

CALIFORNIA DEPARTMENT OF AGING

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PROGRAM MEMO

CDA 1014 (Rev. 04/11)

TO: Area Agency on Aging Directors	NO.: PM 12-07(P)
SUBJECT: HICAP Fiscal Year 2012-13 Health Insurance Counseling and Advocacy Program Budget Display and Contract	DATE ISSUED: April 19, 2012
REVISED:	EXPIRES: June 30, 2013
REFERENCES: Older Californians Act, Welfare and Institutions Code 9100, et. seq.	SUPERSEDES: PM 11-08(P)
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: HICAP	
REASON FOR PROGRAM MEMO: <input type="checkbox"/> Change in Law or Regulation <input type="checkbox"/> Response to Inquiry <input checked="" type="checkbox"/> Other Transmit HICAP Budget Displays and Contracts	

Purpose

This Program Memo (PM) transmits your Health Insurance Counseling and Advocacy Program (HICAP) Budget Display and contract for Fiscal Year (FY) 2012-13. No Planning Estimates for HICAP allocations were issued in advance of this PM.

Allocation Methodology

State Funding

- The amount of State funding allocated (Department of Insurance Reimbursements and State HICAP Funds) is based on the FY 2012-13 Governor's Budget.
- Since the 2005-06 Budget Year, baseline increases in State funding have been allocated based on the number of Area Agencies on Aging (AAA) receiving HICAP funds (50 percent of funds by flat rate) and the distribution among Planning and Service Areas (PSAs) of Medicare beneficiaries (50 percent of funds by beneficiary population).
- The present allocation uses updated 2010 Medicare Beneficiary population data, which is the latest data available from the Centers for Medicare and Medicaid Services.

Continued on next page

**Allocation
Methodology,
continued**
Federal Funding

- Federal funding for local assistance, \$3,277,059, is based on the proposed 2012 State Health Insurance Assistance Program (SHIP) grant award.
 - Baseline increases in Federal funding above Budget Act of 2000 levels are allocated based on the number of AAAs receiving HICAP funds (50 percent of funds by flat rate) and the proportional distribution among PSAs of Medicare beneficiaries (50 percent of funds by beneficiary population).
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**Administration
Funding
Guideline**

- Please note that the Budget Display does not allocate Program and Administration funds as separate line items.
 - The funding allocations shown on the Budget Display are total funding; the AAA has the discretion to determine how much of this funding will be used for administration.
 - The maximum amounts of funding that can be used for Administration for FY 2012-13 are displayed as a footnote at the bottom of the Budget Display.
 - Allocation of HICAP funds without specifically designating funding as either Program or Administration eliminates the need to request transfers between Program and Administration.
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**Budget
Submission
Instruction**

AAAs are required to submit their HICAP Original Budget form (CDA 229) for FY 2012-13 in the following manner:

- Incorporate the amounts shown in your Budget Display.
 - Submit electronically, to your AAA-Based Team Fiscal Specialist.
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**Budget
Submission
Due Date**

Original Budget forms must be submitted as soon as possible, but no later than 30 days from the date of this PM.

**Expenditure
Reports and
Requests for
Funds**

AAAs must use the following forms to report expenditures and request funds:

- To report expenditures and request funds, AAAs will continue to use the HICAP Monthly Expenditure Report /Requests for Funds form (CDA 245).
 - CDA will not process payments for FY 2012-13 until your Original FY 2012-13 Budget is approved and the contract is fully executed.
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**Expenditure
Deadline**

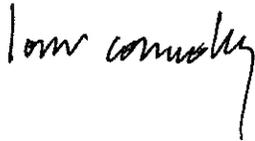
June 30, 2013

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- Carryover**
- All federal local assistance funding that remains unspent as of June 30, 2013, will be carried over as One-Time-Only Program funding for the next fiscal year.
 - No Administration funding will be available from these funds.
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- Inquiries**
- **Fiscal inquiries: contact your assigned AAA-Based Fiscal Team Specialist.**
 - **Programmatic inquiries: contact your assigned HICAP Specialist.**
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- Attachments**
- FY 2012/13 HICAP Budget Display - Statewide Budget Summary
 - FY 2012/13 HICAP Budget Displays - Individual AAA Budgets
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Contract Packages Contract packages will be mailed to each HICAP's Contract Representative separately from this PM.



Lora Connolly
Director