half allocated by a flat rate amount (equal proportion to each HICAP), and the other half by the latest Medicare beneficiary enrollment data for California counties.

HICAP providers are to keep detailed records of what goods and/or services are purchased with MMA Supplemental funds. **Attached to this PM is a revised HICAP Budget (CDA 229) which includes a new Page 5 for budgeting HICAP Medicare Modernization Act (MMA) expenses.**



Page 5 lists the allowable costs for MMA funds and must be completed for both direct and contracted services. In addition, AAAs will be required to report actual expenditure information in the SFY 2004-05 closeout process. This level of reporting is necessary so CDA can respond to inquiries from the State Legislature, Department of Finance, and CMS. CDA may also request expenditure information periodically during the fiscal year.

### **Budget Due Date**

Due to the major MMA changes currently being implemented that will have significant impact on HICAPs during the balance of this fiscal year and through all of SFY 2005-06, CDA is requiring an expedited budget revision process. A revised CDA 229, which incorporates the attached HICAP Planning Estimate amendment, is **due to your Fiscal Team Specialist as soon as possible, but no later than 14 days from the date of this PM**. In turn, CDA will expedite its budget review process so contracts can be executed by AAAs and funds released in this fiscal year.

An electronic master copy of the revised CDA 229 (in Excel format, with formulas) will be emailed to all AAA Fiscal Officers simultaneously with the distribution of this PM.

Budgets must be submitted electronically to the Fiscal Team using the CBSP fiscal mailboxes. Each AAA and HICAP provider should work closely together to ensure these funds are available to meet MMA consumer demands in the remainder of SFY 2004-05.

*Original Signed by Lora Connolly*

Lora Connolly  
Acting Director

Attachments: AAA's only