

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**State Health Insurance
Assistance Program**

Assistance to Beneficiaries



**JANET REHNQUIST
Inspector General**

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OEI's Kansas City office prepared this report under the direction of Brian T. Pattison, Regional Inspector General. Principal OEI staff included:

Region

Zula Crutchfield, *Project Leader*
Marco Villagrana, *Program Analyst*
Elander Phillips, *Program Inspections Assistant*
Perry A. Seaton, *Team Leader*

Headquarters

Linda Frisch, *Program Specialist*
Scott Horning, *Program Analyst*
Barbara Tedesco, *Mathematical Statistician*

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EXECUTIVE SUMMARY

PURPOSE

To assess the State Health Insurance Assistance Program (SHIP) performance in providing information, counseling, and assistance to Medicare beneficiaries by examining those impacted by non-renewal of managed care organizations (MCOs).

BACKGROUND

The Secretary of the Department of Health and Human Services has stressed the need to improve and expand educational services to Medicare beneficiaries. The Centers for Medicare & Medicaid Services (CMS) is undertaking broad-based initiatives to address this educational need. The SHIPs are one part of this program. They provide information, counseling, and referral services to Medicare beneficiaries at the local level. The SHIP counselors, most of whom are volunteers, carry out this assistance through in-person or telephone counseling, developing and distributing written materials, and conducting group seminars and presentations.

Over the past 4 years, many MCOs have either withdrawn from the Medicare program or reduced their service area, thereby affecting over 2.2 million beneficiaries. We evaluated how well SHIPs served beneficiaries affected by these MCO non-renewals. We conducted a mail survey with a national stratified random sample of Medicare beneficiaries who received notice of their MCO non-renewal in Calendar Year (CY) 2000 because these beneficiaries were more likely to seek information and counseling services about their Medicare coverage in response to the non-renewal of their HMO. Further, we gathered information from SHIP directors and counselors from seven sample States, selected based upon geographic and regional differences. Such information included personal interviews, operational policies, program funding, training, and workload information.

FINDINGS

Beneficiaries in the Sample States Sought Assistance in Greater Numbers During Periods of MCO Non-renewals

Generally, call volume data from the sampled SHIPs showed increased telephone calls during the fall of CY 2000 after beneficiaries received notices of the MCO non-renewal. Directors from all sampled States and most counselors noted increased workloads, leading to delays in assisting beneficiaries. The SHIP directors and counselors describe beneficiaries seeking their assistance as angry, confused, and overwhelmed when initially contacting SHIP about the non-renewal of their managed care plan.

The SHIPs Target Their Program to Meet the Needs of the Local Community

The SHIPs use a variety of initiatives to meet the unique needs of their clients, as clients often lack knowledge of local, State, and Federal programs. They provide face-to-face counseling and referrals to Medicaid, the Social Security Administration (for Supplemental Security Income), and programs for utility assistance, housing assistance, nutrition, property tax abatement, and other local services for aged or disabled clients. SHIPs also use innovative tools to reach all eligible individuals including those with cultural differences, language barriers, and special needs such as the elderly and disabled. Beneficiaries who used SHIP services were satisfied and rated the quality of the services as average or above. Most users stated they were able to obtain the information needed to make their health care decisions.

The SHIP Counselors Believe They Are Prepared to Respond to Most Concerns, Yet Expressed Frustration with the Timeliness of MCO Non-renewal Information

Seventy-six percent of the SHIP counselors believe the training they received prepared them to respond to most concerns and questions beneficiaries may have about their health care coverage. However, while 83 percent of SHIP counselors received specific information on managed care non-renewals, only 67 percent believe the information was provided when it was needed.

Beneficiaries Are Interested in SHIP Services, Yet Most Were Unaware of the Program

Only 13 percent of the beneficiaries surveyed knew of SHIP and only 37.5 percent of these had used its services. To improve beneficiary knowledge, CMS has mailed publications designed to inform beneficiaries about available health care services, including SHIPs. These publications include a listing of contacts for SHIP and other agencies that can provide assistance and counseling as well as the national 1-800-Medicare toll-free number. Survey respondents reported that while these information sources are consulted and are useful, they remained unaware of the SHIPs.

RECOMMENDATIONS

The CMS has implemented a broad-based initiative, the National Medicare Education Program, to educate beneficiaries about the Medicare program. The program's educational sources include the toll-free number, publications, the Internet, forums, advertising, and SHIPs, just to name a few. The SHIPs fulfill an important role by economically providing personal Medicare counseling services through volunteers, many of whom are also Medicare beneficiaries. The CMS educational initiatives complement each other and each serves a role in helping to assure beneficiaries can obtain needed information and referrals in the manner that best suits their needs.

The CMS's own data indicate a significant number of beneficiaries seek individual counseling including the localized services SHIPs provide. Historically, such

individualized services were provided by Social Security field offices, but this is mostly no longer true.

We, therefore, offer the following recommendations to improve comprehensive beneficiary information and assistance services, including those provided by SHIPs.

- ▶ **Review the Appropriate Role(s) for Each Information and Referral Source to Assure Beneficiaries' Needs Are Being Met**
- ▶ **Explore Ways to Appropriately Increase Knowledge of SHIPs, Their Function, and Their Local Telephone Number in CMS Publications or Through Other Methods**
- ▶ **Coordinate Closely with SHIPs To Ensure Timely Dissemination of MCO Non-renewal Information**

AGENCY COMMENTS

In its written response to the report, CMS addressed the three report recommendations as a single recommendation. In essence, CMS agreed with the last recommendation but not the first two. The CMS believes that exploring the appropriate role for all information and referral sources goes beyond the scope of the study. The CMS also expressed concern with our recommendation to modify their publications and notices, citing the possibility of inappropriate beneficiary contacts to SHIPs.

The overall effectiveness of SHIPs, in the context of all available information sources, was within the scope of our study. We used Medicare beneficiaries experiences with HMO non-renewals not to limit the scope of our study, but rather to provide a means to understand how the SHIPs work, how beneficiaries make use of all the information sources available to them, and how SHIPs assist beneficiaries with making choices regarding their Medicare coverage. We clarified this in our methodology section.

We found that the SHIPs are uniquely positioned to provide local information and referral services to diverse groups of Medicare beneficiary, irrespective of the beneficiaries' information needs. Given that CMS is implementing a broad-based initiative to educate beneficiaries about the Medicare program and given that beneficiaries are seeking information sources when faced with non-renewal of MCOs, we believe it is an appropriate time to review the role of the various information and referral sources.

In addition, we continue to recommend modification to notices and publications to prominently display SHIP as well as other CMS beneficiary information, since 87 percent of the beneficiaries we contacted were not aware of the SHIP program.

We have made revisions to the report based on CMS's comments. The full text of CMS's comments is contained in Appendix D.

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INTRODUCTION

PURPOSE

To assess the State Health Insurance Assistance Program (SHIP) performance in providing information, counseling, and assistance to Medicare beneficiaries by examining those impacted by non-renewal of managed care organizations (MCOs).

BACKGROUND

Beneficiary Confusion About Health Insurance Plans

Previous studies have found Medicare beneficiaries face complex choices when making decisions about their health insurance plans. This is due in part to the variety of plans available, differences between the plans' coverages and costs, and limited time frames for making important medical and financial choices. For example, an AARP study assessing older consumers' skills in making health care choices found many had difficulty in comparing costs and benefits of one plan to others.¹

Representatives of beneficiary advocacy groups and the insurance industry stated that beneficiaries often are confused and misinformed about various Medicare Supplemental Insurance (Medigap) policies, open enrollment periods, and the protections afforded them. Often, beneficiaries seek guidance from others to assist them in making informed choices about health care options and costs.²

Educational Efforts

Historically, the Centers for Medicare & Medicaid Services (CMS) relied heavily upon the Social Security Administration's (SSA) over 1,300 field offices to provide individualized assistance, counseling, and educational services to beneficiaries in local communities. However, since SSA was elevated to an independent agency in April 1995,³ it has eliminated these services for Medicare beneficiaries and now provides only limited support. Primarily, this involves initial Medicare enrollment and the replacement of Medicare cards.

The Secretary of Health and Human Services, in conjunction with CMS, announced plans to improve and expand its outreach efforts in order to educate beneficiaries about Medicare and the services available to them. These educational efforts will focus on providing information on health care delivery systems and choices available to beneficiaries. This inspection examined the performance of SHIP, one such program already in place to provide a broad range of national and local information and assistance services to Medicare beneficiaries.

The State Health Insurance and Assistance Program

Congress enacted the Information, Counseling, and Assistance (ICA) program (later renamed the State Health Insurance Assistance Program) as part of Omnibus Budget Reconciliation Act (OBRA) of 1990, to help alleviate beneficiary confusion in making health plan choices. As part of this law, Congress authorized State grants to implement the ICA program. These grants, which are administered by CMS, require State grantees to establish or improve upon existing health insurance information, counseling, and assistance programs. In addition, grantees are required to establish a system of beneficiary referrals to appropriate Federal and State agencies for problems related to health insurance coverage (Appendix A).

The SHIPs exist in 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands. Two-thirds of the grantees are located in the State Departments of Aging, while the remainder are located in the State Departments of Insurance. State Departments of Insurance are responsible for the regulation of insurance companies, including review of insurance policies sold and premium costs. In contrast, the State Departments of Aging are primarily concerned with improving the quality of life for the elderly.

The SHIP Purpose and Functions

The SHIPs are locally operated programs offering assistance to individuals with questions about various health insurance plans and programs, including Medicare. It functions as a vital communication link with beneficiaries and serves to provide in-depth counseling and assistance. States carry out these objectives through in-person or telephone counseling, developing and distributing written materials, and holding group educational seminars and presentations.

The SHIP counselors are one of the primary points of contact for beneficiaries and are comprised of a large number of volunteers and a small number of salaried employees. Overall, 28 percent of the SHIP counselors report having previous professional experience in elderly advocacy, insurance, social work, or the medical field.

In addition to the local SHIPs, beneficiaries have national and State sources for obtaining information and assistance in the selection of Medicare health coverage. Currently, such services are provided mainly through the CMS toll-free number, the CMS website (www.medicare.gov), MCOs, and the applicable State Departments of Aging or Insurance. However, these services may not address the local information and referral services sought by some beneficiaries.

The SHIP Funding

The SHIP base grants averaged about \$15 million each year apportioned according to the population of beneficiaries residing in a given State.⁴ Grant funds are designated to support information, counseling, and assistance activities relating to Medicare and Medicaid matters, Medigap policies, long term care insurance, managed care options, and other health insurance information.

Non-Renewal of Managed Care Organizations from the Medicare Program

Over the last 4 years, many MCOs have either withdrawn from the Medicare program or reduced their service area, resulting in a large number of beneficiaries changing health plans. According to data from CMS, as shown in Table 1, there has been a large number of plans leaving the Medicare program in 1999, 2000, and 2001, affecting approximately 2.2 million beneficiaries.⁵

Table 1

MCO Non-renewals 1999 - 2002

Year	MCO Plans in Medicare program	MCO Plans that withdrew	MCO Plans that reduced service area	Beneficiaries affected
1999	346	45	54	407,000
2000	309	41	58	327,000
2001	261	65	53	934,000
2002	179 ⁶	22	36	536,000

Insurance Options for Medicare Beneficiaries

When MCOs withdraw from Medicare or reduce their service areas, beneficiaries must choose between Medicare fee-for-service (FFS) or another MCO plan. Some beneficiaries face limited choices. In Calendar Year (CY) 2000, over 158,000 beneficiaries affected by the non-renewal of an MCO plan could only enroll in Medicare FFS because other MCOs were either not operating or not accepting new clients in their State.

Beneficiaries switching to FFS may face increased out of pocket expenses for costs often included in the MCOs' benefit packages (e.g., annual deductibles and costs for non-covered items such as prescription drugs). Many beneficiaries chose to purchase a Medigap policy to cover these costs. These policies, sold by private insurance companies, are regulated by the States' insurance commissions. The OBRA of 1990 established uniform Federal criteria that governs how States regulate the sale of Medigap policies. The law limits available Medigap policies to 10 standard benefit packages. Further, it mandates that all plans offer a standard set of benefits and requires that premiums be based on specific loss ratio standards.⁷

MCO Non-renewal Notices to Beneficiaries

When an MCO withdraws or reduces its service area, CMS requires the MCO to notify the affected beneficiaries. These notices prominently referred beneficiaries to their local SHIP (toll-free telephone numbers included), and the CMS national toll-free number if they needed additional information and/or counseling services.

The CMS can institute annual revisions to the time frames and notices MCOs use to advise the public and beneficiaries of their intentions to withdraw from the Medicare program or reduce their service areas.

In CY 2000, CMS required the MCOs to send two notices to the affected beneficiaries:

1. An interim notification letter was sent in July, to inform Medicare beneficiaries of the MCO's non-renewal effective the following January 1. This letter advised beneficiaries **not** to take any action until they received a final notification letter.
2. A final notification letter of MCO non-renewal was required to be dated and sent by October 2.⁸ This letter officially notified beneficiaries of the MCO non-renewal effective January 1. The letter further advised beneficiaries of their rights and time frames for selecting alternative Medicare and other health care coverage.

Time Frames to Select Alternative Medicare and Medigap Coverage

Beneficiaries affected by MCO non-renewals face specific time frames to implement changes to their health care coverage. Changes made outside of this period may result in denial of coverage for pre-existing conditions and imposition of increased premiums.

- ▶ Beneficiaries may enroll in another MCO serving their area within the Special Election Period beginning on October 1 and ending on December 31. They can also purchase a Medicare supplement insurance (Medigap) policy before or after the termination of their current MCO coverage
- ▶ (October 2 - March 4) with "guaranteed issue rights." These rights ensure that the Medigap insurer cannot deny a policy, impose waiting periods for coverage, or limit coverage for pre-existing medical conditions. If beneficiaries delay purchase of a Medigap policy beyond March 4, they lose the "guaranteed issue rights" protections, and the Medigap insurer can impose pre-existing coverage restrictions.
- ▶ Beneficiaries may elect to enroll in FFS ("Original Medicare") as soon as they receive the final notice from their MCO. If they choose to enroll in FFS, their MCO coverage will terminate on the last day of the month of disenrollment, and their Medicare FFS is effective on the 1st day of the following month. Beneficiaries who make no election will automatically be enrolled in FFS effective January 1. As part of this process, beneficiaries are informed of their option to purchase a Medigap policy to supplement Medicare FFS coverage. They are afforded "guaranteed issue rights" for the purchase of Medigap policies beginning with the Final Notice of plan termination and ending 63 days after the effective disenrollment date.

METHODOLOGY

Our study purpose was to assess the overall effectiveness of SHIPs. During our pre-inspection, CMS officials informed us that the average Medicare beneficiary typically does not contact a SHIP because he or she has already made decisions about his or her Medicare coverage. Therefore, we identified periods of significant HMO non-renewal -- a time when all affected beneficiaries *must* change their Medicare coverage -- as a means of selecting a sample of Medicare beneficiaries likely to have sought assistance with making choices about their Medicare coverage. We believed it worth examining beneficiaries' use of available information sources, including SHIPs, 1-800-Medicare, CMS publications, and the Internet, as well as SHIPs response to increased workloads brought on by HMO non-renewals.

We sampled beneficiaries who received notices during CY 2000 that their MCO plan was leaving Medicare or reducing its service area effective January 1, 2001. We believed this focus would most likely provide beneficiaries who had recent experience with their local SHIP, and consequently, would be able to comment on their level of satisfaction with the services received. Further, we believed this sampling method would allow us to examine the impact of MCO non-renewals on individual SHIPs' performance. We recognize that beneficiaries or care givers may have little reason to contact anyone with questions about their health care choices once they have completed their Medicare enrollment process. However, beneficiaries facing dramatic changes in their health care plan may be sufficiently motivated to contact informed sources, such as SHIP, to explore their health insurance options.

State Sampling Procedures

We selected a purposive sample of seven States composed of two groups. We considered both the number of beneficiaries impacted by MCO non-renewals as well as geographic and regional differences in selecting the two sample groups.

- Group 1** States with the largest number of beneficiaries impacted by MCO non-renewals (Florida, New York, Ohio, Pennsylvania, and Texas).
- Group 2** States in predominately rural areas with a significant number of beneficiaries affected by MCO non-renewals (Arizona and Oregon).

These States comprise 55 percent of the total beneficiaries impacted by MCO non-renewals and 63 percent of the beneficiaries who could only enroll in Medicare FFS. Since our sample of SHIPs were purposively selected, our findings based on information from sampled states apply only to the 7 States selected and cannot be generalized to all SHIP Programs.

We interviewed seven SHIP program directors and held individual and group discussions with 78 salaried and volunteer counselors in two counties within each of the sample States. We selected the counties based on factors such as the total population affected, beneficiaries who could only enroll in Medicare FFS, and a mix of predominately urban and rural populations. The sample counties comprise 22 percent of the total beneficiaries impacted by MCO non-renewals and 19 percent of the beneficiaries who could only enroll in Medicare FFS. We assessed the SHIPs ability to provide effective services to Medicare beneficiaries impacted by MCO non-renewals. As part of this process, we requested monthly SHIP workload data for the two sample counties in each of the seven States.

Beneficiary Sampling Procedures

We conducted a mail survey with a national stratified random sample of 800 Medicare beneficiaries who received notice of their MCO non-renewal in CY 2000, and we received responses from 365 (46 percent). To select our sample, we used CMS's list of MCOs that withdrew from Medicare or reduced their service area effective January 1, 2001. We then used CMS's Group Health Plan master file to identify beneficiaries who disenrolled from that list of MCOs during the period July 1 through December 31, 2000. Finally, we used CMS's Enrollment Data Base to exclude those beneficiaries who had died since the non-renewal of their MCO. We stratified the sample into five strata by State to assure that we obtained representative national responses, responses from beneficiaries residing in the sample States (including predominately rural States), and responses from beneficiaries residing in States that lacked another managed care plan. The sample design is shown in Table 2.

Table 2

Beneficiary Sample Design

Strata	Sample States	Sample Size	Universe (Affected Enrollees)	Universe Percent
1	FL, NY, OH, PA, TX	300	488,063	52.3%
2	AZ	100	24,327	2.6%
3	OR	100	5,767	.6%
4	AL, ME, NH, VA (most or all beneficiaries have no other MCO available)	100	19,278	2.1%
5	All other affected States	200	396,252	42.4%
Total		800	933,687	100%

The data collection instruments consisted of predominately closed-ended questions and included both the national and State names used for the SHIP in the beneficiaries' locale.

The information obtained was encoded into a relational data base for analysis. The estimates for the beneficiary survey are weighted in accordance with the sample design. Percentages are reported at the 95 percent confidence interval (Appendix B).

When surveys are used to collect data, the results may be biased if non-respondents differ from respondents. We tested for non-respondent bias among sample beneficiaries. The variables used for this analysis were age and gender. The results of this analysis showed no statistically significant differences between respondents and non-respondents for the two variables tested.

Other Activities

We attended a national SHIP conference to gain a national perspective on the issues confronting the program. We contacted key CMS staff responsible for administering the State Health Insurance Assistance Program grants. Further, we conducted personal or telephone discussions with key staff from industry and advocacy groups such as the Health Insurance Association of America, National Association of Insurance Commissioners, AARP, Center for Medicare Advocacy, National Senior Citizen Law Center, and the United Seniors Health Cooperative. We also reviewed ICA legislation, grant requirements for SHIP grantees, Medigap insurance legislation, various regulations, and the previous work conducted by the Office of Inspector General, General Accounting Office, and others.

We conducted this inspection in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

FINDINGS

The SHIPs fulfill a valuable role by providing Medicare beneficiaries personal assistance with the selection of Medicare and Medigap Insurance coverage. Further, utilizing other revenue sources, some SHIPs have expanded their role to provide comprehensive “one-stop shop” informational, counseling, and referral services to other local, State, and Federal programs, such as Medicaid, housing assistance, veterans coverage and benefits, utility assistance, and property tax abatement.

The SHIPs in our survey are located either in the Department of Aging (five States), or the Department of Insurance (two States). Regardless of their agency location, SHIPs have fostered strong working relationships with social service agencies, community health centers, and other non-governmental agencies in their community to enrich the delivery of service to beneficiaries. This interagency coordination allows SHIPs the flexibility to share information and resource materials freely.

The SHIPs are uniquely positioned to provide personal locally-oriented counseling and assistance services with trained counselors who often have similar backgrounds, cultures, and experiences as the beneficiaries they serve. The SHIPs are part of CMS’ comprehensive information and counseling services, which include publications, the Internet, and national toll-free number counselors. These services are designed to meet the diverse needs of Medicare beneficiaries and their families. This is especially important during periods of MCO non-renewals when beneficiaries and families are faced with making important and complex health care choices in a short time period.

Beneficiaries in the Sample States Sought Assistance in Greater Numbers During Periods of MCO Non-renewals

Generally, the sampled SHIPs experienced increased telephone call volumes during the fall of CY 2000 after beneficiaries received the notices of the MCO non-renewals. Ohio, Oregon, and Pennsylvania could only provide State-wide call volumes, while Arizona, New York, and Texas furnished this information for the sample counties. Florida could not provide this information, as they maintain only semi-annual reports of State-wide information.

Data from three sampled locations (AZ, PA, and TX) showed calls dramatically increased during the fall of CY 2000, corresponding to the period when beneficiaries received the notices of the MCO non-renewals. Two of the sampled locations (NY and OH) showed that calls also increased, although less sharply, during this same period. While Oregon’s data showed virtually no increase, the SHIP Director informed us they were moving to a new telephone system, which may have impacted the completeness and accuracy of this information.

The increase in workload is further supported by SHIP directors and counselors. The seven directors reported increases in workload during the CY 2000 MCO non-renewal period. One-half of the directors believe that the increased activity adversely affected the SHIPs' ability to assist beneficiaries. These directors reported that this increased workload led to delays in answering beneficiary telephone calls, responding to mail inquiries, scheduling meetings with beneficiaries, holding speaking engagements, and administrative duties.

Similarly, over 92 percent of the counselors in the seven sample States reported an increase in workload during the CY 2000 MCO non-renewal period. Of the 78 counselors that responded to our survey, 72 said their workload increased. Most of the counselors stated they experienced an increase in the number of telephone calls. Further, one-third of the counselors reported this increased workload adversely affected their ability to assist beneficiaries, evidenced by delays in answering these calls.

We obtained CMS's toll-free number call volume data for CY 2000 (automated telephone system and those handled by a customer service representative) because this service also provides information and counseling to beneficiaries. Similar to SHIPs, these data showed increases in call volume corresponding to the timing of beneficiaries' receipt of non-renewal notices.

The SHIP directors and counselors described beneficiaries seeking their assistance as angry, confused, and overwhelmed when initially contacting SHIP about the non-renewal of their managed care plan. They cited beneficiary concerns about the loss of their MCO plan, the frustration of facing another decision about choosing appropriate health care coverage, and confusion about the number and complexity of available health care choices.

The SHIPs Target Their Program to Meet the Needs of the Local Community

The SHIP directors and counselors believe they must provide information and referral services to other local, State, and Federal programs in order to meet the needs of their clients, many of whom are on limited fixed incomes. The SHIPs are now the primary local source for comprehensive Medicare information, counseling, and assistance since SSA no longer provides this information for Medicare clients.

The SHIP is an important segment of the CMS's overall strategy to offer comprehensive national and local information and referral services to beneficiaries through a variety of complementary sources. This program, largely staffed by retired volunteers, provides wide-ranging personal counseling, information, and referral services to meet the local needs of their clients. In CY 2000, SHIPs contacted either in person or by telephone approximately 2.8 million clients⁹ at a total cost of \$18 million (combined basic and supplemental grants)¹⁰ or \$6.43 per contact. By way of comparison, the CMS toll-free number received 3.7 million telephone calls (2.3 million answered by staff and

1.3 million answered by its automated system) at a total cost of \$30.7 million or \$8.30 per call during this same period.¹¹ These two programs complement each other to provide comprehensive information and referral services suited to the needs of Medicare beneficiaries.

The SHIPs Use Comprehensive Approaches to Assist Clients

The SHIP directors and counselors use a variety of initiatives to meet the unique needs of their clients. Frequently, this assistance involves programs other than Medicare or Medicaid as clients often lack knowledge of Federal, State, and local programs designed to meet their needs. One counselor told of the assistance provided to clients with past military service.

Many of these individuals are on limited fixed incomes and have difficulty paying for needed medical care. They are often not aware of a Department of Veterans Affairs program which provides health care and prescription drugs for veterans who meet the program's eligibility requirements.

Other counselors mentioned assisting clients faced with large monthly prescription drug bills who are on fixed incomes and have limited or no insurance coverage. To address these needs, many SHIPs provide information on those pharmaceutical companies offering no-cost drug programs. The SHIPs also provide referrals to Medicaid, SSA (for Supplemental Security Income), and programs for utility assistance, housing assistance, nutrition, property tax abatement, and other local services for aged or disabled clients.

One counselor summarized this approach when he stated,

We need to help seniors who need Medigap insurance - to find in their budget the means to buy it. Only by providing information on other ways (to save money), such as utility assistance, can many of our clients find the dollars they need.

“We Use All Available Resources to Reach Medicare Beneficiaries”

All directors and counselors described various innovative tools they use to ensure they reach all eligible individuals. They use meetings and “town hall” question and answer forums to present information to large numbers of clients in a short time period. This method of outreach is particularly useful during the periods of MCO non-renewals when many beneficiaries are seeking information and assistance about their health care options.

During our visits, we noted one innovative and creative method for sharing information with Medicare beneficiaries. The Ohio SHIP used a video tape as a vehicle for standardizing the information presented at group meetings. This video, written and produced by their staff, explained complex Medicare options using the concept of the television sitcom “Mel’s Diner.” Customers at the diner commented about the “new daily menu specials,” which highlighted available Medicare and Medigap choices. This

information was reinforced by providing copies of the menu to the audience during the presentation, followed by a question and answer period.

The directors and counselors described the varying unique needs of the community such as cultural differences, language barriers, special needs for the elderly, disabled and infirm, and special groups including military retirees and family members. In a further effort to reach diverse and special needs clients, SHIPs cited their use of:

- ▶ interpreters during telephone calls and presentations,
- ▶ TDD to facilitate telephone counseling for the hearing impaired,
- ▶ braille and large print publications for the visually impaired,
- ▶ counselors recruited from other cultures to address the needs of clients,
- ▶ counseling sites in ethnic neighborhoods and in locations where beneficiaries live or congregate, especially to meet the needs of frail elders (e.g., independent living centers, nutrition sites, kidney dialysis centers, etc.),
- ▶ CMS and SHIP brochures translated in other language formats (e.g., Spanish, Chinese, Korean),
- ▶ counselors in remote areas of the State to reach these populations, and
- ▶ radio and television talk and news programs.

Only a small number of beneficiaries whom we surveyed used SHIP services. They were satisfied and rated the quality of the services as average or above. Most users stated they were able to obtain the information needed to make their health care decisions. The small number who did not obtain all needed information raised issues that were beyond the scope of SHIP information and referral services.

The SHIP Counselors Believe They Are Prepared to Respond to Most Beneficiaries' Concerns, Yet Express Frustration with the Timeliness of MCO Non-renewal Information

Over One-quarter of the Counselors Have Previous Related Experience

Overall, 28 percent of the SHIP counselors report having previous professional experience in elderly advocacy, insurance, social work, or the medical field. These counselors, most of whom are volunteers, apply their previous professional experience and skills towards interpreting legal documents, laws and regulations, and governmental policies. Those with medical experience are able to interpret medical terminology.

Initial and On-going Training was Helpful

Seventy-six percent of the SHIP counselors believe the training they received prepared them to respond to concerns and questions beneficiaries may have about their health care coverage. Directors reported that all counselors are required to attend initial and ongoing training and training in managed care organizations' non-renewals. The types of SHIP counselor training most often included topics such as Medicare, Medicaid, Medigap eligibility and coverage, and Medicare MCO non-renewals.

Specific Information on MCO Non-renewals is Untimely

While 83 percent of SHIP counselors received specific information on managed care non-renewals, only 67 percent believe the information was provided when it was needed. In addition, only 53 percent reported that information was provided prior to the release of the initial MCO non-renewal notice to the beneficiaries. Counselors noted that the non-renewal information was provided too late, and the information material did not sufficiently cover topics to prepare them for the “on-slaught” of calls from beneficiaries. One of the counselors stated that by the time official information was received (August 2000) the “cat was out of the bag.” The media had disseminated information about the MCO non-renewals before the plans official notification to CMS.

Beneficiaries Are Interested in SHIP Services, Yet Most Were Unaware of the Program

Beneficiaries are Interested in Receiving SHIP Services

Because beneficiaries who receive notices of non-renewal of their MCO plans are faced with making choices regarding their Medicare coverage, we asked beneficiaries to identify the services they would either use or request when confronted with such decisions. Our goal in asking these questions was to determine whether SHIPs were providing the services beneficiaries are most interested in receiving. While similar services are furnished through the 1-800-Medicare number and the Internet, only SHIP is able to provide the face-to-face personal assistance many beneficiaries need. As shown in Table 4, those services beneficiaries identified most frequently correspond to those provided by SHIP. The total of beneficiary responses exceeds 100 percent because many selected more than one service.

Table 4

Assistance Beneficiaries Would Seek from SHIPs

Most Frequently Identified Service	Percentage of Beneficiaries
Information about other insurance available to Medicare beneficiaries in the State	41%
Assistance in choosing between traditional Medicare fee-for-service and HMO plans	40%
Comparative information about available Medigap policies	34%

Most Beneficiaries Remain Unaware of SHIP

Generally, most beneficiaries are unaware of SHIP information and counseling services. Of the 365 beneficiaries who responded to our survey, which included both the national and State names used for the SHIP in the beneficiaries’ locale:

- ▶ 87 percent stated they were not aware of the program; and
- ▶ 13 percent stated they knew about the SHIP program (of which 37.5 percent stated they had contacted and used SHIP services).¹²

Using aggregated data from national SHIP workload for CY 2000 (Appendix C), we found that approximately 2.8 million (7 percent) of Medicare enrollees, family, or care givers contacted SHIP. Nationally, there are approximately 40 million Americans enrolled in the Medicare program.

Beneficiaries Consult Other Sources to Obtain Needed Information

Beneficiaries reported using a variety of other sources to obtain health care information, some of which may be less reliable or subject to bias:

- ▶ Forty-two percent listed medical sources such as physicians or managed care plans;
- ▶ Thirty-seven percent listed family or friends;
- ▶ Fifteen percent listed Federal government agencies such as Medicare or Social Security; and
- ▶ Seven percent listed State government agencies such as State Departments of Aging and/or State Departments of Insurance.

Despite CMS Publicizing SHIP Services, Beneficiaries Remain Unaware

Eighty seven percent of the randomly selected beneficiaries we contacted stated they were unaware of the SHIP program despite CMS efforts to publicize these services. The CMS recently mailed publications designed to inform beneficiaries about available health care services, including SHIPs. These publications include a listing of contacts for SHIP and other agencies that can provide assistance and counseling as well as the national 1-800-Medicare toll-free number. Further, CMS has an extensive Internet presence with detailed information on SHIPs, Medigap, and links to State Departments of Aging, Insurance, and other offices.

Beneficiaries Find Certain Information Sources Particularly Useful

Based on responses from beneficiaries, CMS is using appropriate information sources to publicize program information. Table 5, on the following page, identifies the sources most preferred. The total responses listed exceed 100 percent because many beneficiaries expressed more than one information source.

Table 5

Information Sources Beneficiaries Consider Effective

Information Source	Percentage of Beneficiaries
“Medicare & You” handbook	62%
Annual Medicare letter from CMS	45%
Advertisements in publications such as AARP	40%

RECOMMENDATIONS

The CMS has implemented a broad-based initiative, the National Medicare Beneficiary Education Program, to educate beneficiaries about the Medicare program. The program's educational sources include the toll-free number, publications, the Internet, forums, advertising, and SHIPs, just to name a few. The SHIPs fulfill an important role by economically providing personal Medicare counseling services through volunteers, many of whom are also Medicare beneficiaries. The CMS educational initiatives complement each other and each serves a role in helping to assure beneficiaries can obtain needed information and referrals in the manner that best suits their needs.

The CMS's own data indicate a significant number of beneficiaries seek individual counseling including the localized services SHIPs provide. Historically, such individualized services were provided by Social Security field offices, but this is mostly no longer true.

We, therefore, offer the following recommendations to improve comprehensive beneficiary information and assistance services, including those provided by SHIPs.

As Part of CMS's Beneficiary Education Initiative, Review the Appropriate Role(s) for Each Information and Referral Source to Assure Beneficiaries' Needs Are Being Met

While CMS is utilizing a variety of sources, including SHIPs, to address the information and referral needs of beneficiaries, it is important to reassess the appropriate role(s) of each source to assure its effectiveness. Such a process will help ensure that CMS's information and referral sources are comprehensive and adequately prepared and supported to meet the diverse and specific interactive needs of Medicare beneficiaries, especially those impacted by the non-renewal of MCOs.

Explore Ways to Appropriately Increase Knowledge of SHIPs, Their Function, and Their Local Telephone Number in CMS Publications or Through Other Methods

CMS could consider the following, or other options, to carry out the recommendations

- ▶ Modify existing Publications such as "Medicare & You" and "Guide to Health Insurance for People with Medicare" to relocate the index and descriptions of major beneficiary assistance numbers, including an index to local SHIP numbers, to the beginning of these publications, similar to the protocol used by the telephone companies for emergency numbers. This will help the beneficiary to quickly find needed assistance.

- ▶ Mail an annual reminder notice to beneficiaries about CMS customer services, including the local counseling and assistance services provided by SHIPs. To reinforce this message, the notice could include a low-cost reminder item such as a refrigerator magnet with the 1-800-Medicare Number and the Medicare.gov website to facilitate beneficiaries' ability to locate needed information and referral services.
- ▶ Publish Medicare information and assistance numbers, including SHIP numbers, in sources that beneficiaries consult, such as AARP publications and the telephone company "Yellow and Blue Pages" under Medicare.
- ▶ Run national public service announcements and paid commercial advertisements on radio and television during periods when Medicare MCOs are withdrawing or reducing their service areas. As part of this advertising campaign, include information on the Medicare toll-free number and the SHIP program.

Coordinate Closely with SHIPs To Ensure Timely Dissemination of MCO Non-renewal Information

The CMS should continue to work closely with SHIPs to develop national and local informational materials on MCO non-renewals. Essential aspects of such counselor materials should include information about

- ▶ plans that are leaving the Medicare program, or those who are reducing their service areas,
- ▶ revisions to MCO coverages, and
- ▶ available Medigap policies.

The CMS should make every effort to ensure that SHIPs are made aware of MCO non-renewals prior to information being made available to the general public. The CMS also may want to work with SHIPs to ensure that non-renewal information is shared as quickly and as efficiently as possible with all counselors.

AGENCY COMMENTS

In its written response to the report, CMS addressed the three report recommendations as a single recommendation. In essence, CMS agreed with the last recommendation but not the first two. The CMS believes that exploring the appropriate role for all information and referral sources goes beyond the scope of the study. The CMS also expressed concern with our recommendation to modify their publications and notices, citing the possibility of inappropriate beneficiary contacts to SHIPs.

The overall effectiveness of SHIPs, in the context of all available information sources, was within the scope of our study. We used Medicare beneficiaries experiences with HMO non-renewals not to limit the scope of our study, but rather to provide a means to understand how the SHIPs work, how beneficiaries make use of all the information

sources available to them, and how SHIPs assist beneficiaries with making choices regarding their Medicare coverage. We clarified this in our methodology section.

We found that the SHIPs are uniquely positioned to provide local information and referral services to diverse groups of Medicare beneficiaries, irrespective of the information needs of the beneficiaries. Given that CMS is implementing a broad-based initiative to educate beneficiaries about the Medicare program through a variety of sources and given that beneficiaries are seeking informational sources when faced with non-renewal of MCOs, we believe it is an appropriate time to review the role of the various information and referral sources.

In addition, we continue to recommend modification to notices and publications to prominently display SHIP as well as other CMS beneficiary information, since 87 percent of the beneficiaries we contacted were not aware of the SHIP program.

We have made revisions to the report based on CMS's comments. The full text of their comments is contained in Appendix D.

ENDNOTES

1. Judith Hibbard, Dr. P.H., *Older Consumers' Skill in Using Comparative Data to Inform Health Plan Choice: A Preliminary Assessment*, Public Policy Institute #2000-14, dated September 2000.
2. Judith Hibbard, Dr. P.H., *An Assessment of Medicare Beneficiaries' Understanding of the Difference Between the Traditional Medicare Program and HMOs*, Public Policy Institute, AARP # 9805, dated June 1998.
3. "Social Security Independence and Program Improvements Act of 1994," (Public Law 103-296).
4. CMS memorandum, *State Health Insurance Assistance Program (SHIP) Funding for FY 2000*.
5. Center for Medicare and Medicaid Services' Internet Web site (<http://www.hcfa.gov>) Fact Sheets, released September 2001, June 2000, and July 15, 1999.
6. Centers for Medicare and Medicaid Services Fact Sheet, September 2001. Note: These figures are preliminary, as managed care plans had until October 2, 2001 to notify CMS of their plans to withdraw or reduce their service areas in 2002.
7. Loss ratio standards are calculated on the basis of incurred claims experienced or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period.
8. This letter is required by Title 42, Code of Federal Regulations § 422.506(2)(ii).
9. To determine the Medicare population who used SHIPs during calendar year 2000, we used CMS's National Performance Report (NPR) column entitled "Total Individual Client Contacts" (Appendix C). For NPR reporting period 4/1/00-9/27/00, we used the total SHIP contact figure. However, for reporting periods 9/28/99 - 3/31/00 and 9/28/00 - 3/31/01, we obtained the 6 month contact figures and averaged each of these to establish the approximate 3 month total for the months in CY 2000. The resulting totals were aggregated to obtain an approximation of total SHIP contacts for CY 2000 (2,768,079). We then divided these contacts by the total number of Medicare beneficiaries (40 million) and determined that approximately 7 percent of the beneficiaries contacted SHIPs during CY 2000.
10. CMS, Center for Beneficiary Choices Data, Dated August 1, 2001.
11. CMS, Center for Beneficiary Choices Data, Dated July 26, 2001.
12. This percentage was not weighted due to the small number of respondents per strata.

Beneficiary Counseling and Assistance Grants

To be eligible for a grant under Public Law 101-508, States must:

- A. establish or improve upon a health insurance information, counseling, and assistance program that provides counseling and assistance to eligible individuals in need of health insurance information;
- B. establish a system of referral to appropriate Federal or State departments or agencies for assistance with problems related to health insurance coverage (including legal problems), as determined by CMS;
- C. provide for a sufficient number of staff positions (including volunteer positions) necessary to provide the services of the health insurance information, counseling, and assistance program;
- D. provide assurances that staff members (including volunteer staff members) of the health insurance information, counseling, and assistance program have no conflict of interest in providing the counseling;
- E. provide for the collection and dissemination of timely and accurate health care information to staff members;
- F. provide for training programs for staff members (including volunteer staff members);
- G. provide for the coordination of the exchange of health insurance information between the staff of departments and agencies of the State government and the staff of the health insurance information, counseling, and assistance program;
- H. make recommendations concerning consumer issues and complaints related to the provision of health care to agencies and departments of the State government and the Federal government responsible for providing or regulating health insurance;
- I. establish an outreach program to provide health insurance information and counseling described in subparagraph (A) and the referrals described in subparagraph (B) to eligible individuals; and
- J. demonstrate, to the satisfaction of CMS, an ability to provide counseling and assistance required under this Public Law.

Estimates and Confidence Intervals for Beneficiary Stratified Sample

The following table summarizes at the 95 percent confidence intervals for the beneficiary responses to our survey that are presented in this report.

Beneficiary Survey Issue	Weighted Error Percentage	95% Confidence Interval
Beneficiary Knowledge and Use of SHIP		
Had previous knowledge of SHIP	15%	+/- 4.6%
Contacted SHIP	18% ¹	N/A
Not aware of SHIP	85%	+/- 4.6%
Beneficiary Sources of Health Insurance Information		
Medical sources (physician/managed care organization)	42%	+/- 6.3%
Family/friends	37%	+/- 6.2%
Federal government (Medicare/Social Security)	15%	+/- 4.6%
State government (County or State Aging Services Office/State Insurance Department)	7%	+/- 3.4%
Beneficiaries Ability to Obtain Information to Make Health Insurance Decisions		
Beneficiaries who were aware of SHIP and were able to obtain needed information	92%	+/- 6.0%
Beneficiaries who were not aware of SHIP and were able to obtain needed information	73%	+/- 6.0%
Beneficiary Listing of Effective Information Sources		
“Medicare & You” handbook	62%	+/- 6.2%
Annual Notice from CMS	45%	+/- 6.4%
Advertisement in publications such as AARP	40%	+/- 6.2%

¹ This number is not weighted

**National Performance Report - SHIPs
Counseling and Presentation Contacts
October 1999 - September 2001**

State	NPR FOR PERIOD 9/28/99-3/31/00				NPR FOR PERIOD 4/1/00-9/27/00				NPR FOR PERIOD 9/28/00-3/31/01			
	Contacts in Person	Contacts by Telephone	Attendees at Educational Events	Total SHIP Contacts	Contacts in Person	Contacts by Telephone	Attendees at Educational Events	Total SHIP Contacts	Contacts in Person	Contacts by Telephone	Attendees at Educational Events	Total SHIP Contacts
Alabama	1,410	5,131	8,026	14,567	1,484	6,182	13,738	21,404	1,512	7,417	11,693	20,622
Alaska	381	2,661	1,558	4,600	411	1,100	700	2,211	411	1,100	700	2,211
Arizona	12,169	15,046	6,790	34,005	1,732	9,233	20,598	31,563	1,902	15,021	14,423	31,346
Arkansas	301	7,675	407	8,383	715	9,073	1,721	11,509	413	6,451	1,275	8,139
California	11,114	8,504	31,347	50,965	10,484	9,863	30,346	50,693	10,534	12,501	33,756	56,791
Colorado	2,006	8,716	9,251	19,973	2520	7450	4210	14,180	2,166	8,804	5,999	16,969
Connecticut	4,452	18,069	6,106	28,627	4,297	19,101	6,322	29,720	4,983	16,069	10,583	31,635
Delaware	89	2,567	325	2,981	115	2,825	295	3,235	193	3,908	20	4,121
D.C.	72	1,012	645	1,729	64	1,010	1,290	2,364	71	1,382	640	2,093
Florida	4,000	9,715	8,344	22,059	4,364	8,572	15,936	28,872	2,137	11,793	8,983	22,913
Georgia	411	4,133	6,791	11,335	193	2183	302954	305,330	193	2,183	302,954	305,330
Hawaii	8	1,479	160	1,647	37	1,247	20,470	21,754	66	1,069	6,248	7,383
Idaho	2,551	10,694	6,555	19,800	2,970	13,712	6,902	23,584	7,524	23,099	17,250	47,873
Illinois	9,199	15,040	5,107	29,346	9,706	15,829	26,487	52,022	7,965	17,152	5,065	30,182
Indiana	954	9,131	1,791	11,876	874	16,909	13,359	31,142	874	16,909	13,359	31,142
Iowa	2,214	4,436	1,747	8,397	3,278	4,740	5,691	13,709	2,285	4,469	4,292	11,046
Kansas	1,101	2,948	1,657	5,706	1,725	4,185	1,311	7,221	1,725	4,185	1,311	7,221
Kentucky	3,875	3,044	2,589	9,508	3,294	3,787	10,343	17,424	2,471	3,251	9,930	15,652
Louisiana	320	7,718	2,807	10,845	330	5,618	4,179	10,127	307	4,380	2,437	7,124
Maine	2,666	7,263	2,645	12,574	2,687	7,142	5,401	15,230	1,253	5,374	3,286	9,913
Maryland	2,577	10,387	6,911	19,875	3,322	14,218	12816	30,356	2,813	15,664	11,094	29,571
Massachusetts	5,677	16,091	9,731	31,499	5,295	12,359	2,331	19,985	6,658	13,590	16,341	36,589
Michigan	1,427	10,197	6,028	17,652	2,174	6,321	13,595	22,090	1,698	4,470	14,536	20,704
Minnesota	3,070	14,520	8,464	26,054	2,676	12,790	9,506	24,972	2,791	13,290	6,736	22,817
Mississippi	380	1,256	102,684	104,320	599	2,696	107,295	110,590	949	3,935	111,994	116,878
Missouri	295	3,236	1,406	4,937	114	2,538	4,254	6,906	77	3,215	3,894	7,186
Montana	1,620	1,010	1,337	3,967	3,818	3,049	2,858	9,725	1,144	1,520	236	2,900
Nebraska	3,162	957	988	5,107	751	2,449	1,334	4,534	479	2,338	1,012	3,829

State	NPR FOR PERIOD 9/28/99-3/31/00				NPR FOR PERIOD 4/1/00-9/27/00				NPR FOR PERIOD 9/28/00-3/31/01			
	Contacts in Person	Contacts by Telephone	Attendees at Educational Events	Total SHIP Contacts	Contacts in Person	Contacts by Telephone	Attendees at Educational Events	Total SHIP Contacts	Contacts in Person	Contacts by Telephone	Attendees at Educational Events	Total SHIP Contacts
Nevada	13,480	5,493	1,828	20,801	3,280	5,046	368	8,694	5,470	3,545	1,525	10,540
N. Hampshire	647	4,095	2,700	7,442	834	1,154	1,675	3,663	811	1,958	410	3,179
New Jersey	8,635	36,829	5,185	50,649	8,271	19,560	7,059	34,890	6,799	24,607	6,319	37,725
New Mexico	4,211	3,249	1,441	8,901	4,320	5,237	4,930	14,487	2,772	2,155	1,439	6,366
New York	8,420	16,861	20,315	45,596	7,805	18,384	15,629	41,818	8,268	20,044	17,934	46,246
N. Carolina	2,367	25,999	4,819	33,185	2,058	11,421	14,231	27,710	3,137	13,299	1,918	18,354
N. Dakota	458	488	215	1,161	436	463	1,672	2,571	493	406	165	1,064
Ohio	24,748	20,797	256,446	301,991	3,371	17,719	76,155	97,245	3,432	20,105	15,791	39,328
Oklahoma	63	7,722	2,510	10,295	319	9,450	4,513	14,282	39	8,371	641	9,051
Oregon	756	6,796	1,705	9,257	499	5,188	1,374	7,061	717	4,482	553	5,752
Pennsylvania	4,967	30,281	16,795	52,043	8,764	43,688	38,982	91,434	8,042	29,520	25,190	62,752
Puerto Rico	1,744	1,238	1,836	4,818	1,666	1,062	381	3,109				0
Rhode Island	1,734	2,400	3,893	8,027	1,294	2,283	3,136	6,713	2,001	957	2,001	4,959
S. Carolina	86	1,854	226	2,166	74	1,929	1,751	3,754	43	2,970	2,031	5,044
S. Dakota	620	1,153	339	2,112	1,109	1,377	0	2,486	369	884	2,886	4,139
Tennessee	700	11,184	3,380	15,264	524	12,051	2,007	14,582	637	12,290	2,119	15,046
Texas	2,529	30,330	17,096	49,955	3,112	31,833	28,212	63,157	2,368	38,125	11,456	51,949
Utah	649	4,113	7,158	11,920	524	986	11,390	12,900	615	2,015	3,582	6,212
Vermont	5,930	8,480	1,717	16,127	241	1,365	262	1,868	5,188	12,916	3,503	21,607
Virginia	963	3,851	4,806	9,620	1,131	4,129	7,424	12,684	1,053	4,739	7,712	13,504
Virgin Islands	112	272	907	1,291	478	525	1,425	2,428	478	525	1,425	2,428
Washington	19,156	3,637	8,719	31,512	16,533	32,818	9,969	59,320	23,455	32,316	14,381	70,152
W. Virginia	3,301	3,245	1,886	8,432	2,416	1,848	1,775	6,039	2,882	3,606	2,704	9,192
Wisconsin	15	4,797	819	5,631	255	5,173	6,114	11,542	331	6,535	3,162	10,028
Wyoming	4,081	470	319	4,870	3,788	295	295	4,378	5,644	425	1,926	7,995
Total	187,873	438,270	609,257	1,220,833	143,131	441,165	886,971	1,471,267	150,638	471,334	750,820	1,372,792

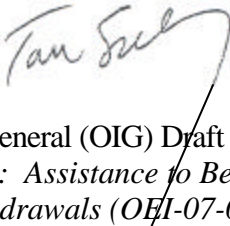
Agency Comments

*Administrator*

Washington, DC 20201

DATE: DEC 17 2001

TO: Janet Rehnquist
Inspector General

FROM: Thomas A. Scully
Administrator 

SUBJECT: Office of Inspector General (OIG) Draft Report: *State Health Insurance Assistance Program: Assistance to Beneficiaries Affected by Medicare Managed Care Withdrawals (OEI-07-00-00580)*

Thank you for the opportunity to comment on the above-referenced report. In general, the report adequately describes the unique contribution State Health Insurance Assistance Programs (SHIP) provide and how they fit within the Centers for Medicare & Medicaid Service's (CMS) communication program. We appreciate OIG's suggestions and plan to improve access to non-renewal information in a fashion that will better assist SHIPs in fulfilling their mission.

However, there are sections of the report that could benefit from the inclusion of additional information. Up until page 12, the report is consistent and easy to follow. At that point, there appears to be a change in the findings presented, moving towards beneficiary assistance in general. For example, in the section titled "Beneficiaries are Interested in Receiving SHIP Services," the first sentence refers to "decisions about their Medicare coverage." This appears to be a departure from the focus on "assistance required for dealing with Medicare managed care plan withdrawals." It is unclear whether this approach reflects answers to questions that were not specific to the topic, or whether there was an attempt to generalize the findings. This issue needs to be clarified, and perhaps the text needs to be revised to stay on topic or to explain why there is a shift in focus at this point in the report.

We thank OIG for its efforts in this inspection and look forward to working with OIG in the future. With regard to the specific OIG recommendation, our comments are as follows:

OIG Recommendation

CMS should review the appropriate role(s) for each information and referral source to assure beneficiaries' needs are being met; modify their publications and notices to emphasize the availability of local counseling services; and, continue to coordinate closely with SHIPs to ensure the timely dissemination of managed care plan withdrawal information.

CMS Response

We agree with OIG and plan to improve access to non-renewal information in a fashion that helps SHIPs fulfill their mission. However, as we have mentioned above, we believe OIG has gone beyond the scope of this study to delve into a full range of CMS beneficiary education activities not necessarily relating to SHIP and managed care plan non-renewals. Regarding the second part of the recommendation to modify publications, we suggest it should be revised to state "Explore ways to appropriately increase knowledge of SHIPs, their function, and their local phone number in CMS publications." The CMS is concerned that modifying major publications would result in many inappropriate calls being placed to Medicare agents and partners. We currently have different types of organizations that provide distinct help to beneficiaries, and these are listed in the *Medicare & You* handbook.

Regarding the last part of the recommendation, in the context of Medicare managed care non-renewals we are not certain that the publications cited are necessarily a critical source of information. Timely managed care non-renewal information comes in the final notification letter, which provides specific information about options that beneficiaries have when faced with the non-renewal of their managed care organization (MCO). Given this, it would be helpful for OIG to offer recommendations on how this notice might be better used to communicate the availability of SHIP assistance in this specific situation and how to improve the timeliness and accuracy of information disseminated to SHIP counselors.