

## CALIFORNIA DEPARTMENT OF AGING

1300 NATIONAL DRIVE, SUITE 200  
SACRAMENTO, CA 95834-1992www.aging.ca.gov  
TDD1-800-735-2929  
FAX (916) 928-2267  
TEL (916) 419-7500

# PROGRAM MEMO

CDA 1014 (Rev. 04/11)

TO: <b>Area Agency on Aging Directors</b>	NO.: <b>PM 13-07(P)</b>
SUBJECT: <b>HICAP HICAP Fiscal Year 2013-14 Health Insurance Counseling and Advocacy 9 Month Program Budget Display and Contract</b>	DATE ISSUED: <b>June 21, 2013</b>
REVISED:	EXPIRES: <b>March 31, 2014</b>
REFERENCES: <b>Older Californians Act, Welfare and Institutions Code 9100, et. seq.</b>	SUPERSEDES: <b>PM 12-07</b>
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: <b>HICAP</b>	

## Purpose

This Program Memo (PM) transmits your Health Insurance Counseling and Advocacy Program (HICAP) Budget Display and contract for the first nine months of State Fiscal Year (SFY) 2013-14. 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 SFY 2013-14 Governor's Budget. Three quarters of anticipated SFY 2013-14 State funding is allocated in this nine-month contract.
- 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 January 2013 Medicare Beneficiary population data from the Centers for Medicare & Medicaid Services (CMS).

### Federal Funding

- The Federal allocation is calculated using the 2013 State Health Insurance Assistance Program (SHIP) grant award, which includes reductions in funding for Federal sequestration and delayed funding cuts for Federal Fiscal Year 2013 that were not taken between April and June 2013.

*Continued on next page*

---

**Allocation Methodology, continued**

- Baseline Federal funding above Budget Act of 2000 levels is 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).
- 

**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 up to a specified maximum.
  - The maximum amounts of funding that can be used for Administration for the first nine months of SFY 2013-14 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.
- 

**Budget Submission Instruction**

AAAs are required to submit their HICAP Original Budget form (CDA 229) for the nine-month SFY 2013-14 contract in the following manner:

- Incorporate the amounts shown in your Budget Display.
  - Submit electronically to your AAA-Based Team Fiscal Specialist.
- 

**Budget Submission Due Date**

Original Budget forms must be submitted as soon as possible, but no later than July 15, 2013.

---

**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 /Request for Funds form (CDA 245).
  - CDA will not process payments for SFY 2013-14 until your Original nine-month SFY 2013-14 Budget is approved and the contract is fully executed.
- 

**Expenditure Deadline**

March 31, 2014

---

**Carryover**

CDA will send information about closeout deadlines and potential carryover at a later date.

---

---

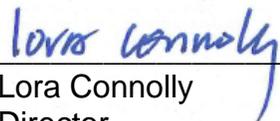
**Inquiries**

For Fiscal inquiries, contact your assigned AAA Fiscal Team Specialist.  
For programmatic inquiries, contact your assigned HICAP Specialist.

---

**Attachments**

- FY 2013/14 HICAP 9 month Contract and Budget Displays
- 



---

Lora Connolly  
Director