

HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM

CONTRACT HI-2122 ALLOCATION METHODOLOGY

The purpose of this document is to outline the methodology used to allocate Federal and State funds for the Health Insurance Counseling and Advocacy Program (HICAP) Contract HI-2122.

Funding for the HICAP comes from federal State Health Insurance Program (SHIP) grant funds and State funds which include the State HICAP fund and the California Department of Insurance (CDI) reimbursement funding. The State HICAP Fund and CDI Reimbursement allocations maintain a ratio of 1:2, respectively, as stated in the Welfare and Institutions Code Section 9541.5.

Local assistance funds are allocated to provide HICAP services in all 33 Planning and Service Areas (PSA) in California. Each PSA has a designated Area Agency on Aging (AAA). The funds are allocated to 26 AAAs to provide HICAP services for all 33 PSAs in California; 4 of the 26 AAAs act as managing AAAs for the remaining 7 AAAs that do not provide direct HICAP services for their PSA.

Federal Funds

Local assistance funds from the SHIP grant are allocated as follows:

- \$517,400 is allocated equally amongst each of the 26 AAA providing HICAP services to maintain a base level of funding.
- 50% of the remaining balance after the \$1,233,707 allocation is allocated equally to the 26 AAAs providing HICAP services.
- 50% of the remaining balance after the \$1,233,707 allocation is allocated based on a proportional share of Medicare beneficiaries.

State Funds

Local assistance funds from the State of California are allocated as follows:

- \$2,565,500 is allocated to the 26 AAAs providing HICAP services based on historical practice to maintain a base level of funding.
- \$501,000 is allocated to the 26 AAAs providing HICAP services as part of the Budget Act of 1999.
- \$1,081,249 from the Budget Act of 2000 is allocated to the 26 AAAs using the methodology prescribed in the budget act.
- \$485,000 from Senate Bill 413, Chapter 545, Statutes of 2003 is allocated to the AAAs using the methodology prescribed in the budget act.
- The remainder of the State appropriations is allocated 50% equally to the 26 AAAs and 50% based on a proportional share of Medicare beneficiaries.

Exclusive to FY 21-22 and 22-23, each of the local HICAPs received an equal share of the \$1,386,000 State HICAP fund augmentation to increase their base funding level to provide for the equivalent of at least 1.0 full-time Volunteer Coordinator.