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HHS Proposes Eliminating Federal Medicare SHIP Funds

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The DOGE 2026 draft budget proposes eliminating federal funds for all State Health Insurance Assistance Programs and seven other federal programs that serve as health care safety nets for older Americans, MedPage Today reports.

By Mary Helen Gillespie

The Trump administration is proposing federal budget cuts to Medicare State Health Insurance Assistance Programs (SHIP) and seven additional elder health care safety net programs that assist older Americans.

Per DOGE, the “pre-decisional” Health and Human Services budget fiscal year 2026 would eliminate approximately $55 million in SHIP discretionary funding, MedPage Today reported. SHIP counselors help older Americans navigate and understand the incredibly complex array of Medicare plan choices both for initial and annual enrollments. Congress must approve the final budget.

SHIP programs have been under the umbrella of the Health and Human Services agency Administration for Community Living. The pre-decisional budget lists funds for seven other ACL programs that would be eliminated are:

- Preventive Health Services
- Elder Falls Prevention
- Lifespan Respite Care
- Long-Term Care Ombudsman
- Chronic Disease Self-Management Education
- Elder Rights Support Activities

Discretionary funding for Aging and Disability Resource Centers is also eliminated. The proposed HHS budget moves all ACL programs from being directly under HHS to the Center for Medicare & Medicaid Services.

There are 54 SHIP programs, including one in every state, and in the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands. Its counselors, a mix of 12,500 trained volunteers and paid staff, spend an average of 35 minutes one-on-one with each beneficiary, counseling them on the differences between Medicare Advantage, Part D, Traditional Medicare and Medigap, or Medicare supplemental plans.

The SHIP program was created by the Omnibus Budget Reconciliation Act of 1990, which authorized CMS to pay states to create and maintain unbiased advisory service programs for Medicare beneficiaries who need help deciding on the many options they face.

Because their services are in such demand, funding is often augmented by contributions from states and community-based organizations.