



December 2, 2021

Re: Suspension of Approval for Brokers to Sell the Venture Plan in CA Effective December 8, 2021

To our Broker Partners,

As we approach the final stretch of AEP, SCAN sales are growing at unprecedented levels. These historic numbers are being driven by our introduction of the Venture plan and your support of SCAN as a trusted plan for your clients. This growth exceeded our expectations and, as a result, we believe that further, immediate growth could impact our ability to continue delivering the service your clients expect and deserve from SCAN. Maintaining SCAN's quality care, 4.5 Star rating, member satisfaction, and service is our first priority.

In order to best serve both new and existing members, **we have made the decision to suspend approval for brokers to sell the CA Venture plan, effective December 8, 2021.** This letter serves as notice, in accordance with your contract. While CMS requires SCAN to continue accepting enrollments after December 7, 2021, SCAN will not be paying commissions on CA Venture sales dated after December 7, 2021 until further notice.

Please be assured that your commissions will be paid without disruption for all CA Venture enrollments dated through December 7, 2021. Brokers may continue to sell Venture in AZ and NV, and Venture plan commissions will continue in those states, as growth trends are within expectations. No other SCAN products are affected.

The performance of the Venture offering has far exceeded what we considered to be "hard to hit" projections and we have had to ask ourselves some hard questions about how we will maintain the high level of service you and your clients have come to expect from SCAN. To put a finer point on it, broker sales are up over 500% from last year.

Our high star rating, member satisfaction, and service differentiation is at the core of everything we do. While we never anticipated needing to limit growth, we have determined it is the right thing to do for our members and your clients.

We are extremely grateful to you for growing SCAN at truly historic levels, and we are now setting our sights on successfully onboarding these new members. In the meantime, please do not hesitate to reach out to your broker account executive if you have any questions. We've also attached a Q and A for your reference.

Sincerely,

A handwritten signature in black ink, appearing to read "Stanton Sasaki".

Stanton Sasaki
Director, Broker Sales

A handwritten signature in black ink, appearing to read "Sherry Stanislaw".

Sherry Stanislaw
General Manager