

# SCAN Straight Talk



**November 12, 2008**

**Palm Springs**



**Riverside & San Bernardino Counties**

# Welcome!



**Roger Lapp**  
Sr. Vice President



# Agenda

- SCAN Update
- Medicare Update
- 2009 Benefits
- Questions & Answers

# SCAN Update



**Dave Schmidt**  
Chief Executive Officer



# SCAN Update

- Current membership 104,000+
- Excellent financial health
- Committed to not-for-profit status
- 4<sup>th</sup> largest not-for-profit Medicare health plan in the nation



# Membership Update

Average Age	76
Members Over 100	182
Members Over 90	6,717
Females	62%
Males	38%
Percentage of Members with 3+ Chronic Conditions	60%
Percentage of Members Taking at Least One Prescription Drug	92%
Percentage of Members Receiving Home & Community Based Services	26%

# SCAN Update

## The SCAN Foundation

- Recently formed \$205-million charitable foundation lead by Bruce Chernof, MD
- Contribution by SCAN Health Plan possible through sound operations and strong reserves
- Goal is to develop innovative solutions to the healthcare needs of California's seniors
- Consistent with our legacy to be at the forefront of senior issues and to support the communities we serve

# 2009 Expansion Update

- New Medicare Advantage plan in Arizona
  - Over 2,000 existing members in Medicaid programs
  - Serving Phoenix
- Other expansions and new groups
  - Ojai in Ventura County (Ojai Community Medical Group)
  - Beaver Medical Group in Redlands, Banning, Highland, and Yucaipa



# Beaver Medical Group

- 54 Primary Care Physicians
- 7 Clinics located in Redlands, Highland, Yucaipa, Colton and Banning
- Affiliated hospital is Redlands Community Hospital

# Existing Groups

- Desert Oasis Healthcare
- Empire Physicians Medical Group
- Coachella Valley Physicians

# 2009 Benefit Preview

- SCAN's unique in home assistance benefits remain in tact in 2009—**No changes!**
- Beginning January 2008 Medicare no longer reimbursing SCAN for in-home services
- SCAN has chosen to continue paying for in-home services through 2009 with no disruption in benefits
- In-home services are now administered telephonically
- Members effective with SCAN before 1/1/08 continue to have access to ILP, members effective with SCAN 1/1/08 and after continue to have in-home recovery benefits

# 2009 Benefit Preview

- Select generic drugs will be offered at \$0 co-pay in all counties
- New plan offering available in 2009 to meet different needs
  - Comprehensive coverage for medical needs (Classic Plan)
  - Additional healthy living options (SCAN Options)

# We Heard You

- This year Medicare allowing health plans to reduce costs for annual provider directory mailing
- Only one directory per household vs. a directory for each member
- Members can complete “opt out” card which allows SCAN to send directory once every 3 years
- SCAN will continue to mail information to “households” when allowed
- Planning for electronic communications if members prefer per Medicare guidelines

# SCAN 2009 and Beyond

## Key Strategies

- Expansion in California and other states
- Improving operational efficiency through technology while preserving “high touch” service philosophy
- Committed to supporting programs and policies that help SCAN members remain healthy and independent

# SCAN Guiding Principles

- Seniors are our only business
- We are member focused, mission driven
- We are committed to be an advocate for Medicare recipients, a senior voice in the public policy debate
- We are committed to do the right thing

# Medicare Update



# Open Enrollment

- Medicare Open Enrollment is Nov 15 thru Dec 31
  - Have one additional chance between January 1, 2009 and March 31, 2009 to switch plans
  - If you leave SCAN, you must select a plan with Part D coverage
  - If you want to stay with SCAN and the plan you have, do nothing

# 2009 Medicare Part B Monthly Deduction

This is a monthly Social Security check deduction by Medicare — No change to most seniors

2009 You Pay to Medicare	If Your Yearly Income is	
	Single	Married Couple
\$96.40	Under or = \$85,000	Under or = \$170,000
\$134.90	\$85,001–\$107,000	\$170,001–\$214,000
\$192.70	\$107,001–\$160,000	\$214,001–\$320,000
\$250.50	\$160,001–\$213,000	\$320,001–\$426,000
\$308.30	Above \$213,000	Above \$426,000

# Outlook for the Future

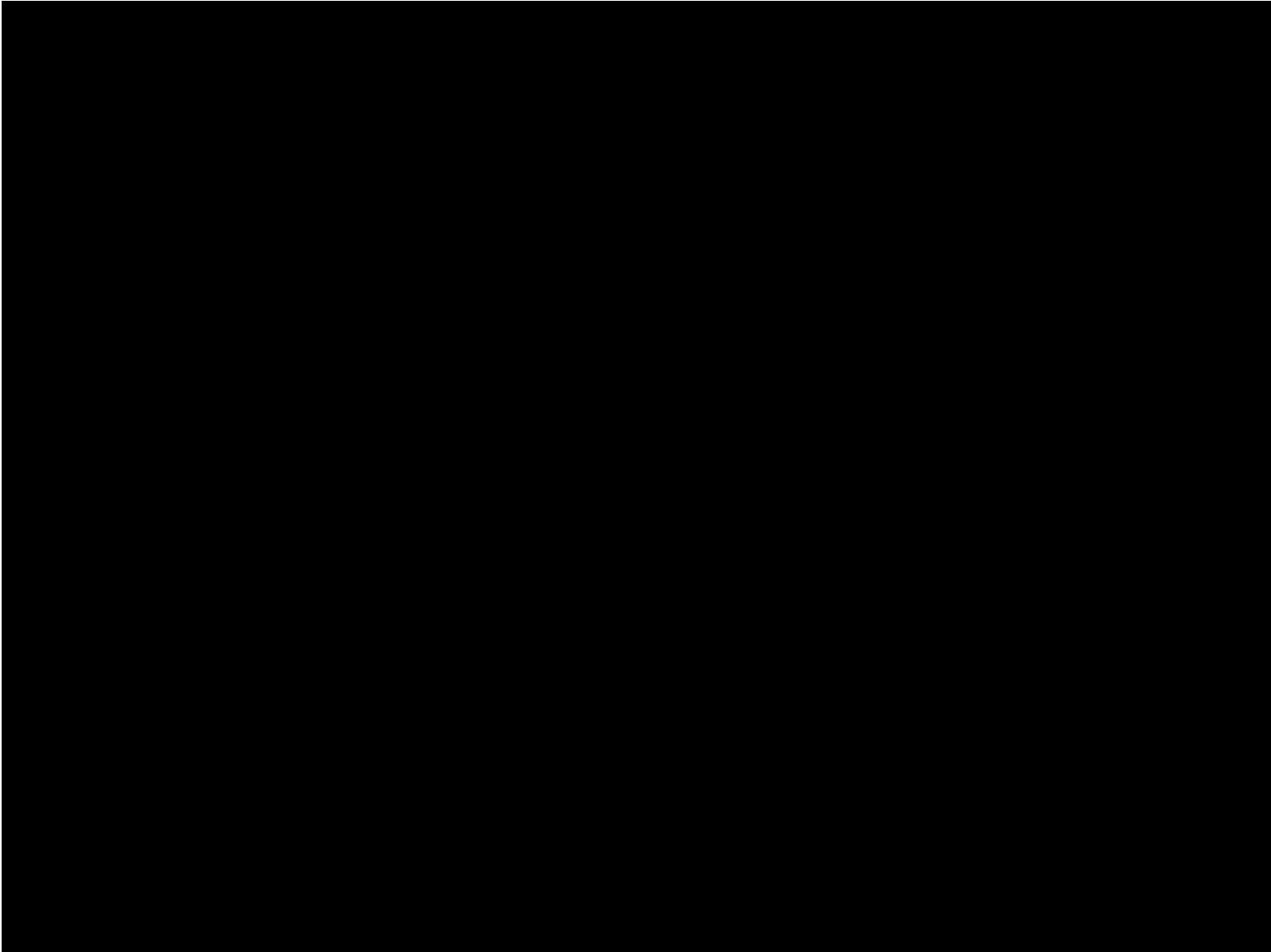
- New President Elect
- The Economy
- 2008 Legislative Updates:
  - New Medicare rules will impose more stringent oversight of sales practices and SNP (Special Needs Plan) requirements
  - SCAN will continue to push need for in home care and long term care solutions
- Outlook for 2010 and beyond

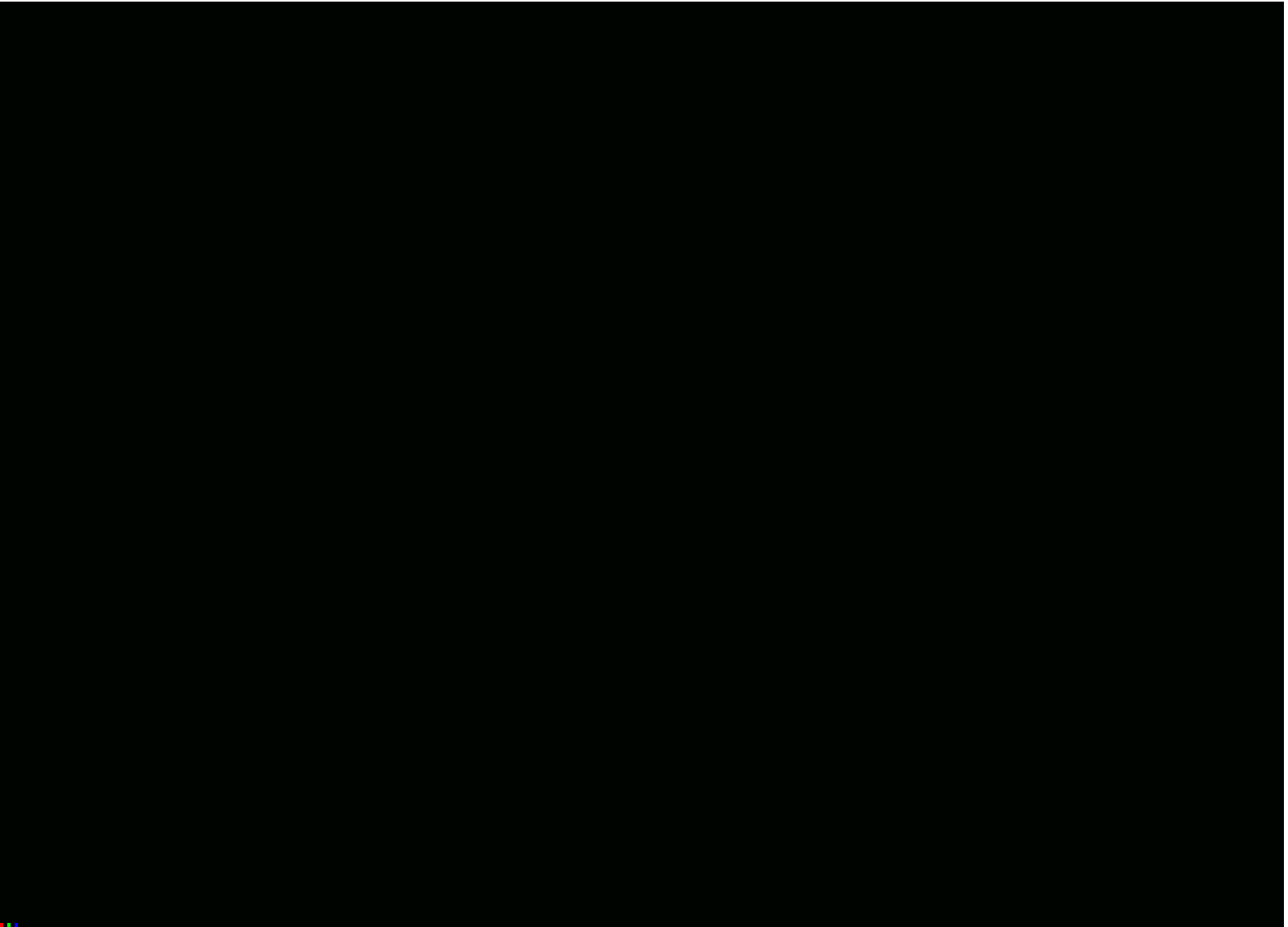
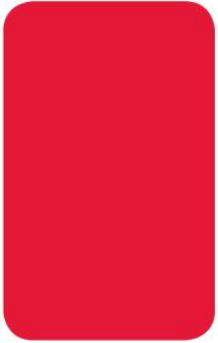
# New SCAN TV Commercial



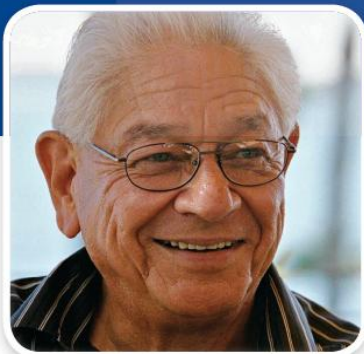
**Featuring SCAN  
members and SCAN  
staff**







# SCAN 2009 Benefits



**Sherry Stanislaw**  
Sr. Vice President

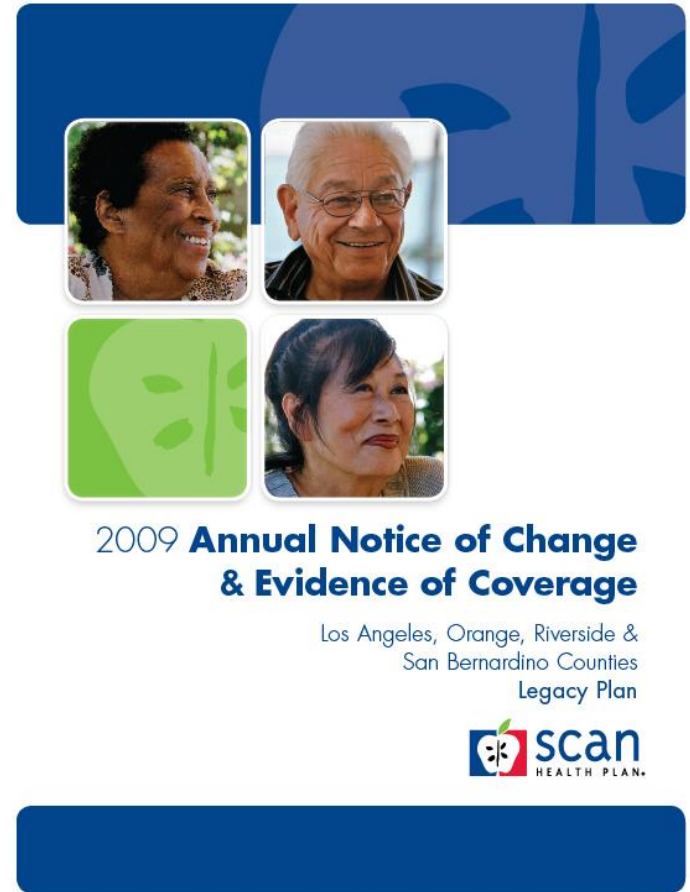


# SCAN 2009 Benefits

- The benefits represented today are for Riverside & San Bernardino County members
- The following benefits may not apply to:
  - Employer Retiree Groups
  - Medicare/Medi-Cal Members
- Member Services representatives are available to answer your questions

# Annual Notice of Change

- All members receive an ANOC in the fall
- Contains info on benefit changes for upcoming year



# SCAN 2009 Benefits

## What is Not Changing

- No Premiums
- Doctor office co-pay
- Hospital co-pay
- Independent Living Power
- In-Home Recovery benefit
- Preventive screenings
- Hearing aid coverage
- \$0 co-pay for annual physical
- Transportation coverage

# SCAN 2009 Benefits

## What is Changing:

- SCAN's Pharmacy benefit has added a new tier called Select Generics
- 12 existing high volume medications will be moved to the Select Generic tier (64,000+ members filled at least 1 of these medications in 2007)
- You pay \$0 for Select Generics
- Initial Coverage Limit (ICL) has been increased from \$2,600 to \$3,000

# SCAN 2009 Benefits

- Vision Benefit

- \$100 → \$75 allowance for glasses

- \$130 → \$100 allowance for contact lenses

- Eye Exams remain \$10 co-pay

# SCAN Health Plan Choices



# SCAN Plans in 2009

- SCAN Legacy—for members who enrolled prior to 1/1/08\*
  - 81,000+ members (eligible for ILP services)
- SCAN Classic—for members who enrolled after January 1, 2008
  - 23,000 members (eligible for IHRB)
- SCAN Options—new plan for 2009

\*No longer available to new enrollees

# Key Features

- Health Club Membership - \$0
- Routine Chiropractic/Acupuncture - \$10  
(10 combined visits per year)
- PCP/Specialist/Hospital - \$0
- Reduced Pharmacy benefits
- Higher co-pays on ambulance/DME/etc.

# Trade Offs

- Pharmacy Benefit
  - Higher co-pays
    - \$50 → \$60 Additional Brand
    - 25% → 33% Specialty Drugs
  - Reduced gap coverage
    - \$3,000 ICL → \$2,700
- Not all the Classic Plan benefits are available
  - No transportation
  - No hearing aid coverage

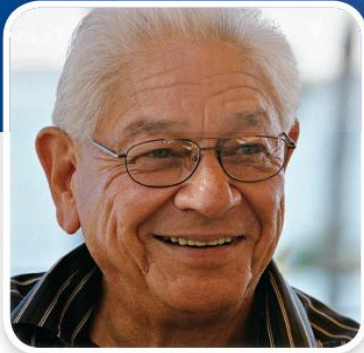
# Things to Consider

- Pharmacy usage
- Transportation/Hearing Aid Needs
- Loss of access to ILP (Legacy Plan Members)
- Safety net coverage

# If You Are Interested in SCAN Options

- Call Member Services after this meeting
  - Benefit specialists will assist you in plan comparisons
  - Changing plans within SCAN will be counted as a plan election
- If you like your current plan – no action needed

# Pharmacy Benefits



# Retail Pharmacy Co-Pays (31 Day)

	2009 Legacy / Classic	2009 Options
<b>Select Generic</b>	\$0	\$0
Preferred Generic	\$10	\$10
Brand	\$30	\$30
Additional Brand	\$50	\$60
Specialty	25%	33%

# Pharmacy Updates

## Catastrophic Coverage Limits

2008	2009
\$4,050	\$4,350

## Low Income Co-Pays

	2008	2009
Generic drugs	\$1.05–\$3.10	\$1.10–\$3.20
All other drugs	\$2.25–\$5.60	\$2.40–\$6.00

# Value Added Rx

- Mail Order Refills
  - Pay only 2 co-pays for a 3 month supply of maintenance medications
- If not already using mail order starting is easy
  - Complete mail order form
  - Have your doctor write 90 day prescriptions
  - Mail in postage paid envelope
  - Allow 14 days for delivery

# Value Added Rx

- The Pocket Prescription Card lists your maintenance medications to help reduce medication errors
- For use in a variety of settings, such as
  - Emergency situations
  - Speaking with healthcare providers
  - A visit to the pharmacy
- Updated and sent to members twice a year (February and August)
- Pocket Prescription Card survey



# 2009 Benefits Summary

## Good News!

- Most medical benefits remain the same
- New \$0 Select Generic Tier and increased coverage through the gap
- New SCAN Options plan
- ILP benefits and IHRB benefits remain the same

# Reminders

- We encourage you to **get your flu shot this year!**
- Seniors who get a flu shot before the end of the year will have the best protection for the flu season
- Staying active is key to maintaining your health and independence
- SCAN pedometers—a step in the right direction

# Questions & Answers

