US Senate plan to strip Medicare assistance funding rules local advocates

By Richard Craver Winston-Salem Journal | Posted: Sunday, July 3, 2016 12:00 am

Local access to free counseling on annual Medicare options could dry up, beginning in October, if Congress chooses to eliminate all $52.1 million in funding within the 2016-17 federal budget.

Funding for the State Health Insurance Information Plan (SHIIP) was stripped from the Labor, Health and Human Services, and Education appropriations bill by the Senate Appropriations Committee by a 29-1 vote.

Neither of North Carolina’s two Republican senators, Richard Burr and Thom Tillis, serves on the committee.

“Senator Burr understands the importance of seniors having affordable choices in how best to meet their health care needs, and he also believes seniors should have access to the best available information about plans,” said Becca Watkins, Burr’s communications director.

The bill has been sent to the House Appropriations Committee, which is expected to discuss the bill after returning from the Fourth of July recess. Rep. David Price (D-N.C.) is the lone North Carolina representative on that committee.

Sheridan Watson, a spokesman for Rep. Virginia Foxx (R-N.C.), said she did not have a comment since the bill hasn’t been considered by the full Senate.

The program has served local Medicare recipients since 1986, with federal funding added in 1992.

In 2015, more than 2,000 individuals were assisted in Forsyth County, along with 108,651 in North Carolina and more than 7 million nationwide, said Sam Matthews, executive director of The Shepherd Center in Winston-Salem.

“This is the only program that provides free, unbiased, one-on-one benefit information counseling to seniors, people with disabilities and their families,” Matthews said.

Matthews said his understanding of the Senate committee’s decision is that it expects funding would come from another committee’s budget.

He said there is no guarantee that would happen.

Hayes McNeill, a local recipient of SHIIP services, said he sought assistance because Medicare choices are offered "in an environment otherwise full of confusion, misleading advertising and severe need."

"We found SHIIP when we needed information to help elderly friends and relatives navigate the maze of N.C. prescription plans available to them, without the distortions of the marketplace.

"When the time came, we used SHIIP for our own planning and purchasing, and we continue to use it every year to re-evaluate the shifting landscape of prescription drug plans.

"To deprive N.C. citizens of this resource — particularly our older citizens and our citizens with limited incomes — is particularly destructive to the social fabric," McNeill said. "SHIIP’s successes, rather, should be a model for other positive, beneficial programs."

Kate Mewhinney, a Wake Forest law professor who oversees the Elder Law Clinic as managing attorney, said the clinic has relied on SHIIP because "it is better equipped than most attorneys, even those of us who specialize in elder law, to sort through Medicare’s complexities."

"I've referred innumerable clients to them, as well as professionals who are close to retirement. And when my 87-year-old mother had to choose a Medicare supplement policy, we turned to SHIIP for advice."

"It makes no sense to eliminate a program that saves the public money and helps elders better understand a complicated program," she said.

Wayne Goodwin, the state's insurance commissioner, said North Carolina alone "has saved more than the $52 million federal appropriation for all state health insurance programs nationwide."

In a letter sent Tuesday to SHIIP volunteers, Goodwin wrote that the proposed federal funding cuts "would set the program back to a fraction of what it is today."

"My staff and I are devoting our full energies to make sure funding is maintained in the House budget. I am personally calling each congressman and senator expressing my concerns and telling them about the valuable services provided by the program."

Matthews said the Forsyth SHIIP counseling sessions accounted for Medicare plans savings of $405,318 last year.

"SHIIP is an important and vital program in the lives of many older adults," Matthews said. "I talk to people every day who have questions that this program is designed to answer."

Last year, Medicare recipients had to choose on average between more than 20 prescription drug plans (including Medicare Part D), as well as 19 Medicare Advantage plans and other Medigap supplemental insurance policies.

“Without the SHIIP program, many individuals would not understand their Medicare benefits, drug plan options or how to choose a supplement,” Matthews said.

The program also provides assistance with fraud and abuse issues, billing problems, appeal rights, and enrollment in low-income protection programs.

He said current SHIIP funding already is not meeting the overall need.

“If this investment had simply kept pace with inflation and the increasing number of Medicare beneficiaries since fiscal 2010-11, spending for fiscal 2016-17 would be $66.6 million,” Matthews said.

On a national perspective, advocacy groups the Center for Medicare Advocacy, Medicare Rights Center, National Committee to Preserve Social Security and Medicare, and National Council on Aging have expressed their opposition to the potential funding cut.

“Eliminating SHIIPs would leave millions of older Americans, people with disabilities, and families with nowhere to turn,” said Joe Baker, president of the Medicare Rights Center.

“With 10,000 baby boomers aging into Medicare each day, it is imperative that the U.S. House of Representatives reject this unprecedented, nonsensical cut.”

Max Richtman, president and chief executive of the National Committee to Preserve Social Security and Medicare, called the funding cut an example of “penny-wise, pound-foolish lawmaking (that) will threaten the economic security of millions of Medicare beneficiaries and their families.”

### SHIIP impact in N.C.

The N.C. Insurance Department estimated that $53 million was saved by Medicare recipients in the state because of assistance from the State Health Insurance Information Program.

That includes a combined $6.27 million during 2015 in the 14 counties that comprise the Triad and Northwest N.C.

The amount of money saved was $393,262 in Alamance, $113,386 in Alleghany, $593,484 in Ashe, $162,869 in Davidson, $86,588 in Davie, $405,518 in Forsyth, $1,080,247 in Guilford, $1,247,779 in Randolph, $346,860 in Rockingham, $106,739 in Stokes, $1,086,590 in Surry, $219,488 in Watauga, $363,973 in Wilkes, and $63,456 in Yadkin.