



July 12, 2011

The Honorable Harold Rogers
Chairman
House Appropriations Committee
United States House of Representatives
Washington, DC 20515

The Honorable Norm Dicks
Ranking Member
House Appropriations Committee
United States House of Representatives
Washington, DC 20515

The Honorable Denny Rehberg
Chairman
House Appropriations Subcommittee on
Labor, HHS, Education and Related Agencies
United States House of Representatives
Washington, DC 20515

The Honorable Rosa DeLauro
Ranking Member
House Appropriations Subcommittee on
Labor, HHS, Education and Related Agencies
United States House of Representatives
Washington, DC 20515

President

Irene B. Collins
Alabama

Dear Representatives Rogers, Dicks, Rehberg, and DeLauro:

I write today on behalf of the National Association of States United for Aging and Disabilities (NASUAD), our members, and the seniors, family caregivers, and persons with disabilities they serve. NASUAD represents the 56 officially designated state and territorial agencies on aging. Each of our members oversees the implementation of the Older Americans Act (OAA), and many of our members serve as the operating agency in their states for Medicaid home and community based services (HCBS) waivers that serve older adults, and individuals with disabilities.

Vice President

James Toews
Oregon

Treasurer

Charles D. Johnson
Illinois

We urge you to include in the FY12 Labor, Health and Human Services, Education and Related Agencies Appropriations bill the transfer of the State Health Insurance Assistance Program (SHIP) from the Centers for Medicare & Medicaid Services (CMS) to the Administration on Aging (AoA), as proposed by President Obama in his FY12 budget request to Congress. Authorized by Section 4360 of the Omnibus Budget Reconciliation Act (OBRA) of 1990, the SHIP program is a state-based initiative that provides accurate, understandable, and objective health insurance information to Medicare beneficiaries and their families to help these individuals understand their rights and make informed health coverage decisions. Currently, there are SHIPs in all 50 states as well as in Washington DC, Guam, Puerto Rico, and the Virgin Islands. Nationwide, over 12,000 SHIP counselors provide free, personalized counseling and assistance to the 45 million Medicare beneficiaries and their families.

Secretary

Carol Sala
Nevada

Immediate Past President

Patricia A. Polansky
New Jersey

In order for the SHIP program to operate most effectively, it should be administered by the most appropriate agency to support the growing, evolving role of the SHIPs in assisting older adults, individuals with disabilities, and their caregivers in making informed health coverage decisions, AoA. As the nation's only federal agency responsible for addressing the concerns and promoting the interests of older adults and their caregivers, AoA can uniquely position the SHIP program to ensure that America's most vulnerable citizens receive the protections they need to maintain their dignity and independence.

Past President

Kathy Leitch
Washington

For your consideration, NASUAD offers the following comments in support of the President's proposal to place the SHIP program within AoA:

THE TRANSFER WOULD PROMOTE COMMUNITY LIVING AND ENHANCE CIVIC ENGAGEMENT

Currently, AoA administers several programs that promote community living and civic engagement, such as Aging and Disability Resource Centers (ADRCs) and the Senior Medicare Patrol program (SMP). Designed to be community-level single entry points into long-term care, ADRCs are intended to provide all individuals seeking information about long-term care with access to a coordinated system of information. Also overseen by AoA, SMP projects recruit and train retired professionals and other older adults to be volunteer resources in the community that educate Medicare and Medicaid beneficiaries, their families, and caregivers about how to prevent, detect, and report health care fraud, error, and abuse. SHIPs, as state-based programs that offer local one-on-one counseling and assistance to people with Medicare and their families, provide functions similar to ADRCs and SMPs, by informing beneficiaries about fraud and abuse, and assisting these individuals in making informed health care decisions. The activities these programs support empower older adults by enhancing their awareness and understanding of health care programs, which also helps them protect themselves from the economic and health-related consequences of fraud and abuse. The SMP, ADRC, and SHIP programs enhance the financial, emotional, physical, and mental well-being of older adults, increasing their capacity to maintain security and independence in retirement, and to make better financial and health care choices. Transferring the SHIP program to AoA would accurately reflect AoA's expanding emphasis on community living, encourage civic engagement, and strengthen the efficacy of AoA and the SHIP program.

THE TRANSFER WOULD STREAMLINE THE FUNCTIONALITY OF THE SHIP PROGRAM

SHIP activities align with AoA's mission to develop a comprehensive, coordinated, and cost effective system of home and community based services that help older individuals maintain their health and independence while remaining in their homes and communities. Transferring the administration of the SHIP program to AoA would be a natural extension of existing programs authorized through the OAA and overseen by AoA, including, but not limited to, Information and Referral/Assistance (I&R/A), ADRCs, SMPs, and Benefits Counseling. By providing information, outreach, and assistance to those who need it, all of these initiatives help older adults and individuals with disabilities receive the services they need to live in the community. Given AoA's unique connections to the aging services network through the OAA, as well as the greater efficiencies leveraged by a single point of management of SHIPs and OAA programs, transferring the SHIPs to AoA would streamline the program, resulting in cost savings and increased quality.

THE TRANSFER WOULD IMPROVE DATA COLLECTION

Aligning the administration of the SHIPs, ADRCs, and SMP projects would create an opportunity for these programs to streamline data collection by coordinating existing mechanisms and systems, leading to more robust outputs and enhanced service delivery. Building upon the efforts of the ADRC program to improve the ability of states to manage resources and monitor program quality through centralized data collection and evaluation, the transfer would facilitate this improved coordination among ADRCs, SHIPs, and other AoA-administered initiatives, yielding agency-wide reporting standards. To successfully leverage these existing resources, the SHIP program should be transferred to AoA, where its data collection processes can be aligned with those of similar initiatives, resulting in improved analysis and heightened programmatic efficiency.

THE TRANSFER WOULD ENSURE THE CONTINUED EVOLUTION OF THE SHIP PROGRAM

Originally established as a mechanism for states to provide health advisory information to Medicare beneficiaries, the role of SHIPs has remained responsive to a changing health care landscape, and has expanded accordingly to include additional responsibilities. For example, with the passage of the Medicare Prescription Drug, Improvement, and Modernization Act in 2003 (MMA), SHIP-funded programs shifted their focus from counseling and assistance to helping beneficiaries obtain Medicare prescription drug coverage. Currently, SHIP programs support a community-based network of state and local programs that provide personalized assistance on not only Medicare, but also Medicaid, long-term care insurance, and other health insurance issues. The changing role of the SHIP program underscores its ability to adapt and help a growing population navigate an increasingly complex system, and the passage of the Patient Protection and Affordable Care Act (ACA) in 2010 will require the SHIP program to evolve yet again. Accordingly, the program should be administered by an agency that is also responsive and evolving, such as AoA. Traditionally responsible for the federal-level administration of nearly all OAA programs, which organize and deliver social and nutrition services to older adults and their caregivers, AoA recently became the administering agency for the ACA-created Community Living Assistance Services and Supports (CLASS) program, a voluntary, federally administered, long-term care insurance program. Given this newly-adopted facet of AoA, and the role of the SHIPs in providing information about health coverage, including long-term care insurance, transferring the SHIP program to AoA would align the SHIPs with similarly-designed and goal-oriented initiatives, such as CLASS, allowing the SHIP program to utilize AoA resources, and allowing AoA to draw upon the experience of the SHIPs, in order to ensure that all AoA programs remain adaptable, responsive, and effective.

THE TRANSFER WOULD REINFORCE THE BENEFICIAL RELATIONSHIP BETWEEN AOA AND CMS

AoA and CMS are both part of the U.S. Department of Health and Human Services (HHS), and the two agencies have long worked together to develop, implement, and administer programs, including SMP and ADRCs. AoA has been a consistent collaborator with CMS in planning and coordinating SMP activities, and under AoA's direction, the SMP program has flourished. In 1995, the Operation Restore Trust (ORT) made AoA a partner in a government-led effort to fight fraud, error and abuse in the Medicare and Medicaid programs. Building upon this effort, the Omnibus Consolidated Appropriations Act of 1997 authorized AoA to develop SMP demonstration projects, which have since expanded to all 50 states and four territories. Today, CMS and AoA continue to work with the Office of Inspector General (OIG) to coordinate anti-fraud efforts at the local, state and national levels. Additionally, the joint AoA-CMS ADRC initiative, which is designed to streamline access to long-term care through state-developed, person-centered systems of information, also highlights the effective working relationship between the two agencies. Under the direction of AoA and CMS, 43 states and territories were originally funded to develop ADRC programs between 2003 and 2005. The successful program has since expanded, and in September 2009, \$11 million in grants were awarded to 49 states and territories to implement or enhance their ADRCs. That these two agencies have a long history of working together to successfully administer innovative, cross-cutting programs, illustrates the potential for the SHIP program to flourish at AoA, while benefitting from the relationship between CMS and AoA, in order to most effectively promote dignity and independence among Medicare beneficiaries and their families.

THE TRANSFER WOULD LEVERAGE EXISTING RESOURCES

Given the changes facing long-term care delivery systems at the local, state, and national levels, the success of many initiatives within these systems hinges on a program's ability to generate cost savings while improving quality of care. Currently, one opportunity for the aging network to accomplish these goals is through the ACA-created grant program to help people navigate their health and long-term care options. Jointly coordinated and monitored by AoA and CMS, the broader, \$68 million initiative consists

of four separate funding opportunities, including two-year Medicare Part D outreach and enrollment assistance grants, which provide \$15 million to Area Agencies on Aging (AAAs); \$15 million to SHIPs; and \$10 million to ADRCs to create streamlined, coordinated, statewide systems of information, counseling, and access that will help people find information they seek to meet their health and long-term care needs, in part by focusing on assisting under-served, hard to reach individuals and helping older adults and individuals with disabilities live at home, or in settings of their choosing with the right supports. The program's goals of enhanced coordination would best be served by transferring the SHIPs to AoA, as aligning the administrative responsibility for SHIPs, ADRCs, and AAAs under one agency would reduce administrative barriers, resulting in operational cost savings and increased programmatic efficiency, ensuring the successful implementation of this ACA-created funding opportunity.

THE TRANSFER WOULD MAINTAIN STATE FLEXIBILITY IN IMPLEMENTING THE SHIP PROGRAM

As established by OBRA, all SHIP programs must meet certain requirements, such as offering locally accessible services to all eligible individuals requesting assistance; developing an intra-state agency referral system; and communicating timely and accurate health care information. Notably, states have wide latitude in providing SHIP services that meet these statutory obligations. Among the operational discretion given to states by OBRA is the flexibility to determine whether the SHIP program would be more appropriately administered by the Department of Insurance or the State Unit on Aging. The transfer of the federal-level administration of the SHIP program to AoA would maintain the existing statutory authority of states to determine the appropriate placement of the SHIP program at the state level, as this flexibility is embedded in the SHIP program's authorizing legislation.

THE TRANSFER WOULD REFLECT THE OPERATION OF THE SHIP PROGRAM AT THE STATE AND LOCAL LEVELS

Of the 54 SHIP programs, more than two-thirds, 38, are administered through the aging network by the OAA-designated State Unit on Aging at the state level, and approximately the same number are operated by the OAA-designated AAAs at the community level. Most of the remaining programs are administered by State Insurance Departments, and operated by local sub-contractors. In addition to being connected to the aging network through its state or local operating agency, SHIPs are also frequently co-located with existing AoA-administered initiatives, such as the SMP program and ADRCs. Currently, SMPs operate in all 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands, and nearly 50 percent of SHIPs are co-located with the SMP program at the state level. SHIPs are also frequently co-located with ADRCs, and in April 2011, 37 ADRC grantees reported partnering with SHIPs for program administration at the local level, while 42 grantees reported SHIP partnerships at the state level. Therefore, many SHIP programs are currently tied to the aging network's existing infrastructure, and formally placing the program within AoA would accurately reflect the integration of the SHIP program throughout the aging network, at the local, state, and national levels.

As you make decisions with regard to the FY12 Labor, Health and Human Services, Education and Related Agencies Appropriations bill, NASUAD strongly encourages you to recognize the importance of the SHIP program by transferring it to the federal agency most appropriate for its administration, AoA. Aligning this initiative with AoA's other programs would position the SHIPs to most effectively help older adults and persons with disabilities maintain their independence and dignity, in a cost effective and responsible manner that would maintain the integrity, flexibility, and adaptability of the program. Thank you for your consideration.

Sincerely,



Martha Roherty
Executive Director

CC:

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