

DEPARTMENT OF AGING

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**PROGRAM MEMO**

TO: AREA AGENCY ON AGING DIRECTORS	NO.: PM 05-15 (P)
SUBJECT: Health Insurance Counseling and Advocacy Program (HICAP) Contract Amendment #1, Revised Budget Form (CDA 229), and Budget Instructions	DATE ISSUED: 10/14/2005
REVISED	EXPIRES: July 1, 2006
REFERENCES:	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 checked="" type="checkbox"/> HICAP <input type="checkbox"/> MSSP <input type="checkbox"/> Title VII <input type="checkbox"/> ADHC <input type="checkbox"/> Other:	
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 Amendments, Budget Form and Instructions</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) Amendment #1 for SFY 2005-06 (sent previously under separate cover), the revised HICAP Budget (CDA 229) form, and budget instructions. This contract revision provides additional State HICAP Fund and Reimbursement funds made available for counseling services related to the Medicare Prescription Drug Program Part D. In addition, the contract revision also includes carryover of unexpended federal funds from SFY 2004-05.

HICAP Fund and Reimbursement Increases

The 2005-06 enacted budget includes an increase of \$2.0 million in additional baseline funds for HICAP. These funds are a result of increased billings for the HICAP Fund and corresponding required reimbursements from the Insurance Fund. These funds have been made available with the requirement that no state or area agency administration can be charged against these funds.



The new funds are identified on the HICAP Budget Display Amendment #1 as MMA State Funds. These funds have been allocated as follows:

- 50% of the funds to each AAA (equal proportion to each HICAP)
- 50% of the funds based on Medicare beneficiaries for each county

Please refer to Program Memo 05-14(P) for specific instructions on the use of the new State funds for HICAP.

Carryover of Federal SHIP Funds

Unexpended federal funds identified on your FY 2004-05 HICAP Closeout Statement are being reallocated to your agency.

Revised HICAP Budget (CDA 229)

The revised CDA 229 now includes a place to budget the new HICAP Fund and HICAP Reimbursement MMA State Funds separate from other HICAP Fund and HICAP Reimbursement Program costs. The HICAP Medicare Modernization Act (MMA) Schedule (Page 5) was modified to add a detail cost breakdown of Direct and Contracted MMA State Costs.

Electronic copies of the revised CDA 229, in Excel format with formulas, will be emailed to AAA Fiscal Officers simultaneously with the release of this PM.

Monthly Fiscal Reporting

Monthly fiscal reporting requirements for the HICAP have not changed. AAAs should continue to use the Detailed Expenditure Data File (CBSP 107) to submit monthly HICAP expenditures. HICAP Fund MMA State Fund costs and HICAP Fund Program costs should be combined on the CBSP 107 and reported as HICAP Fund using Service Code "108" and Fund Source "30". HICAP Reimbursement MMA State Fund costs and HICAP Reimbursement Program costs should be combined on the CBSP 107 and reported as HICAP Reimbursement using Service Code "108" and Fund Source "28".

Budget Due Date

A revised HICAP Budget (CDA 229) that incorporates these additional funds is due to your Fiscal Team Specialist **as soon as possible, but no later than 30 days from the date of this PM.** Budgets must be submitted electronically to the Fiscal/Contracts Team using the Team's CBSP fiscal email mailboxes.

((Original signed by Lora Connolly))

Lora Connolly
Acting Director

Attachments (AAA'S Only)