

Why SHIPs Are Critical

Who do SHIPs help?

- Medicare beneficiaries
- Beneficiary family members and friends
- Health care providers

What do SHIP staff and volunteers do?

- One-on-one assistance
 - Raise awareness of covered benefits and assistance programs
 - Compare and explain insurance options
 - Resolve coverage problems and payment disputes
- Community education

How have SHIPs helped during implementation of Medicare Part D?

- Assisted more than 4 million individuals
- Assisted thousands of dual-eligibles
- Made constructive recommendations to CMS, resulting in program improvements

7 Reasons why SHIPs will continue to be critical in the future.

1) Demographic Changes

- Medicare enrollment will jump 20% in the next 8 years
 - First group of Baby Boomers becomes eligible for Medicare
 - Overall Medicare enrollment will increase from 43 million to 53 million
- Numbers of "oldest old" also increasing
 - By 2010, number of those 85 and older up by 44%
 - Increased need for information on benefits that promote recovery and independence
- Beneficiaries and caregivers will have substantial information needs
- SHIPs are perfectly suited to fill this tremendous need

2) Privatization

- Private plans in Medicare are here to stay
- Enrollment in Medicare Advantage plans is at an all-time high
- Private plans can change benefit structures and cost-sharing every year, resulting in confusion
- Beneficiaries need to evaluate their coverage every year
- SHIPs can help beneficiaries make sense of changes and weigh pros and cons of switching plans

3) The Illusion of Informed Choice

- Seniors face a staggering array of coverage options
 - Original fee-for-service Medicare
 - Supplemental insurance
 - Regional PPOs
 - Private fee-for-service (PFFS)
 - Special Needs Plans

- Overwhelming number of options leads to confusion
 - CMS plan comparison tools often lack key information
 - SHIPs are needed to:
 - help beneficiaries weigh benefits and risks
 - discuss scenarios
 - counterbalance incomplete or misleading marketing claims
- 4) Out-of-Pocket Health Care Costs Are Rising
- More older Americans are facing catastrophic health care costs
 - Retiree coverage is becoming increasingly expensive, and increasingly scarce
 - SHIPs can help compare retiree coverage with other, more affordable options
 - These kinds of comparisons do not fit the CMS Web-based tools
 - SHIPs are familiar with local plans and can be a resource for retirees as they deal with coverage changes
- 5) Help for Low-Income Beneficiaries
- Fewer than a third of those eligible for Medicare Savings Programs (MSPs) actually receive them
 - Applying for these programs can be daunting
 - 2/3 of enrollees need help completing the forms
 - SHIPs can:
 - help raise awareness of MSPs and other Medicaid programs
 - help beneficiaries gather documentation
 - help beneficiaries understand program asset limits and estate recovery rules
 - help beneficiaries find providers who accept Medicare and Medicaid
- 6) Gaps in Coverage of Long-Term Care Services
- Medicare does not cover many long-term care and personal care services
 - Between 2005 and 2020, the number of people needing long-term care services will increase by 30% from \$36.9 billion in 2004
 - Only 10% of Americans 65 and older had long-term care insurance in 2002
 - For those who can afford long-term care insurance, the choices are bewildering
 - SHIPs are needed to:
 - help educate Medicare beneficiaries and their caregivers about coverage criteria for Medicare's home health benefit
 - inform the public about Medicaid's role in funding long-term care services
 - provide one-on-one assistance for people exploring long-term care options
- 7) Cost Containment Systems
- CMS has established prospective payment systems in Medicare for skilled nursing facilities, home health agencies, and rehabilitation hospitals
 - Each system contains financial incentives to limit care
 - Medicare Advantage and Part D plans have different cost-containment systems
 - SHIPs are needed to educate beneficiaries about:
 - Medicare's coverage rules
 - provider-initiated beneficiary notices
 - availability of appeal procedures to challenge coverage denials