

FY 2022 Funding for Medicare State Health Insurance Assistance Programs (SHIPs)

Understanding the A, B, C, and Ds of Medicare is an overwhelming, isolating experience if older adults and people with disabilities go without help. SHIPs provide local, in-depth, insurance counseling and assistance to Medicare beneficiaries, their families and caregivers. This encompasses a broad range of areas, including coverage options, fraud and abuse issues, billing problems, appeal rights, and enrollment in low-income protection programs. If the current \$52.1 million investment had simply kept pace with inflation and the increasing number of Medicare beneficiaries since FY11, it would have reached nearly \$79.5 million for FY22.

SHIPs receive funding through the Administration for Community Living for 54 grantees (all states, Puerto Rico, Guam, DC, and the US Virgin Islands), overseeing a network of more than 3,300 local SHIPs and over 15,000 counselors, 57% of whom are highly trained volunteers who donate almost 2 million hours of assistance. Nationally, the SHIP oversees a network of more than 2,000 local sites and nearly 16,000 Team Members (staff, in-kind professionals, and volunteers).

Approximately 10,000 Americans become eligible for Medicare each day – significantly increasing the need for SHIP services. During the 2019 grant year, SHIPs provided one-on-one health insurance counseling to nearly 3 million Medicare beneficiaries, their families, and caregivers, including over 345,000 adults with disabilities. Additionally, SHIPs provided outreach to over 4 million individuals at public presentations, enrollment events, health and senior fairs, and other interactive community events.

Since 1992, SHIPs have advised, educated, and empowered individuals to navigate the increasingly complex Medicare program and help beneficiaries make choices among a vast array of options to best meet their needs. Making informed decisions among an average of 30 prescription drug plans and 27 Medicare Advantage plans, as well as various Medigap supplemental insurance policies, can save money and improve access to quality care. Given the significant differences in premiums, cost sharing, provider networks, expanded supplemental benefits and coverage rules, SHIPs play a critical role in ensuring that choices are well informed and thoughtful for each beneficiary served.

While the Medicare coverage that best meets a beneficiary's unique needs isn't always the least expensive, wise decision-making by informed consumers in the current market can save money for individuals, and potentially reduce overall Medicare spending as well. Each year, the majority of Medicare beneficiaries do not take advantage of the opportunity to reduce costs or realize more benefits simply by switching Medicare plans. According to a recent Kaiser Family Foundation (KFF) analysis, in 2018 only 43% of Medicare beneficiaries reported reviewing or comparing Medicare plans annually, despite the significant changes to plans each year. Less than 10% of Part D enrollees without low-income subsidies voluntarily switched to another plan during the 2016 open enrollment period.

SHIPs offer increasingly critical services that cannot be supplied by 1-800 MEDICARE, on-line or written materials, or other outreach activities. In fact, approximately one-third of all partner referrals to SHIPs originate from Medicare Advantage and Part D prescription drug plans, local and state agencies, the Centers for Medicare and Medicaid Services, the Social Security Administration, and members of Congress and their staff. These partners also include SHIP contact information in their beneficiary resources as the source of assistance when individuals need help.

To ensure the program can keep pace with the increasing numbers of Medicare beneficiaries and the complexity of coverage choices they face, NCOA requests FY22 funding of \$79.5 million.

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