

California Nonprofit Targets Arizona Seniors

By Lori Anne Parker

California-based Senior Care Action Network (SCAN) is taking its Medicare Advantage plan for seniors into Arizona while simultaneously enrolling seniors through the state's Medicaid managed care program, ALTCS.

The state contract went into effect in October 2006, while the new Medicare Advantage special needs plan, called SCAN Health Plan Arizona, began in January 2007.

SCAN has high hopes for its growth and longevity in the state. "Our goal in Arizona is to be the leading provider for the geriatric and physically disabled population in these communities," said Hank Osowski, president of SCAN's Arizona region.

Why Arizona? SCAN first started looking to Arizona as a potential site for expanding its operations in 2004.

"As a program solely devoted to seniors we had been looking for new opportunities to grow. We initially focused on California only. About two years ago we started looking at the Arizona market. We spent about 18 months talking to the provider community about what things were missing and we discovered there were no Medicare companies in the state with a sole focus on seniors," said Osowski.

SCAN has been doing business as a Medicare HMO in the California market place for 30 years, but Arizona's fast-growing senior population and its acceptance of Medicare managed care programs makes it a good place for SCAN to set up shop, according to Osowski.

"That population continues to grow at a 5 percent growth rate every year," he said. "And here, we are not trying to convert people from a fee-for-service environment over to an HMO plan."

Initially the company planned to set up a regular MA HMO through a contract with the Centers for Medicare & Medicaid Services. It was already building its network and outreach to providers when the opportunity to bid to serve the ALTCS population came up.

SCAN's heritage as a company focused on senior health and its experience with the dual-eligible population bodes well for the company's success in Arizona. ALTCS's prioritizing of home- and community-based care over nursing home placement also aligns with SCAN's experience in its home state.

Approximately 25 percent of SCAN's 90,000 California members are nursing home certifiable, yet the company has always focused on developing alternatives to nursing home care for its members in California. Only 1 percent to 3 percent of its members are in a nursing home, according to Osowski.

The rest receive community- and home- based care. SCAN also serves more than 6,000 dual-eligibles in California.

Building A Network. Osowski said SCAN built its network in Arizona before responding to the state's bid. The SCAN network has 1,100 primary care physicians, 2,200 specialists, 14 hospitals, 65 skilled nursing facilities, 45 living centers, 214 assisted living homes and 161 foster care facilities.

SCAN contracts with providers on a fee-for-service basis in accordance with ALTCS's medical model. The company continues to expand its network, said Osowski.

SCAN intends to keep its Arizona service area to Maricopa County (Phoenix) for the time being, but does have plans to offer a broader MA HMO to beneficiaries in the state. According to Osowski, the company hopes to have a contract to offer an MA HMO through a contract with CMS to non-dual-eligibles by 2008.

One of the biggest challenges of being a newcomer in the state is building trust. "In any new market you have to prove yourself a bit. We can meet with providers and members and

ALTCS ENROLLMENT, DEC. 1, 2006

Senior Care Action Network LTC	364
Bridgeway Health Solutions	884
Evercare Select	5,716
Mercy Care Plan	8,556
Pima Health Systems	3,922
Pinal/Gila County Long-Term Care	1,247
Cochise Health Services	914
Yavapai County Long Term Care	948

Source: Arizona Health Care Cost Containment System

talk about integrity, trust and service, but they have all heard that before. We need time to demonstrate this and our sense of partnership. We know we have to prove ourselves to gain that," Osowski said.

While SCAN is covering similar populations through the state and federal contracts in Arizona, the requirements vary. ALTCS requires customized care not required by the federal government. It receives a capitated rate for both contracts, Osowski said.

Background On SCAN. Long Beach-based SCAN is a nonprofit organization originally founded by a group of seniors in 1977. The goal of SCAN from its inception was to find innovative ways to allow seniors to manage their health and to control where and how they live. SCAN has provided care to keep more than 25,000 seniors out of nursing homes. The health plan serves more than 90,000 in Los Angeles, San Diego, Orange, Riverside, San Bernardino and Ventura counties in addition to its new Arizona enrollees.

SCAN also manages one of the largest and most successful Multi-Purpose Senior Service Projects in California. The MSSP provides community-based, long-term care and

ENROLLMENT IN ALTCS PROVIDER CONTRACTING COMPANIES BY COUNTY AS OF DEC. 1, 2006

Apache	69
Cochise	774
Coconino	201
Gila	261
Graham	124
Greenlee	16
Navajo	231
La Paz	74
Maricopa	13,500
Mohave	815
Pima	3,691
Pinal	986
Sanata Cruz	231
Yavapai	948
Yuma	630

Source: Arizona Health Care Cost Containment System

personal care coordination for low-income frail seniors. A similar program managed by SCAN, called Linkages, provides case management and community services to support independence for disabled adults.

The Arizona Long Term Care System, or ALTCS, was initially created in 1988 through a Section 1115 Medicaid waiver designed to provide long-term care to the low-income developmentally disabled. In January 1989, the program was expanded to include the elderly and physically disabled.

Approximately 80 percent of the population served by ALTCS falls into the dual-eligible category, meaning they are eligible for both Medicaid and Medicare.

ALTCS has made an effort to strengthen in-home and community-based care in the state, and nationally has been looked to as a model for its success in this area, as well as its cost-saving efforts.

It is also unique because, unlike other Medicaid long-term care plans that carve behavioral health out of their covered services, Arizona's long-term plan does not.

Arizona's ALTCS program is under the administration of the Arizona Health Care Cost Containment System. Like its traditional Medicaid program, ALTCS is a mandatory managed care program.

There are currently more than 41,000 beneficiaries in the program statewide, according to AHCCCS.

OUTLOOK: *Though it may take a while to get the ball rolling, SCAN is bound for success in Arizona. The organization's approach to long-term care is an excellent match for the ALTCS program. Expect SCAN to increase membership and expand into additional counties in the next couple of years.* ■