

## **The Economic Impact of Extension Educators and SHIIP Volunteers**

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### **Abstract**

*Program managers are frequently challenged to deliver services to their stakeholders in an environment of static or diminishing resources. This may be particularly true during The Great Recession of 2007 to 2009 (NBER, 2010). This paper focuses on the economic benefit to older adults as North Carolina Cooperative Extension (NCCE) and North Carolina Seniors' Health Insurance Program (SHIIP) partner to provide a structured framework through which volunteers annually deliver financial savings to older adults enrolling in Medicare Part D prescription drug plans. The SHIIP program illustrates how volunteers may be engaged to deliver a complex program to older adults, annually saving sponsoring agencies and program clientele thousand of dollars individually and resulting in multi-million dollar statewide impact. Using data from the NC Cooperative Extension Reporting System the study examines success stories provided in 2009 by Family and Consumer Sciences agents documenting their work in Family Financial Management. Selected reports demonstrate quantitative and qualitative value created through FCS agents' integration of the Cooperative Extension mission, volunteer resource management, and their SHIIP coordinator roles. A discussion of volunteer selection and education reveals valuable information about preferred volunteer attributes and skills. An examination of partnership benefits highlight organizational partnership synergies, and the quantitative and qualitative impacts of volunteer resource management.*

### **Keywords:**

volunteers, personal finance, older adults, Cooperative Extension, Medicare Part D

### **Introduction**

As the country experienced the greatest economic downturn in decades and perhaps since the Great Depression, the 18-month recession of December 2007 to June 2009 (National Bureau of Economic Research, 2010) is notable for its depth and reach, affecting nearly every sector and demographic group. Some might think that older adults who are retired have not been impacted directly by the massive job losses. However, other economic factors in the downturn have had serious impact on older adults, including unexpected rises in

healthcare and prescription drug costs. In an environment in which many would-be volunteers may be facing economic difficulties of their own, it seems particularly important to examine the health and vitality of volunteer programs and their economic impact. In this paper, we demonstrate how a volunteer program of counseling and outreach can help older adults, who live primarily on fixed incomes, save substantial amounts of money. This article discusses the partnership of North Carolina Cooperative Extension and the North Carolina Seniors' Health Insurance

Information Program. In many North Carolina counties, North Carolina Cooperative Extension Family and Consumer Sciences educators (also known as agents) and SHIIP-trained volunteers offer educational services that help support decision-making on such issues as selecting a Medicare Part D prescription drug plan. These services have been shown to have measurable economic benefits for older adults, and can potentially reduce financial pressures on extended families that provide financial support to elders (Family Caregiver Alliance, 2003; Women's Institute for a Secure Retirement, n.d.).

### **Background**

The North Carolina Seniors' Health Insurance Information Program (SHIIP) was created in 1986 by the late North Carolina Insurance Commissioner Jim Long. The State Health Insurance Program "(SHIP) (formerly the Information, Counseling and Assistance (ICA) Grants Program) was created under Section 4360 of the Omnibus Budget Reconciliation Act (OBRA) of 1990 (Public Law 101-508). This Act authorizes the Centers for Medicare and Medicaid Services (CMS), the Federal Medicare agency, to make grants to states for health advisory services programs for people with Medicare. Currently, there are SHIPs in all 50 states plus Washington, D.C., Guam, Puerto Rico and the Virgin Islands" (U.S. Department of Health & Human Services, Centers for Medicare and Medicaid Services, 2010, ¶ 1). In North Carolina, SHIIP has become the link between older adults and information about their health insurance (SHIIP, n.d.). SHIIP maintains 110 county-based offices in 100 counties and the Cherokee Reservation and actively solicits volunteers through the North Carolina Department of Insurance website and SHIIP center staff. SHIIP counseling centers are frequently co-located with

another community agency such as offices of county departments of aging, senior centers, and North Carolina Cooperative Extension Centers.

The existing human service agency, such as Area Agency on Aging, Senior Center, or in this case North Carolina Cooperative Extension, provides SHIIP a staff person who serves as County Coordinator and a local office for citizens to call and visit when they need health insurance help and assistance. In addition the Coordinator assists SHIIP in recruitment, training and retention of SHIIP volunteer counselors in the county. These volunteers work with the local agency to counsel clients and are required to document and record all counseling sessions. The size of the volunteer group varies by county and it is the responsibility of SHIIP to make sure there are adequate resources based on the demand for the services. An average size county center would consist of a Coordinator and approximately 7-10 volunteers.

This article focuses specifically on the SHIIP programs operated through Cooperative Extension by Family and Consumer Sciences (FCS) agents who, as part of their plan of work, act also as SHIIP Coordinators. In order to expand their capacity to serve the residents of their county, FCS agents engage in volunteer resource management. Through partnership, FCS agents and volunteers annually deliver financial savings to North Carolina citizens in the form of reduced out-of-pocket prescription drug expenses.

Medicare offers prescription drug coverage to everyone enrolled in Medicare. To join a Medicare "Part D" Prescription Drug Plan, you must have Medicare Part A or Part B and live in the service area of the Medicare drug plan you want to join (U. S. Department of Health and Human Services, Centers for Medicare and Medicaid

Services, n.d.). The Medicare Part D prescription drug assistance plan is a complex program. Theoretically, North Carolina citizens could independently review and select their Medicare Part D prescription plan. However, the complexity of the program necessitates assistance for most older adults. Drug plans offered change every year, invoking a plan review even when the older adult's formularies have not changed. Prescription drug plan changes can be made during open enrollment, offered annually between November 15 and December 31 as prescribed in the Medicare Modernization Act of 2003 and implemented through the Centers for Medicare and Medicaid Services. However, beginning in 2011 the open enrollment period will be held October 15 to December 7 (45 days excluding Sundays).

During the Federally defined 45-day open enrollment period, older adults are compelled to comparison shop across the 33 plans offered to North Carolinians to locate the most cost effective plan for their particular combination of prescription medicine. Selecting a prescription drug plan requires the use of technology to access the website and patience to compare several drug plan options. Selecting the most cost-effective plan is particularly important in 2010 considering that the Social Security Income benefit is a primary source of income for nearly half of all retired households and, for the first time since 1975, the Social Security 2010 benefit payments did not have a Cost of Living Adjustment. The combination of rising medical costs and constrained income may serve to compound financial stress and decrease quality of life among older adults.

As organizations respond to economic pressures, the prevailing trend has been to operate lean or minimally staffed organizations; all organization types from

non-profit, for profit and state governments have been affected. At a time when individuals and families are increasingly facing financial duress, state agencies themselves must operate on reduced budgets and may be less than optimally staffed. As a result, volunteers and volunteer resource management has increasingly become an important part of mission execution (Rehnberg, 2007).

While volunteer contributions typically add value to the community, the economic impact of their contributions on the lives of North Carolinians warrants examination during this period of widespread/national economic distress. Volunteer activities are most effective when a structured framework exists to shape volunteer intent and energy into activities that produces value (Rehnberg, 2007) for some segment of society. Just as steam, gas, and water needs to be channeled to create productive power, volunteer efforts produce great value through frameworks that support and direct volunteer efforts to meet needs. For example, Rehnberg's study of 20 state agencies in Texas found that eight agencies with well developed formal volunteer resource management systems accounted for 81% of volunteer activity among the agencies.

### **The Situation**

Older adults' medical expenses represent a large portion of their annual expenses. As medical expenses increase, less income is available to meet other essential needs such as food, utilities, and housing costs. Some reports consider that the economic downturn has had less effect on older adults because most are no longer engaged in the labor market and most are already operating on streamlined budgets (Cawthorne, 2010). Yet other aspects of the economic downturn has had a significant impact on older adults' financial position, including the stock

market turbulence (Twinn, 2009) and the crash of 2008, the eight trading days in October which saw the Dow Jones Industrial Average drop a total of 2,399.47 points or 22.11% decrease in value (Moneyzine.com, 2008) wreaking havoc on personal investment and retirement account values. So even while unemployment was not a concern, shrinking assets may be more critical as older adults are unlikely to have the opportunity to recover from market losses. In addition, since there was not a Social Security Cost of Living Adjustment (COLA) in 2010, the starting point for the measuring period for the 2011 COLA will look back to the third calendar quarter of 2008 (Social Security Administration, 2009).

That the 2009 stimulus act included \$100 million for senior nutrition programs suggests widespread knowledge of the economic hardships older adults were and are facing (National Council On Aging, 2010). The erosion of traditional pension programs where the retirement income benefit is defined by a formula utilizing salary and number of years worked contributes to a more tenuous financial status that fluctuates with the stock market. The Medicare Part D program is one way to re-introduce an element of financial stability by defraying the costs of necessary prescription drug purchases.

### **The SHIIP Program**

Extension agents have established North Carolina Cooperative Extension as a high visibility local resource for Medicare Part D program assistance. Agents with their extensive local networks, skills in consumer education and central locations have been effective in assisting older adults and enrolling them in Medicare benefit programs. Moreover, agents extended their community reach by recruiting, training, and developing volunteer networks specifically

for the purpose of conducting Seniors' Health Insurance Information Programs (SHIIP). The Medicare Part D program bears similarities to and differences from the Volunteer Income Tax Assistance (VITA) Program, a program that trains volunteers to prepare income tax returns for low- and moderate-income individuals at no cost to the individual. Both programs involve specialized program knowledge that necessitates volunteer training, have a potential financial impact for the citizens being assisted by the volunteers, and have formalized training programs required of volunteers. VITA is dissimilar in that it is designed as an all-volunteer program and its ultimate success depends on the number of volunteers who meet annual certification requirements (Madison, Ward, & Royalty, 2008). The SHIIP program refined its training process streamlining the educational content to target essential concepts and thereby reduced the barrier to volunteering that is currently experienced by VITA programs. Well-defined roles and a clear understanding of volunteer tasks supported SHIIP's ability to create effective training appropriate for the volunteer role (Hart, 2005) while improving the volunteer's training experience.

### **Volunteer Impacts**

Using data from the North Carolina Cooperative Extension Reporting System, we have been able to retrieve and review success stories provided in 2009 by Family and Consumer Sciences agents documenting their work in the Family Financial Management Skills category.

Selected reports demonstrate qualitative and quantitative value created through FCS agents' integration of the Cooperative Extension mission with their SHIIP coordinator roles. Some accomplishments include:

#### Reduced out-of-pocket expenses

The Medicare Part D enrollment or drug plan selection process requires individual consultation with each older adult to compare his or her particular combination of formularies against the drug plans offered. In County A, five volunteers assisted in counseling 398 families of which 95% saved at least \$300 for a total savings of \$113,400.

#### Extending audience-reach

In County B, SHIIP volunteer counselors assisted 62 applicants with the on-line Low-Income Subsidy (LIS) Program applications. The LIS represents a significant benefit for income-qualifying older adults as it reduces prescription drug premiums and deductibles by 25% to 100%. Volunteers assisted older adults in accessing programs for economic benefit by employing their program knowledge and bridging the technology gap. In several other counties, FCS agents and volunteers incorporated SHIIP information programs into health fair events to reach approximately 1,700 older adults in non-office type settings. As a result, older adults not participating in the Medicare Part D program benefit through the health promotion events conducted in association with the annual enrollment period.

#### Going the “extra mile”

While well-trained volunteers assist clients with routine prescription drug plan selection, FCS agents have an improved capacity to investigate special situations and act as advocates. Extension agents helped individuals who were in dire financial need and found the process of advocating for themselves within organization structures challenging. Agents navigated the systems of the North Carolina Department of Social Services, the Social Security Administration, insurance companies, and employers on behalf of older adults. For example, a cancer patient and his wife did not have Medicare Part B (physician coverage) or Part D drug coverage. As a result of the

agent’s efforts, the couple received the “extra help” Low Income Subsidy program and the Social Security Administration was induced to evaluate for Medicare Part B reinstatement. In another case, an insurance salesperson had sold a policy to a man who could not read and write; he was not aware of what he was purchasing. Moreover, the agent’s investigation revealed that the man should not have paid any insurance premiums due to his status as eligible for both Medicare Part D and the Low Income Subsidy program. The agent secured the refund of the \$1000 paid in premiums through accessing the insurance company’s appeals process. SHIIP volunteers enabled the FCS agent to devote extra time to assist clients with unique needs and resolve special situations without sacrificing enrollment support to older adults to complete standard enrollment. This example illustrates how capable volunteers increase capacity to assist clients with routine and unique needs.

#### **Volunteer Selection and Education for Program Success**

Persons who work with the SHIIP program must possess the willingness and desire to assist persons in the community on Medicare and other health related issues. They must have excellent communication skills in addition to experience in counseling. The SHIIP offers training on the technical information as well as sensitivity and awareness training to assist volunteers in helping persons with disabilities or limitations due to age or medical condition. The volunteers must possess good computer skills and be responsible to participate in required reporting and continuing education. Lastly a commitment of time is very important depending on the number of volunteers in the county and the demands on the program.

### **Partnership Benefits**

The complementary relationship enhanced both organizations' mission execution. North Carolina Cooperative Extension's partnership with SHIIP expanded or deepened Family and Consumer Sciences agents' local partnerships linking them more closely with colleagues at the Offices on Aging, Social Security Administration and Department of Social Services. The services rendered to the Medicare Part D beneficiaries contributes to a heightened awareness of Extension to a much broader audience in the county. SHIIP's partnership with Cooperative Extension as one of its major partners allowed it to benefit from Family and Consumer Sciences agents' knowledge of the local landscape and their connections to local organizations and events which promote expanded avenues to discuss SHIIP and the services provided on local levels.

In summary, the partnership between North Carolina Cooperative Extension and the North Carolina Seniors' Health Insurance Program provides a framework that contributes to community capacity building through human capital investments made through volunteer training and formal volunteer programs. Both organizations benefit through enhancements to their mission execution and community residents' lives are enhanced through the efficient delivery of services incorporating volunteer resource management and volunteer resources. As a result, between November 15 and December 31, 2009, Extension Agents and their SHIIP-trained volunteers enrolled 1,934 Medicare beneficiaries in one of the 33 Medicare Part D prescription drug plans.

North Carolinians experienced a one-year savings in prescription drug costs of approximately \$2,022,000. Further, agents and volunteers leveraged the heightened awareness associated with the Medicare Part

D enrollment period to conduct health promotion events to reach a total of 2,683 North Carolina older adults over the 45-day period. The Agents and volunteers helped enrollees effect annual savings ranging from \$300 to \$23,000 in prescription costs. One county reports a North Carolina Department of Insurance estimated average annual savings of \$2000 per enrollee.

### **Limitations**

It must be noted that both the North Carolina Cooperative Extension and the North Carolina Department of Insurance's SHIIP, are state agencies and this fact may have served to promote the success of the relationships. While no evidence was found to suggest this was the case for the partnership discussed in this paper, volunteer resource managers may need to consider whether varied organizational structures may influence partnership success.

### **Conclusion**

Agencies seeking to expand their capacity to reach and serve their audiences in traditional (office-settings) and non-traditional (community events) settings may benefit through a volunteer resource management program similar to the model presented here. Employing well-trained volunteers not only supports serving a greater number of clients, it also creates space for program primary staff to provide non-routine assistance to clients with special situations. Quantifying the economic benefit to state residents can easily be accomplished for economic assistance programs. Equally important is to capture quality of life improvements through documenting situations where interventions mitigated potential family hardships that may have resulted through benefit denials or distortions of program access.

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### **About the Author**

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