

CALIFORNIA DEPARTMENT OF AGING
Division of Administrative Services

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**FUNDING RELEASE MEMO**

To: Area Agencies on Aging (AAAs)
FRM No: 2627-01
Issue Date: February 17, 2026
Subject: Health Insurance Counseling and Advocacy Program Funding Allocations, Budget and Reporting Information
Funding Period: April 1, 2026, through March 31, 2027
Supersedes: N/A
Programs Affected: Health Insurance Counseling and Advocacy Program (HICAP)

Purpose:

This Funding Release Memo (FRM) provides funding information and specific reporting requirements for Health Insurance Counseling and Advocacy Program (HICAP) for Federal Fiscal Year (FFY) 2026-27.

Additionally, Budget Displays, Program Guidelines, and Allocation Methodology documents can be found on the [CDA website](#).

HICAP Information:**Funding**

The total HICAP funding amount is \$11,204,272. HICAP funding is based on past year funding from the State HICAP Fund, the California Department of Insurance (CDI) Reimbursements Fund, and the 2026 State Health Insurance Assistance Program (SHIP) federal grant funds. Exclusive to State HICAP, there is an increased additional State HICAP Fund allocation that provides each local HICAP with the funding to maintain the equivalent of at least 1.0 full-time Volunteer Coordinator. Once the Notice of Awards for FFY 2026 are released,

any potential changes to funding amounts will be adjusted through the allocation revision process.

Funding for the HICAP comes from federal State Health Insurance Program (SHIP) grant funds and State funds which include the State HICAP fund and reimbursement funds from the California Department of Insurance (CDI). The State HICAP Fund and CDI Reimbursements 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 AAAs providing HICAP services to maintain a base level of funding.
- 50% of the remaining balance after the \$517,400 allocation is allocated equally to the 26 AAAs providing HICAP services.
- 50% of the remaining balance after the \$517,400 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 25-26, each of the local HICAPs received an equal share of \$1,724,422 State HICAP fund augmentation to increase their base funding level to provide the equivalent of at least 1.0 full-time Volunteer Coordinator. The augmentation will consist of three months funding of \$457,596 for Fiscal Year 2025-26 (April 1, 2026 – June 30, 2026) and nine months funding of \$1,266,926 for Fiscal Year 2026-27 (July 1, 2026 through March 31, 2027), the remaining three months for Fiscal Year 2026-27 will be included in the next HICAP contract

Request for Funds and Expenditure Reports

CDA is able to process payments for HI-2627 once the AAA’s MOU is fully executed. To execute this MOU, AAAs must submit their HICAP Budget form (CDA 229) as soon as possible but no later than 30 days from the date of this Funding Release Memo to finance@aging.ca.gov. In addition, all necessary documents to execute the MOU must be submitted to our Business Management Section.

The AAA shall prepare and submit a monthly expenditure report in the Local Finance Reporting System (LoFRS) no later than the last business day of each month or as specified by CDA. The report shall include all costs and funding sources for the month prior.

Payments will be made to reimburse expenditures reported unless AAA pre-selects an advance-funding method and provides a justification explaining the need for an advance on the budget form at the beginning of each new funding term, as referenced on the budget display.

Please reference the program guide for specifics on funding, fiscal provisions, and program-specific funding requirements.

Inquiries:

For HICAP data and program inquiries, email: CDA.HICAP@aging.ca.gov

For data inquiries, email: DataTeam.Reports@aging.ca.gov

For fiscal inquiries, email: Finance@aging.ca.gov

For payment inquiries, email: Accounting.LA@aging.ca.gov

For MOU or Program Guideline inquiries, email: BMBSubvention@aging.ca.gov

Andrew Sachs

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cc: Denise Likar, Deputy Directory, Division of Home and Community Living
Health Insurance Counseling and Advocacy Program Section, Division of Home and
Community Living
Local Finance Section, Division of Administrative Services
Accounting Management Section, Division of Administrative Services
Business Management Section, Division of Administrative Services
Budget Operations Section, Division of Administrative Service

Funding Release Memo Log

Funding Revision #	Revision Date	Purpose of Revision
2425-01	3/22/2024	Area Plan and Title V 2425 Initial Allocations
2425-02	8/8/2024	Revised Title V 2425 Allocations and Initial FFY 2024 MIPPA Allocations
2425-03	8/21/2024	Area Plan: Reduction to NSIP Funds and One-Time Increase to Ombudsman Public Health Licensing and Certification Program Funds
2425-04	12/9/2024	Area Plan: One-Time Only, Transfers, and One-Time Increase to Ombudsman Special Deposit Fund
2425-05	2/28/2025	MIPPA: Funding Allocations for No-Cost Extension for FFY 2023, Budget and Reporting Information
2526-01	4/1/2025	Health Insurance Counseling and Advocacy Program Funding

		Allocations, Budget and Reporting Information
2425-06	4/17/2025	Area Plan: 2024-25 Final Transfers
2526-02	4/23/2025	2025-26 Initial Title V Funding Allocations, Budget and Reporting Information
2526-03	5/16/2025	Area Plan FY 2025-26 Funding Allocations, Budget and Reporting Information
2526-04	7/18/2025	Area Plan FY 2025-26: NSIP and Ombudsman Special Deposit Fund Allocations
2526-05	9/01/2025	HICAP Funding Allocation for No-Cost Extension FFY 2025 and Initial FFY 2025 MIPPA Allocations
2526-06	10/29/2025	Area Plan FY 25-26: One-Time Only and Transfers; Title V FY 25-26: Revised Funding Allocations; MIPPA FFY 2025-26: Revised Funding Allocations Budget and Reporting Information
2627-01	4/01/2026	Health Insurance Counseling and Advocacy Program Funding Initial FFY 2026 HICAP Allocations, Budget and Reporting Information

For more information about the MOU, please visit the [CDA website](#).