



FY21 Medicare SHIP & SCSEP Letter

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March 2020

The Honorable Rosa D. DeLauro
Chairwoman
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Tom Cole
Ranking Member
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman DeLauro and Ranking Member Cole:

As you work on the fiscal year (FY) 2021 Labor-HHS-Education Appropriations bill, **we ask that you provide adequate funding for two programs that are essential to our senior constituents: the Medicare State Health Insurance Assistance Program (SHIP) and the Senior Community Service Employment Program (SCSEP).** We thank you for your leadership and your efforts in securing modest but much-needed increases for both programs in FY 2020. SHIP provides essential assistance to seniors as well as people with disabilities in accessing their earned Medicare benefits, while SCSEP on-the-job training plays a critical role in helping unemployed, low-income individuals, 55 years and older, to develop employment-driven skills and relevant work experiences. Even maintaining level funding at a time when the number of older Americans is growing by 10,000 a day means that SHIP and SCSEP would be limited in their ability to meet ongoing needs. **We urge you to reject proposals to cut or eliminate these vital services by investing in SHIP at no less than \$70 million and SCSEP at no less than \$463.8 million in your FY 2021 bill.**

State Health Insurance Assistance Program (SHIP)

SHIPs provide older Americans, people with disabilities, and their families with unbiased, cost-free, and personalized information to help them navigate Medicare enrollment and obtain benefits. The average Medicare beneficiary must choose between 60 Medicare plan options each year. They have difficulty comparing plan benefits and making a selection that takes into account all the factors that impacts out of pocket costs and network access. Without the independent counseling and assistance that SHIPs provide, seniors and people with disabilities may make choices that are not right for them, leaving them with high out-of-pocket costs and limited access. Our offices know that Medicare is often confusing to our constituents, and we have relied on SHIPs to help provide them with the answers they need.

SHIPs operate in every state, territory, and the District of Columbia. They provide enrollment clinics, “Welcome to Medicare” events, information seminars, and one-on-one counseling that helps seniors and people with disabilities to choose wisely and, once they do, to navigate Medicare’s benefit and appeals processes to get the most out of their hard-earned Medicare benefits. SHIPs were also crucial in helping beneficiaries learn to navigate the new Medicare plan finder tool, explaining the new Medicare supplemental benefits and changes in consumer protections such as special enrollment periods.

If the investment in SHIP had kept pace with the growth in the older adult population and inflation over the past decade, it would be over \$70 million. A funding level of at least \$52.1 million – less than a dollar for every person enrolled in Medicare – is crucial for allowing over

2,000 local sites and nearly 16,000 SHIP staff and volunteer counselors continue to provide needed services to current beneficiaries.

Senior Community Service Employment Program (SCSEP)

SCSEP is the only federal job training program targeted at unemployed, low-income individuals 55 years old and older. Each year, about 60,000 older adults from every state and congressional district receive part-time, on-the-job training through community service assignments. While SCSEP participants are diverse, including 65 percent women, 12 percent veterans, and 38 percent over age 65, they all enter the program with significant barriers to employment, such as having a disability (25 percent), being homeless or at-risk of homelessness (61 percent), or living in an area that is rural (25 percent) or has persistent unemployment (19 percent), according to the most recent program year report.¹

Every older worker in SCSEP increases their economic self-sufficiency, one of the program's two mandated goals, through the paychecks they earn during their community training. While each SCSEP participant enters the program with, on average, three significant barriers to employment, about one in every two SCSEP participants transitions into unsubsidized employment, the program's other mandated goal. Of the thousands who find employment each year, 7 in 10 remained fully employed one year after exiting the program. A recent Urban Institute study, "The Role of SCSEP in Workforce Training for Low-Income Older Workers," found that "the benefits of SCSEP outweigh the costs," with participants earning more in the first year of unsubsidized employment than the program invested in them.² An earlier independent program evaluation also concluded that, in addition to preparing individuals for employment success, SCSEP was "increasing the overall quality of life of low-income elders who are having difficulty meeting their financial needs."³

We believe that SCSEP is an important way to help low-income older Americans become economically self-sufficient, and we strongly encourage a funding level of at least \$463.8 million, the current level called for by Congress in the last bipartisan reauthorization of the *Older Americans Act*.

Thank you for considering our request as you continue work on the FY 2021 appropriations bill.

Sincerely,

¹ https://www.doleta.gov/Seniors/html_docs/Docs/PY%2018%20QPR%20final.pdf

² <https://www.urban.org/research/publication/role-scsep-workforce-training-low-income-older-workers>

³ <https://www.mathematica-mpr.com/our-publications-and-findings/publications/evaluation-of-the-senior-community-service-employment-program-scsep-process-and-outcomes-study>