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The State Health Insurance Assistance Program (SHIP): Trusted Medicare Assistance and Education

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Medicare—the federal health insurance program for adults ages 65 and older and individuals with long-term disabilities—is a cornerstone of health and financial security for millions of Americans. Although Medicare enjoys broad support and popularity, many people report difficulty navigating complex benefits and coverage rules, especially when trying to understand enrollment options among numerous private health plan offerings.[1]

The State Health Insurance Assistance Program (SHIP) provides free, objective, and personalized insurance counseling to people with Medicare, their families, and caregivers. Federally funded and administered at the state and local levels, SHIP empowers and assists more than 4 million people throughout the year helping them understand their options, make informed decisions during initial enrollment, and navigate annual open enrollment periods.[2]

The following brief answers frequently asked questions and provides further details on SHIP. It discusses SHIP's important role for Medicare consumers, its funding sources, and recommendations to support its work.

What is SHIP?

SHIP is a network of Medicare counselors based in local communities across every state, the District of Columbia, Puerto Rico, Guam, and the US Virgin Islands. State programs go by a variety of names and may be called something other than SHIP—for example SHINE in Florida or HIICAP in New York. Created by federal legislation in 1990, SHIPs provide both in-person and virtual one-on-one help as well as education, community outreach, and training. State SHIPs are frequently housed in State Units on Aging or Departments of Insurance and partner with local Area Agencies on Aging and community-based organizations to provide services. Counseling is delivered by 11,500 paid staff and trained, certified local volunteers—a structure that ensures services are both cost-effective and responsive to community needs.[3]

What kind of help do SHIP counselors provide?

SHIP counselors offer personalized, one-on-one support to help Medicare beneficiaries navigate a wide range of complex issues. They help beneficiaries:

- understand Medicare's initial enrollment rules and avoid costly mistakes or penalties;
- compare and choose between Original Medicare and private Medicare Advantage plans;
- review current enrollment in Medicare Advantage and Part D plans and choose new plans during the annual open enrollment period;
- navigate prior authorization requirements and provider network rules and help file appeals when services are denied;

- evaluate supplemental insurance options, including Medigap;
- troubleshoot coordination of benefits issues among Medicare and secondary coverage;
- enroll in low-income assistance programs, including Medicare Savings Program and Part D Low-Income Subsidy ("Extra Help"); and
- understand Medicaid services and coordination with Medicare and provide information and referral for Medicaid issues.

In addition to one-on-one counseling, SHIPs engage in community education and outreach by hosting local events and collaborating with health care providers and community-based organizations to deliver Medicare trainings. In 2021, SHIPs hosted 36,000 community events; 5,600 of those occurred during the open enrollment period to help beneficiaries compare plans and complete applications.[4]

How many people rely on SHIPs for help with Medicare?

SHIPs provide trusted help with Medicare coverage options to over 4 million Americans annually.[5] Many of those seeking assistance are among the roughly 300,000 individuals newly enrolling in Medicare each month.[6] Others, already in Medicare, reach out to SHIPs during the annual open enrollment period or at other times throughout the year when questions arise, such as for benefits or plan coverage issues. The demand for SHIP counseling has grown as the number of people in Medicare has reached almost 70 million, increasing by more than 25 percent over the past decade.[7]

What makes Medicare coverage and enrollment so complex?

The Medicare program and its enrollment options are, by most accounts, complex. In addition to understanding the multiple parts of Medicare—Parts A, B, C, and D—beneficiaries must choose between Original Medicare or enrolling in one of the private plans that contract with Medicare, called Medicare Advantage plans, as their source of coverage. This decision has significant implications for beneficiaries, including which providers they can use, what services are covered, and what out-of-pocket costs they will face.

For those who choose Original Medicare, nine out of ten also have supplemental coverage—such as employer or retiree insurance, Medicaid, or private Medigap insurance—each with its own enrollment and benefit rules.[8]

When sorting through Medicare Advantage and Part D prescription drug plans, beneficiaries typically have dozens of private plans in their region. In fact, the total number of Medicare Advantage plans available nationally has more than doubled in the past 10 years—from 1,859 in 2015 to 3,719 in 2025.[9] Meaningful comparisons between plans can be difficult to make given their wide variation in many aspects, including provider networks (such as participating physicians and hospitals), supplemental benefits, prescription drug formularies, and cost-sharing structures. Although each year these plans can change on any of these variables, only about 30 percent of beneficiaries review their coverage during open enrollment.[10]

Compounding these challenges, older adults and their families must sort through a flood of marketing materials and advertising, especially during open enrollment season. According to the Centers for Medicare & Medicaid Services, complaints have increased related to misleading or deceptive advertising and promotion by third-party marketing organizations (including agents and brokers) to Medicare beneficiaries.[11] This further underscores the value of unbiased, trusted information from SHIP counselors.

For people with lower incomes, another complexity involves determining eligibility and enrollment requirements for various programs that provide financial assistance with Medicare premiums and cost sharing (discussed later in this brief).

How are SHIPs different from other sources of available assistance?

A key difference between SHIPs and other sources of insurance assistance is that SHIPs offer free, unbiased Medicare guidance. In contrast, insurance agents and brokers—who are the most common source of assistance for those who select private plans—have relationships with private plans and can earn commissions for enrolling beneficiaries in plans.[12]

SHIPs must follow strict conflict-of-interest rules and have no financial affiliation with any private insurer. SHIP counselors are trained to assist with a wide array of subjects facing consumers, including Original Medicare questions, coordination of benefits, Medicaid, and low-income assistance programs. When questions about appeals, grievances, and prior authorization for medication and services arise, SHIPs help individuals understand their rights and navigate the complex process for both Original Medicare and private plans.

Although agents and brokers are licensed by state departments of insurance and governed by federal marketing rules, they are not required to present all options and can earn higher commissions for selling certain plans.[13] Furthermore, they typically do not screen beneficiaries for eligibility for income-based assistance programs and are not required to be trained on complex Original Medicare issues, such as coordination of initial enrollment in Parts A and B with secondary insurance, like employer-sponsored or retiree coverage.

SHIP services differ from those offered by the 1-800-MEDICARE hotline and the Medicare.gov website, both managed by the Centers for Medicare & Medicaid Services. SHIP services may complement these resources, but they go further by providing personalized, in-depth, and often in-person assistance.

A typical SHIP counseling session lasts more than 30 minutes and often covers multiple topics.[14] Medicare Advantage and Part D plans frequently refer beneficiaries to SHIPs when their situations are too complex for the 1-800-MEDICARE call center to resolve.[15]

Online self-help tools such as Medicare.gov can offer general guidance, but they cannot match the personalized, face-to-face support SHIPs provide. SHIP counselors help beneficiaries navigate complex decisions, understand local resources, and build trust through direct interaction.

Do SHIPs help people in Medicare enroll in low-income assistance programs? Which ones?

Yes. SHIPs help enroll eligible individuals in critical low-income assistance programs, namely, the Medicare Savings Program (MSP) and the Part D Low-Income Subsidy (LIS). SHIPs receive dedicated federal funding for outreach and enrollment in these programs through the federal Medicare Improvements for Patients and Providers Act (MIPPA). They also help people with Medicaid understand their coverage and can provide screening and referral for Medicare enrollees who may benefit from Medicaid.

MSPs are state-administered programs for people with low incomes and resources that help pay Medicare premiums and cost-sharing. The LIS, administered by the Social Security Administration, lowers out-of-pocket costs for prescription drugs under Medicare Part D. The MSP and LIS programs combined can save eligible beneficiaries over $8,000 per year in Medicare premiums and prescription drug costs.[16]

Yet despite their substantial value, these programs remain underused for many reasons, including complex enrollment and recertification processes and lack of awareness. According to recent AARP research, an estimated 1.47 million individuals were eligible but not enrolled in MSPs in 2023.[17] Other research has found that nearly 3 million beneficiaries are eligible but not enrolled in LIS.[18]

How does SHIP help prevent Medicare fraud?

Almost half of all SHIPs are colocated with Senior Medicare Patrol (SMP), a federally funded Medicare anti-fraud program.[19] Together, SHIP and SMP educate beneficiaries on the detection, prevention, and reporting of Medicare fraud and abuse. Medicare fraud costs the federal government tens of billions of dollars annually and can seriously harm beneficiaries, resulting in stolen personal information and denial of legitimate and necessary services.[20] By partnering with SMPs, SHIPs can leverage federal resources to expand anti-fraud efforts and strengthen protections for Medicare beneficiaries.

How are SHIPs supported by federal funding?

SHIPs receive most of their funding from two federal sources: mandatory funding under MIPPA, which is directed toward outreach and enrollment for Medicare low-income programs, and annual discretionary appropriations by Congress. Discretionary funds are subject to the annual appropriations process and can fluctuate from year to year. Mandatory MIPPA funding amounts are set in statute but require regular congressional action to be transferred to the SHIPs.

In 2025, about 80 percent of total SHIP funding–about $55 million–came from annual discretionary appropriations, whereas mandatory MIPPA funding accounted for the rest–about $15 million (figure 1).[21] All SHIP funds are distributed by the Administration for Community Living within the US Department of Health and Human Services to state grantees.

Recommendations to support SHIPs now and in the future

As the only program of its kind, SHIPs offer free and objective expert Medicare counseling to older adults and people with disabilities in every state. Funding for SHIP has failed to keep pace with increases in Medicare enrollment. That is, although Medicare enrollment has grown by 25 percent over the past decade, total SHIP federal funding has increased only 17 percent (figure 1).[22] During this same period, the program has also become more complex.

To help a growing number of Medicare beneficiaries navigate complex coverage options through the assistance of one-on-one unbiased counseling, Congress should increase funding for SHIPs. Improved funding can help state and local SHIPs have the financial resources necessary for programming and service delivery, particularly during busy annual open enrollment seasons.

How do people in Medicare, family members, and caregivers find SHIP services?

Access to local SHIP information can be found at www.SHIPHELP.org or www.eldercare.acl.gov.

FIGURE 1

SHIP Funding Has Not Kept Pace with Growth in Medicare Enrollment over the Past Decade

Source: *AARP analysis of ACL Congressional Budget Justifications for 2017 and 2026; and CMS Medicare Enrollment Data Dashboard.*

Note: *Appropriations refer to funding provided through discretionary budget authority. MIPPA refers to mandatory funding provided through the Medicare Improvements for Patients and Providers Act.*

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