

DEPARTMENT OF AGING

1600 K STREET
 SACRAMENTO, CA 95814-4020
 Internet Home Page: www.aging.ca.gov
 TDD Only 1-800-735-2929
 FAX Only (916) 327-2081



PROGRAM MEMO

TO: AREA AGENCIES ON AGING DIRECTORS	NO.: PM 05-08 (P)
SUBJECT: SFY 2004-05 Health Insurance Counseling and Advocacy Program (HICAP) Contract Amendment #2	DATE ISSUED: 4/28/2005
REVISED	EXPIRES: June 30, 2006
REFERENCES: Older Californians Act, Welfare and Institutions Code Section 9100, et. seq.	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 Contract Amendment</u>	
INQUIRIES SHOULD BE DIRECTED TO: Your AAA-Based Team Fiscal Specialist	

This Program Memo transmits your revised Health Insurance Counseling and Advocacy Program (HICAP) Contract Amendment #2 for SFY 2004-05. This contract revision provides additional federal funds made available for the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA).

Old Contract Process

In previous years, the California Department of Aging's (CDA) contract process for the HICAP involved the following process: (1) Planning Estimate sent to Area Agencies on Aging (AAA) to use to complete a HICAP budget; (2) HICAP budget sent to CDA within 30 days of receipt of Planning Estimate; (3) Budget approved by CDA and attached to HICAP contract and sent to AAA; (4) Contract adopted by AAA's Governing Board and returned to CDA; (5) CDA executes contract.

New Contract Process

In order to accelerate the contract and budget approval process, CDA is revising its current process to ensure HICAP providers receive MMA funding as soon as possible. This new process allows



Do Your Part to Help California Save Energy
 To learn more about saving energy, visit the CDA web site at www.aging.ca.gov

AAAs to prepare budgets and process contracts simultaneously. We hope this change will reduce the time required to execute contracts at both the local and state level and correspondingly allow funds to be paid expeditiously.

In order to implement this change, CDA has added language to the HICAP contract requiring that CDA receive and approve an AAA HICAP budget before any payment can be processed. This modification to the process is similar to the process used for "Area Plan" contracts.

A basic outline of the revised process is as follows:

- CDA will transmit a HICAP contract to the AAAs with a program level Budget Display attached.
- AAAs will obtain approval of the HICAP contract by the Governing Board and submit to CDA.
- Within 30 days of receiving the contract, AAAs will simultaneously prepare and submit to CDA a line item budget based on the allocations contained in the Budget Display.
- CDA will review and approve the line item budget.
- CDA will process payments once the line item budget is approved, the contract is executed, and appropriate fiscal documents are submitted.

These changes will begin with this contract amendment and all subsequent contract amendments will follow the same process. Any additional funds allocated in subsequent Budget Displays will not be available for payment until a line item budget has been approved and a contract executed.

For this specific HICAP amendment, CDA will automatically process a supplemental June advance payment to your agency for the balance of your HICAP contract. This is to maximize the amount of funds available to the HICAP program for the implementation of the Medicare Part D, prescription drug program.

(Original signed by Lora Connolly)

Lora Connolly
Acting Director

Attachment (AAA's only)