

California Department of Aging

Health Insurance Counseling and Advocacy Program Narrative

Program / Element / Component -- 40.90.10

Description

The Health Insurance Counseling and Advocacy Program (HICAP) is a consumer-oriented health insurance counseling and education program. The Program offers the following services: (1) community education regarding Medicare Parts A and B, Medicare Part D Prescription Drug Plans, Medicare Advantage Plans, Medicare Supplement insurance and long-term care insurance; (2) individual health insurance counseling that provides objective and accurate comparisons of choices; and informal advocacy services regarding enrollment, disenrollment, claims, appeals prescription drug exceptions and other urgent Part D Plan coverage issues; and (3) legal referral and in some geographic areas, legal assistance.

Benefits

HICAP community presentations enhance the community's knowledge of Medicare Advantage Plan benefits, local access to primary and emergency care and premiums; Medicare Prescription Drug Plan coverage, formularies and co-payments; other Medicare Health Plans; Medicare beneficiary rights including appeal procedures; and long-term care insurance. Medicare beneficiaries requiring individual counseling or answers to Medicare questions also benefit from HICAP. Individual counseling services can help with eligibility issues, understanding insurance policy conditions, evaluating health insurance options, and many other problems related to Medicare coverage and health plan coverage. Finally, limited legal assistance is available in some areas to advocate on behalf of HICAP clients.

Eligibility

Eligibility for HICAP services is limited to Medicare beneficiaries and persons with imminent Medicare eligibility.

Access

Access to HICAP services is possible through several avenues. The primary access point is the statewide HICAP toll-free telephone number at **1-800-434-0222**. Registered Counselors are available in person by appointment or by calling the HICAP toll free number. The statewide Area Agencies on Aging (AAA) Information and Assistance toll free line at **1-800-510-2020** is also an avenue for information on HICAP community presentation schedules and referral to the local HICAP. This number can be located in the blue-bordered pages of the Community Services section of the telephone book under Senior Information and Referral or access the California Department of Aging website at www.aging.ca.gov. Further, information on HICAP services is available at

local Senior Centers, community organizations, and through notices in neighborhood newspapers.

Background

The HICAP was established by State legislation, in 1984 (AB 2419, Agnos; CH 1464/84; Welfare and Institutions Code, Section 9750, et seq.) The legislative intent was to help educate seniors on how to purchase Medicare supplemental insurance wisely, and to help those seniors with excess or inappropriate insurance. The California Department of Aging (CDA) became the statewide administrator for the HICAPs.

In 1990, the State Health Insurance Assistance Program (SHIP) was created as a national program under section 4360 of the Omnibus Reconciliation Act. This Act authorized the former Health Care Financing Administration to provide grants to states to administer a SHIP. The California HICAP was used as a model for the SHIP and CDA became the choice as California's administrator of the federal SHIP in 1992.

AB 2800, the Mello-Grandlund Older Californians Act (Chapter 1097, Statutes of 1996), integrated seven distinct Community-Based Services Programs (CBSP) in one Community-Based Services Network and transferred responsibility for related contract administration from CDA to the Area Agencies on Aging. The HICAP Program is one of these seven programs.

CH 797/96 established a new HICAP fund from fees on HMOs for Medicare enrollees. These funds reduced reimbursements from the Insurance Fund starting in State Fiscal Year (FY) 1997/98. HICAP receives funding from three sources: (1) Department of Insurance (Reimbursement Fund); (2) Fees assessed on Managed Care Plans (HICAP Fund), Department of Aging; and (3) Centers for Medicare and Medicaid Services.

CH 545/03 amended the funding formula provisions established in CH 797/96 requiring the department to assess fees on Medicare supplement contracts, including Medicare Select contracts, in addition to HMOs, for Medicare enrollees. The maximum assessment fee was raised. CH 545 also established baseline funding for HICAP in FY 2004/05, from state sources, in an amount that is equivalent to the total funding provided for HICAP in FY 2002/03.

The Medicare Modernization Act of 2003 was the most significant change in the Medicare Program since its inception. The Medicare Prescription Drug Coverage (Part D) open enrollment period in 2005 resulted in a demand for information and requests for appointments that exceeded the capacity of local HICAPs. In FY 2005/06, the Legislature approved ongoing supplemental funding to alleviate the capacity problem and assure that people dually eligible for both Medicare and Medi-Cal receive counseling services.