November 17, 2016

The Honorable Thad Cochran  
Chairman, Senate Committee on Appropriations  
Washington, DC 20510

The Honorable Barbara Mikulski  
Vice Chairwoman, Senate Committee on Appropriations  
Washington, DC 20510

The Honorable Roy Blunt  
Chairman, Senate Subcommittee on Labor, HHS, Education and Related Agencies  
Washington, DC 20510

The Honorable Patty Murray  
Ranking Member, Senate Subcommittee on Labor, HHS, Education and Related Agencies  
Washington, DC 20510

Dear Chairman Cochran, Vice Chairwoman Mikulski, Chairman Blunt and Ranking Member Murray:

The 75 undersigned organizations are writing to urge you to protect funding for the Medicare State Health Insurance Assistance Program (SHIP), and support and adopt the House proposal to level-fund SHIPs at $52.1 million.

Approximately 10,000 Americans become eligible for Medicare each day – significantly increasing the need and demand for SHIP services. Last year, over 7 million people with Medicare received help from SHIPs. Since 1992, counseling services have been provided via telephone, one-on-one in-person sessions, interactive presentation events, health fairs, exhibits, and enrollment events. Individualized assistance provided by SHIPs almost tripled over the past 10 years.

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 $66.6 million for FY17. Cutting the program would be a devastating blow to the Americans with Medicare who would no longer have access to the only federal program that provides free, personalized, unbiased counseling on the growing complexities of Medicare coverage.

SHIPs receive funding under 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. SHIPs provide one-on-one, face-to-face assistance. Because of the labor-intensive, in-person nature of SHIP work and the high demand for SHIP services, volunteers have helped paid staff meet beneficiary needs since the inception of the program. Though volunteers donate their time, they cannot accurately and safely serve often vulnerable beneficiaries without training, support, and monitoring – all of which must be provided by paid staff. Given Medicare’s complexities and the reality of volunteer turnover, SHIPs must dedicate year-round resources to recruiting volunteers and managing their volunteer programs or they will have none.

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 SHIP 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. Additionally, these partners include SHIP contact information in their websites,
publications, and correspondence to beneficiaries as the source of assistance when individuals need help.

SHIPs advise, educate, and empower 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 20+ prescription drug plans and 19 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, and coverage rules, SHIPs play a critical role in ensuring that these 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. For example, a 2012 study in Health Affairs entitled “The Vast Majority of Medicare Part D Beneficiaries Still Don’t Choose the Cheapest Plans That Meet Their Medication Needs,” found that if beneficiaries chose the least expensive Part D plan available in their region, they could save an average of $368 per year and that only 5.2% of the beneficiaries in the study sample chose the least expensive plan. Several states that estimate savings to beneficiaries resulting from SHIP assistance reported achieving significant savings in 2015, including $110 million in Massachusetts, $56 million in Michigan, and $53 million in North Carolina.

We urge the Senate to recede to the House proposal to continue to provide the support and assistance needed by America’s seniors and people with disabilities on Medicare by retaining SHIP funding at $52.1 million.

Sincerely,

AFSCME Retirees
Aging Life Care Association
Allergy & Asthma Network
Alliance for Aging Research
Alliance for Retired Americans
Alliance of Information and Referral Systems
Altarum Institute
AMDA – The Society for Post-Acute and Long-Term Care Medicine
American Association for Indigenous Aging
American Association on Health and Disability
American Dance Therapy Association
American Diabetes Association
American Federation of Government Employees
American Foundation for the Blind
American Music Therapy Association
American Society on Aging
Association for Gerontology and Human Development in Historically Black Colleges and Universities (AGHDHBCU)
Association of Jewish Family and Children’s Agencies
Asthma and Allergy Foundation of America
Better Medicare Alliance
B’nai B’rith International
Brain Injury Association of America
California Health Advocates
Caring Across Generations