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**PROGRAM MEMO**

<b>TO:</b> <b>AREA AGENCIES ON AGING DIRECTORS</b>	<b>NO.: PM 09-01(P)</b>
<b>SUBJECT:</b> State Fiscal Year (SFY) 2008-09 Health Insurance Counseling and Advocacy Program Contract Amendment #2	<b>DATE ISSUED:</b> February 9, 2009
<b>REVISED</b>	<b>EXPIRES:</b> July 1, 2009
<b>REFERENCES:</b> PM 08-27 (P)	<b>SUPERSEDES:</b>  N/A
<b>PROGRAMS AFFECTED:</b> <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 checked="" type="checkbox"/> HICAP <input type="checkbox"/> MSSP <input type="checkbox"/> Title VII <input type="checkbox"/> ADHC <input type="checkbox"/> Other:	
<b>REASON FOR PROGRAM MEMO:</b> <input type="checkbox"/> Change in Law or Regulation <input type="checkbox"/> Response to Inquiry <input checked="" type="checkbox"/> Other Specify: <u>Transmit Health Insurance Counseling and Advocacy Program Contract Amendments</u>	
<b>INQUIRIES SHOULD BE DIRECTED TO:</b> <b>Your Assigned AAA-Based Team Fiscal Specialist</b>	

This Program Memo (PM) transmits your Fiscal Year (FY) 2008-09 Health Insurance Counseling and Advocacy Program (HICAP) Revised Allocation and Contract Amendment #2. This contract amendment includes \$146,368 in federal State Health Insurance Assistance Program (SHIP) funds from past year grants reconciliation and \$650,256 in one-time supplemental funding to support Low Income Subsidy (LIS) targeted outreach and other purposes as described below. Fifty-four percent of the total amount of \$796,624 (\$430,177) must be used specifically for LIS outreach. The remainder of the funding can be used for infrastructure or any other purpose within HICAP operations, including additional LIS outreach services.



Fifty percent of the funding is allocated as a flat rate to each of 26 contracted jurisdictions. The other fifty percent are allocated based on the number of Medicare beneficiaries in each county using the most current Medicare Beneficiary population data available from the Centers for Medicare and Medicaid Services (CMS).

In a March 24, 2008 email communication to AAA Directors and HICAP Managers, the California Department of Aging (CDA) requested AAAs to submit proposals for the use of these funds in accordance with suggested activities identified in the SHIP Grant Application. Proposals were received that focused on intensified outreach activities to help potentially eligible low-income individuals understand and apply for the low-income subsidy, and projects in one or more of the following areas:

**Training** – Enhance training in support of local HICAPs and other Community-Based Organizations (CBOs) to improve the quality of the assistance available from those organizations and share effective practices for reaching and serving beneficiaries with limited incomes.

**Technology** – Technology needed for community-based outreach and assistance includes, but is not limited to, both desktop and laptop computers with wireless internet access and portable printers that would be available in enrollment sites and for home visits.

**Communication** – Effectively enhance community-based efforts to reach and serve people with limited incomes by developing routine pathways to communicate important information to CBOs in a timely manner and in a format that is easily used by those organizations.

**Technical Assistance** – Perform a vital role in supporting both local HICAPs and other diverse CBOs by organizing a flow of information from national organizations down to local organizations and by facilitating communication from local affiliates up to states or CMS.

**Volunteer Programs** – Enhance and revitalize volunteer programs to assure a growing pool of volunteers are available to serve a more demographically diverse and larger number of Medicare beneficiaries.

A Progress Report is due to CDA on August 15, 2009. CDA will develop and send guidance to AAAs in November 2009 for a final report due by December 31, 2009. The final report information will be compiled and reported to CMS. CDA will use this information to develop any request for carryover of Grant Funds for expenditure in SFY 2009-10.

HICAP providers should keep a general record of goods and/or services purchased with the additional funds (e.g., additional personnel time or overtime, technology improvements, increased travel expenditures, phone and other services, equipment, etc.) to help with next year's planning efforts. This information will be reported to CDA in the closeout process. Any future additional federal funding is likely to be restricted for specific purposes, such as specialized outreach, and will therefore be evaluated for effectiveness in accordance with federal requirements.

**Revised HICAP Budget (CDA 229)**

The Fiscal Team will email electronic copies of the revised CDA 229, in Excel format with formulas, to AAA Fiscal Officers simultaneously with the release of this PM.

**Budget Due Date**

A revised HICAP Budget (CDA 229), which incorporates the attached HICAP Budget Display Amendment #2, is due to your Fiscal Team Specialist **as soon as possible, but no later than 30 days from the date of this PM**. Revised Budgets must be submitted electronically to the Fiscal Team using the Community Based Services Program fiscal mailboxes.



Lynn Daucher  
Director

Attachments (Contract Amendment/Std. Agreement will be mailed directly to Authorized Contract Representative.)