PROGRAM SPECIFICATIONS

HEALTH INSURANCE COUNSELING & ADVOCACY PROGRAM (HICAP)

September 1, 2026

A single Applicant will be recommended
to receive the full award in this category.

INTRODUCTION

The Health Insurance Counseling and Advocacy Program (HICAP) was established in California in 1984 to educate the public about Medicare and private health insurance plans and to provide individual advocacy, counseling and legal representation for as many beneficiaries as possible.

Over the past 35 years, Medicare has grown and changed dramatically, not to mention the nation's health care system as a whole. Today's HICAP counselors, most of whom are volunteers, are more challenged than ever before to help clients understand, plan, choose and access their health benefits.

PURPOSE

AAA4 administers State and Federal funds for HICAP for the purposes of:

1) Providing individual advocacy, counseling and legal representation to Medicare beneficiaries who reside in the nine (9) county service area, including adults under age 65 who qualify by virtue of a disability;
2) Providing individual advocacy and counseling to people who reside in the nine (9) county service area whose eligibility for Medicare benefits is imminent;
3) Providing HICAP community education services to the public at large, including long-term care planning and long-term care insurance counseling services; and,
4) On behalf of the community as a whole, working to reduce barriers that may exist relative to items 1, 2 and 3.

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I. SERVICE PARAMETERS

Required Activities

The scope of services for HICAP includes federal and state Performance Measures (PMs) in addition to goals for HICAP legal activities as follows:

- **Clients Counseled** (PM 1.1): Number of finalized Intakes for clients/ beneficiaries that received HICAP services.
  Unit: one client
- **Public and Media Events** (PM 1.2): Number of completed public and media (PAM) event forms categorized as "interactive" events.
  Unit: one event
- **Client Contacts** (PM 2.1): Number of one-on-one interactions with any Medicare beneficiaries.
  Unit: one contact
- **Public and Media Outreach Contacts** (PM 2.2): Percentage of persons reached through events categorized as "interactive."
  Unit: one contact
- **Medicare Beneficiaries Under 65 Contacts** (PM 2.3): Number of one-on-one interactions with Medicare beneficiaries under the age of 65.
  Unit: one contact
- **Hard-to-Reach Contacts** (PM 2.4): Number of one-on-one interactions with "hard-to-reach" Medicare beneficiaries designated as:
  - Low-income (LIS)
  - Rural
  - English Second Language (ESL)

  Unit: one contact
- **Enrollment Contacts** (PM 2.5): Number of contacts with one or more qualifying enrollment topics discussed.
  Unit: one contact
- **Legal Clients Represented:** Number of HICAP Legal clients represented.
  Unit: one client
- **Legal Representation Hours:** HICAP Legal representation time spent.
  Unit: one hour
- **Legal Consultation Hours:** HICAP Legal consultation time spent.
  Unit: one hour

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The Geographic Service Area

Since 1994 Agency on Aging Area 4 has been the lead administrative agency for two neighboring agencies: the San Joaquin Department of Aging and Community Services and the El Dorado Area Agency on Aging. Under this arrangement (known as a regionally managed HICAP), AAA4 funds and monitors a single entity to provide services in its own seven county region (PSA 4) as well as in San Joaquin (PSA 11) and El Dorado (PSA 29) counties.

To provide for ongoing oversight, there is a Coordinating Committee comprised of representatives from all three Planning and Service Areas (PSAs) which meets quarterly to evaluate HICAP operations, provide input on unmet needs, and develop strategies to support and enhance the provision of HICAP services region-wide. The Funded Partner (hereinafter "the HICAP Provider") is expected to attend and participate in each of these meetings.

Service Coordination

Subcontracts: If the Applicant intends to partner with a third party for the provision of HICAP legal services, then a formal Letter of Commitment from that partner organization must be submitted along with the RFP proposal.

Rights and Prohibitions

Fees and Donations: No fees may be charged for HICAP services, although the Provider may request contributions and/or donations. HICAP clients are not to be pressured to make donations. All contributions and donations provided specifically to the HICAP Provider shall be spent on HICAP-related activities.

Legal References

The following laws, policies and standards apply to HICAP:

- California Welfare and Institutions Code, Section 9541
- Federal SHIP Grant Terms and Conditions
- Federal SHIP Grant Application
- CDA/AAA4 HICAP Contract Exhibits
- CDA HICAP Program Memos
- HICAP Program Manual
- HICAP Counselor Handbook

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2. THE SERVICE PLAN

Service Delivery

State regulations dictate that each HICAP Provider shall:

a. Provide education services to the public, counseling services to Medicare beneficiaries and those imminent of Medicare status, and legal representation to Medicare beneficiaries when warranted.
b. Educate and inform Older Californians about Medicare, long-term care, public and private health care benefits and financing, health insurance, and managed care.
c. Serve as a source of impartial educational information on health insurance and related plans, and act as an advocate for individual rights.
d. Service as many Medicare beneficiaries in the service jurisdiction as possible.
e. Recruit and maintain a strong, well-trained, cadre of volunteer and staff Registered HICAP Counselors.
f. Cooperate with Information and Assistance programs, services for the elderly, and other community services to ensure an integrated referral system for HICAP clients.
g. Provide legal representation when warranted, or provide for referral to legal assistance.
h. Ensure that HICAP clients who are contemplating managed care are fully informed of their rights and responsibilities, plan benefits, and limitations, and Medicare supplement options.
i. Conduct annual Open Enrollment activities regarding Medicare options including information on Medicare Part D prescription drug plans.
j. Reach out to underserved and hard-to-serve populations so that they may take full advantage of HICAP's no-fee service.
k. Assist low income Medicare beneficiaries to access key benefits that make Medicare affordable such as the Part D low income subsidy (LIS/Extra Help) and the Medicare Savings Program (MSP); and help rural residents enroll in Part D.
l. Participate in as many community events and information outlets as possible where HICAP services can be introduced to the interested public and Older Californians.

Data Reporting

The HICAP Provider shall utilize the Statewide HICAP Automated Reporting System (SHARP), to collect, track and report on all aspects of HICAP activity in accordance with State requirements.

In addition, the HICAP Provider shall report quarterly to AAA4 to track progress toward the contracted scope of service.

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3. LEADERSHIP & ADMINISTRATION

Providers of HICAP services shall ensure the following provisions are met:

1) Services are provided only to the defined Eligible Service Population.
2) Public awareness, knowledge and visibility of the HICAP that includes persons in greatest need of services and partnership opportunities with groups not currently being reached.
3) Staffing is adequate to cover all contract requirements and timelines of the Program. The Program Manager shall manage the Program at least thirty-two (32) hours per week. The equivalent of at least one half-time paid Volunteer Coordinator shall assist the Program Manager in coordinating the activities of volunteers.
4) The Program Manager for HICAP has general oversight of the HICAP services and sole authority to recommend persons for HICAP Counselor registration, to file industry complaints, and to refer HICAP clients to legal services.
5) All persons affiliated with the Program and who are counseling, including paid personnel and volunteers, are trained and registered with the State as HICAP Counselors in accordance with laws, regulations, and the HICAP Program Manual.
6) Participants who volunteer their time for the health insurance counseling and advocacy program may be reimbursed for expenses incurred.
7) All HICAP volunteers and staff members in positions of trust are subject to a background and national-level criminal record check.
8) The HICAP shall have a protocol for determining which criminal violations render a volunteer or staff member unsuitable for SHIP assignments.
9) The Area Agency on Aging shall assure, either as HICAP direct services or contracted services, full compliance with the federal Volunteer Risk and Program Management (VRPM) requirements.

4. OVERALL SERVICE COST AND VALUE

ANNUAL SERVICES COSTS

Total Cost/Unit of Service

The cost per unit represents an estimation, on average, of how much money the Applicant proposes to commit to the program to be able to provide one unit of service to a typical client. It will be a dollar figure, and it shall be calculated by dividing the Total Program Resources by the Estimated Total Service Units.

Example: $500,000 Total Program Resources ÷ 4,000 clients counseled = $125/client counseled

AAA4 Cost/Unit of Service

The cost per unit to AAA4 represents an estimation, on average, of what the hypothetical "price" of one unit of service for a typical client would be if AAA4 were to "buy" all of the Estimated Total Service Units in advance (please note AAA4 does NOT pay Funded Partners for services rendered in advance and does NOT make payment based on set rates for units).

It will be a dollar figure, and it shall be calculated by dividing AAA4 Funds Requested by the Estimated Total Service Units.

Example: $475,000 AAA4 Funds ÷ 4,000 clients counseled = $118.75/client counseled

ANNUAL ESTIMATED SERVICE VALUE

Direct Savings/Client/Year

The direct savings per client represents an estimation, on average, of how much money a typical client saves over the course of a fiscal year because they received the proposed service. It will be a dollar figure, and it shall be calculated by multiplying the number of clients counseled by the average amount of money each of those clients will save by virtue of using HICAP to help select a Medicare Plan that is best for their needs.

Example:

4,000 clients counseled/year x $1,500 average savings/client/year = $6,000,000 total saving/year

Indirect Savings/Client to the Long-Term Care System

The indirect savings to the local LTC system represents an estimation, on average, of the costs of any alternative public LTC resources that most likely would have been expended on behalf of a typical client but were avoided because the individual received the proposed service. It will be a dollar figure, and it shall be calculated by subtracting the Applicant's rate from the alternative public rate.

Example:

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Applicant's Rate = $125/client counseled
1-800-Mecicare Rate = $375/client counseled
$375/client counseled - $125/client counseled = $250/client savings to the LTC system

RETURN ON INVESTMENT (ROI)

The ROI is a percentage that is calculated by subtracting the AAA4 Funds Requested from the Total Program Resources, then dividing that figure by the Total Program Resources. If an Applicant were proposing to contribute (or "match") one dollar for every one AAA4 dollar requested, then the ROI would equal 100%. If the AAA4 Funds Requested made up more than half of the Total Program Resources, then the ROI would be below 100%. Conversely, if the AAA4 Funds Requested were less than half of the Total Program Resources, then the ROI would be above 100%.

Example:
$500,000 Total Program Resources - $475,000 AAA4 Funds = $25,000 difference
$25,000 difference ÷ $500,000 Total Funds = 0.05 or 5% ROI

OTHER PROGRAM REQUIREMENTS

In addition to the general requirements contained in Section 3, organizations applying to provide HICAP services must:

1) Not be marketing a health care service plan or insurance product;
2) Not have corporate relationship with, nor accepts money or in-kind contributions from, health insurance companies or health plan organizations; and,
3) Demonstrate independence in the operation of a HICAP, free from any influence from the health industry, insurance industry, or any other related profitable entities.

RECOMMENDATIONS

Volunteers should be reimbursed for out-of-pocket expenses, and it is highly recommended that volunteers be evaluated and recognized at least annually.