

2014 Report to Our Communities



Our Mission:
Keeping Seniors Healthy
and Independent

SCAN
CEO message



“SCAN and its employees continue to focus on the mission—and that’s what you see in this report.”

By nature, the Community Report is a look back, a reflection on the past year and an attempt to summarize it. What I’ve always liked about our Community Report is the energy we’re able to capture within its pages. The report really is an accurate picture of the passion we bring to our mission. That’s important. Because while the details of each year may vary, the mission does not. It’s the constant that guides our decisions, including the tough ones. And we had a few in 2014.

So while this report may focus on the highlights of the year, I would be remiss if I didn’t acknowledge the challenges. These are difficult to neatly summarize, but include the continued pressure on Medicare funding, higher than anticipated pharmacy costs and increased competition in our core markets. But I’m proud of the way we handled the challenges and believe we have emerged a better, stronger organization for it.

Through it all, SCAN and its employees continue to focus on the mission—and that’s what you see in this report: We’ve captured the milestones and company activities in the front pages and our community outreach and its impact in the back. What we hope comes through loud and clear is our singular commitment to serving seniors. We will continue to face challenges—it’s the nature of our industry. And we will continue to overcome them—that’s the nature of SCAN.

A handwritten signature in black ink, appearing to be 'CW' with a stylized flourish.

Chris Wing
Chief Executive Officer

The Company That Knows Seniors

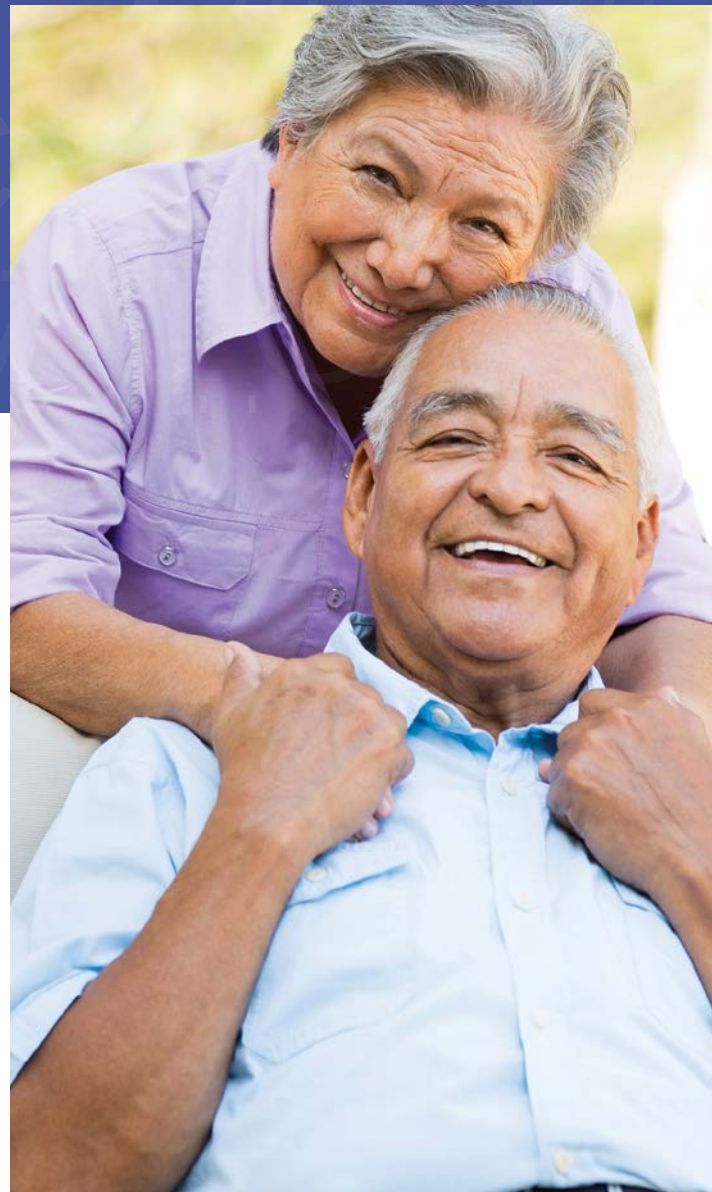
SCAN Health Plan was started by seniors for seniors. Twelve senior activists in Long Beach, California were frustrated by the lack of access to the services they needed to stay healthy and remain independent in their own homes. They tapped experts in the fields of gerontology, social work and healthcare to come up with the solution that became the non-profit organization Senior Care Action Network, now known simply as SCAN.

That was in 1977. In the years since, the company has continued to focus on the needs of seniors. First through a state contract designed to serve the frail elderly at risk of being placed in nursing homes; then through the Social HMO, a federal demonstration project that provided additional funding to include at-home services and support. Both yielded an expertise that we've infused into our other programs.

Over the past 37 years we have gained extraordinary insight into the healthcare needs and challenges of seniors. Serving Medicare beneficiaries is not just our mission, it's our passion.



SCAN has treated me so well during my illnesses, and your coverage of my cost has been unbelievable. I really do get choked up as to how wonderful this insurance company has taken care of my needs. I do thank you for being there for me in my time of need."



Facts at a Glance

SCAN 2014 RANKING

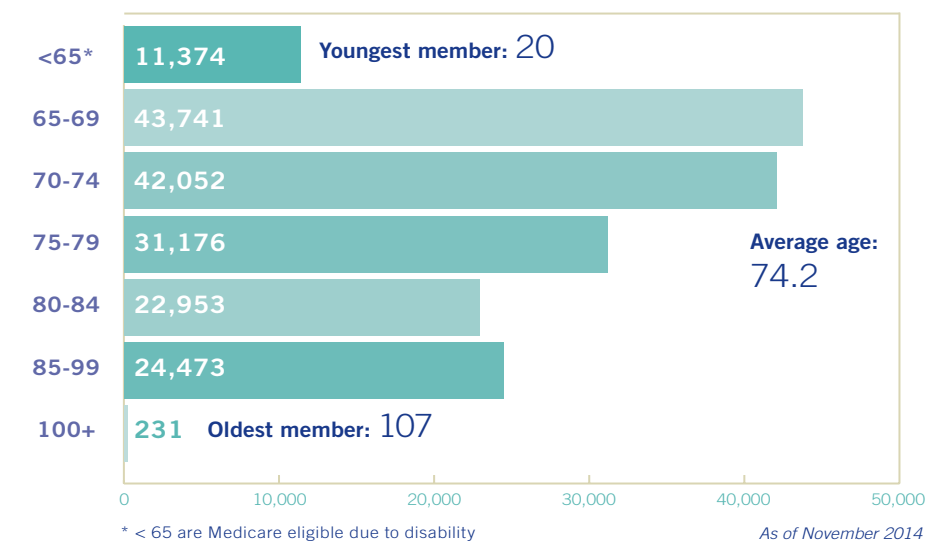
4th largest in the nation

2nd largest in California

2nd largest in Arizona

Among non-profit Medicare Advantage Prescription Drug Plans (MAPD)

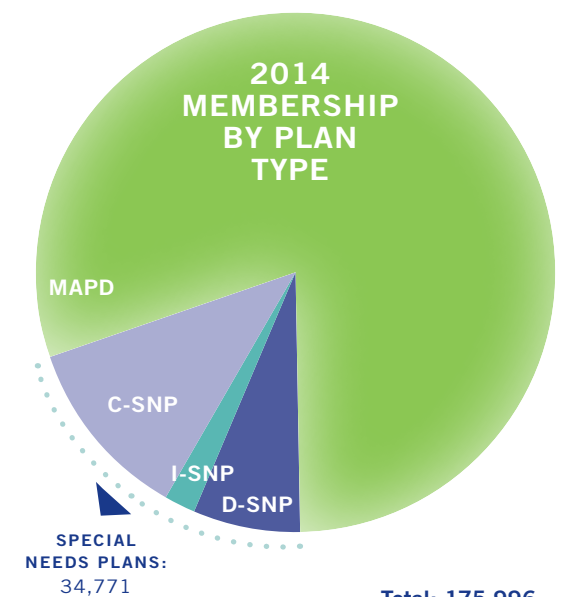
SCAN MEMBERSHIP BY AGE



PRODUCTS OFFERED BY COUNTY

COUNTY	MAPD	C-SNP	I-SNP	D-SNP
Contra Costa	✓	✓		
Los Angeles	✓	✓	✓	✓
Maricopa	✓	✓		
Marin	✓	✓		
Orange	✓	✓	✓	
Pima	✓	✓		
Riverside	✓	✓	✓	✓
San Bernardino	✓	✓	✓	✓
San Diego	✓			
San Francisco	✓			
San Joaquin	✓			✓
Santa Clara	✓	✓		
Ventura	✓			

- MAPD:** 141,225 Medicare Advantage Prescription Drug Plans
- C-SNP:** 19,857 Chronic Special Needs Plans, for those with severe chronic conditions
- I-SNP:** 3,506 Institutional Special Needs Plans, for those who qualify for nursing facility level of care but live in the community
- D-SNP:** 11,408 Dual Special Needs Plans, for those dually eligible for Medicaid/Medical and Medicare



Year at a Glance

Corporate



SCAN CEO Chris Wing testified before Congress

“Congress has a strong interest in preserving Medicare Advantage and seeing it advance. SCAN stands ready to work with you toward that goal.” Statement to House Ways & Means Committee-Subcommittee on Health



SCAN Wall of Fame

Long Beach Press Telegram called SCAN’s work environment bright and modern with touches that are “old-fashioned, if not downright cozy,” pointing to our “wall of fame” where we post some of the thank you notes our Member Services team receives (February 2, 2014)

SCAN Service Superheroes!

2014 National Service Week: More than 100 employees were nominated as Service Superheroes by their coworkers



SCAN-UCLA Best Practices Summit



See page 8 for more on this unique collaboration

Long Beach Chamber Honoree



Long Beach Healthcare leaders were recognized for contributions to the community



ALS Ice Bucket Challenge

When SCAN was challenged, 11 of our top executives, including President Bill Roth, responded

Health Plan

Starting Membership:
169,554

February 1, 2014



scanhealthplan.com

New SCAN Health Plan website launches

The newly redesigned SCAN Health Plan website launched in March, 2014

New counties for 2014 AEP:
Napa & Sonoma

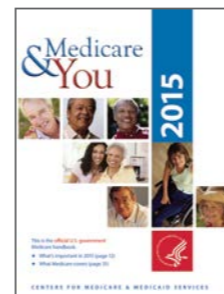
SCAN Health Plan and Scripps Health

strengthen partnership in San Diego County



2015 Medicare & You report

91% Member Satisfaction



2015 CMS Star Ratings released*

*4 rating applies to all 2015 plans offered by SCAN Health Plan in California except Healthy At Home and VillageHealth

Community



Congresswoman Linda Sanchez (CA-38) toured the SCAN van and met employees during a visit to SCAN’s Long Beach office



Congressman Alan Lowenthal

(CA-47) connects with SCAN employees during a visit to SCAN headquarters



Long Beach Mayor Robert Garcia and Councilwoman Stacy Mungo

(Long Beach 5th District) impressed SCAN employees with their positive attitudes and thoughtful responses during an onsite visit



SCAN Health Plan sponsors the annual Ventura County Senior Wii Bowling Tournament; this year 14 senior organizations sent teams to the regional competition

Day of Beauty for Seniors

See page 10 for more on the outreaches offered through Volunteer Action for Aging



When Napa was hit with a magnitude 6.0 earthquake, the Northern California SCAN van responded with cases of water and snacks



Walk to End Alzheimer's
SCAN teams took part in Alzheimer’s walks throughout our service areas

The Heart of SCAN 2014

In 2011 we asked SCAN employees to describe what we do. The word that came up over and over again was *heart*: “SCAN has heart.” “That’s the heart of SCAN.” “I am the heart of SCAN.” It resonated deeply and was adopted throughout the organization with pride. In practice, *heart* takes the shape of programs, products and services designed to meet members wherever they are in their life’s journey.

Connections Extension Serves Duals Well

Many Medicare beneficiaries are also eligible for Medi-Cal (California’s Medicaid program). Administering dual eligibility can be complicated, but SCAN has experience and expertise in doing so. That’s why we are so pleased our contract for Connections, our high-touch product for Medi-Medi members, was renewed. 2014 saw a lot of activity in the dual-eligible market. The federal government is encouraging states to implement comprehensive solutions for this population, and California is one of 12 states looking to integrate Medicare and Medi-Cal benefits for dual eligibles through its CalMediConnect program. SCAN has been serving this dually eligible population longer than anyone in California—almost 30 years. These members tend to be older and isolated, with multiple chronic conditions and lower incomes. Language is a barrier for many. If they are put into a care facility, they are less likely to return to their homes. So in 2014 we asked state legislators to prevent the state from taking our members out of a program that is working well for them. The California legislature listened, and included language in the Governor’s 2015-16 Budget that renewed our Connections contract for the life of CalMediConnect. This news was one of the highlights of 2014—for us and our members.



500
chronic
care

assessments
completed on
members from
20-100
years old



SCAN HealthCheck Assessment Center

Opened in 2013, in Stockton, California, the Assessment Center invites at-risk members for an in-depth health assessment. The results are evaluated, recommendations are made and the assessment is forwarded to the member’s primary care physician (PCP). Both patients and PCPs have responded favorably to this collaborative approach. We do the time-consuming legwork; the PCP has the information needed for follow-through. The patient gets focused attention and individualized care. In 2014 we expanded the Center’s outreach with a Transitional Care program. Launched in November, the program is offered to members who’ve had an unplanned hospitalization. Our clinical team follows them for 30 to 60 days after discharge, seeing them at the clinic to address the social and medical issues that, if left unaddressed, could result in unnecessary ER visits or readmissions. Instead, we help them develop self-management skills with the goal of remaining safely at home.



Yesterday I received the beautiful walker you ordered for me. No way could I have bought this walker or a comparable one except through you. I must admit that I thought I’d be embarrassed to use a walker around my mobile home park, but now I’m eager to get out and take it on its maiden voyage. Thank you so much.”

Connecting with Members

Communication, education, information—it's all about making a connection with each member. We employ a range of tactics and certainly expect that our reliance on technology-based communications will increase in the years ahead. It's important to note, though, that what resonates most with many members today is the phone call we make on their birthday.

SCAN Senior Advocates: Members with a purpose

They are SCAN members who are also part-time SCAN employees. The Senior Advocate program was created to provide support—and a dose of reality—at sales meetings. They are there to make the SCAN experience real, discussing how SCAN has worked for them on a personal level.

The Advocates also make phone calls: welcome calls to new members to ensure they understand a few basics about their plan, and the aforementioned birthday calls to ensure no member's birthday goes unnoticed. It's not unusual for an Advocate to hear: "You are the only one who calls me on my birthday." It is our honor to do so.

In recent years the Advocates have gotten involved in additional call campaigns, including calling members in 2014 to:

- Explain to our dual-eligible members their health plan options.
- Invite them to get needed screenings at clinics co-hosted by SCAN and their provider group.
- Help them transfer into another SCAN product in 2015.



Senior Advocate Shirley Judge was making another birthday call when the member on

the other end of the line said: **"I've been waiting for you to call."** He went on to tell her that exactly a year ago he had been grieving over the death of his wife when Shirley called to wish him a happy birthday from SCAN. Their conversation made a difference, he told her, and he was looking forward to this year's birthday call to let her know how she'd helped him. This time, sadly, Shirley was a new widow. That peer-to-peer support goes both ways.



Information that speaks to them

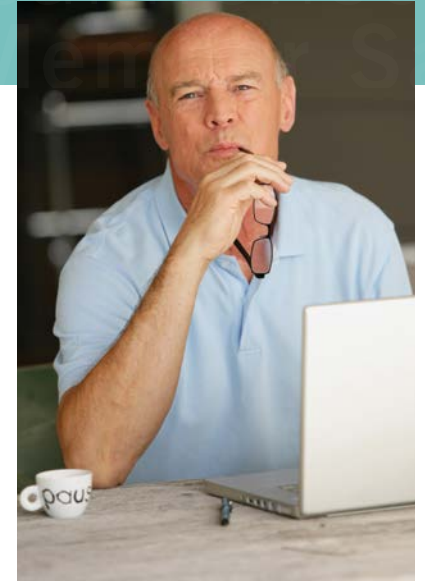
"I have been a member of SCAN for some time now, and I would just like you to know that I really enjoy reading SCAN CLUB newsletter... Please keep this useful publication coming."

This peer-to-peer outreach works because it is so natural. The Advocates "get" what members are going through in a way that our best-trained younger staff cannot. They are valued and invaluable and we expect their role to grow in the coming years.



Thank you for the LIVE presentation yesterday! Even with all the questions, it went so smoothly and was easy to understand... We are very happy with SCAN."

- a Straight TeleTalk participant



A New Era of Member Straight Talks

In a year of funding decreases and budget tightening we were faced with a tough decision: do we continue our in-person Member Straight Talk events? In the past we would hold 30+ of these large-scale events throughout our service areas to help ensure members understood their benefit changes for the coming year. Valuable? Of course, but there had to be a more efficient way to provide this service to our members.

We found one: Member Straight TeleTalks. These live teleconferences have allowed us to keep the format of the Straight Talks: Executive presenters and lots of Q & A from the audience. There is also a webinar aspect, for those members interested in taking part online. We tested this approach in October to great success. More Member Straight TeleTalks are already scheduled for a variety of outreaches in 2015.



"She was my voice when I didn't have one of my own."

In 2014, SCAN opened 250 cases in its Program for Advanced Illness (PAI). As a result, we have seen reduced hospital days, ER visits and readmissions, with increased referrals to hospice and palliative care and fewer deaths in facilities. But the PAI isn't just about end of life; it's also about quality of life.

Says one member of his PAI nurse: "Were it not for her and knowing that I had her on my side, I highly doubt that I would be here today." He had been hospitalized nine times in the first half of the year and says he felt overwhelmed and hopeless. He has not been hospitalized since entering the PAI—and he gives credit to his nurse. "She was my voice when I didn't have one of my own."

In October, SCAN, along with partners Monarch Health and MemorialCare Medical Group, received a grant from the California HealthCare Foundation to help further its work and development in the area of palliative care.

Provider Integration Continues



In 2013 we launched Provider Integration to engage our physician group and health system partners to become collaborators and to enact positive changes in the delivery system that will improve care for all seniors. We are pleased that so many of our contracted providers have joined us in this collaboration.

In 2014 we began to offer tangible support: provider-driven webinars, face-to-face collaborations and, in November, the Best Practices Summit in partnership with the UCLA Multicampus Program in Geriatric Medicine and Gerontology.

SCAN UCLA Best Practices Summit

Together SCAN and UCLA invited the Provider Integration groups to submit for consideration their best practices in the areas of end-of-life care and management of elderly patients with multiple chronic conditions. UCLA chose five submissions to be presented at the summit in November (see next page).



Thank you for collecting such engaging leaders and effective facilitators."

2014 Provider Integration Webinars

SCAN coordinated several webinars in 2014. We provided the set-up but they were conducted by members of the Provider Integration group, who shared their best practices with other organizations for what are traditionally challenging areas of care. Presentations included:

- Readmission Reduction Strategies
- Osteoporosis Management
- Diabetes Management
- Rheumatoid Management
- Pharmacy Tools and Strategies



The format of the summit was excellent and innovative. I really appreciated that we had time as a team to form our plan."

Summit attendees, representing 11 of California's largest physician groups, heard synopses of the practices, then chose one to implement in whole or part at their site.

At the summit, attendees worked directly with the five presenting groups, as well as with gerontology experts from UCLA and SCAN, to begin implementation planning. They set goals, identified obstacles and determined how they would measure their project's progress and outcomes.

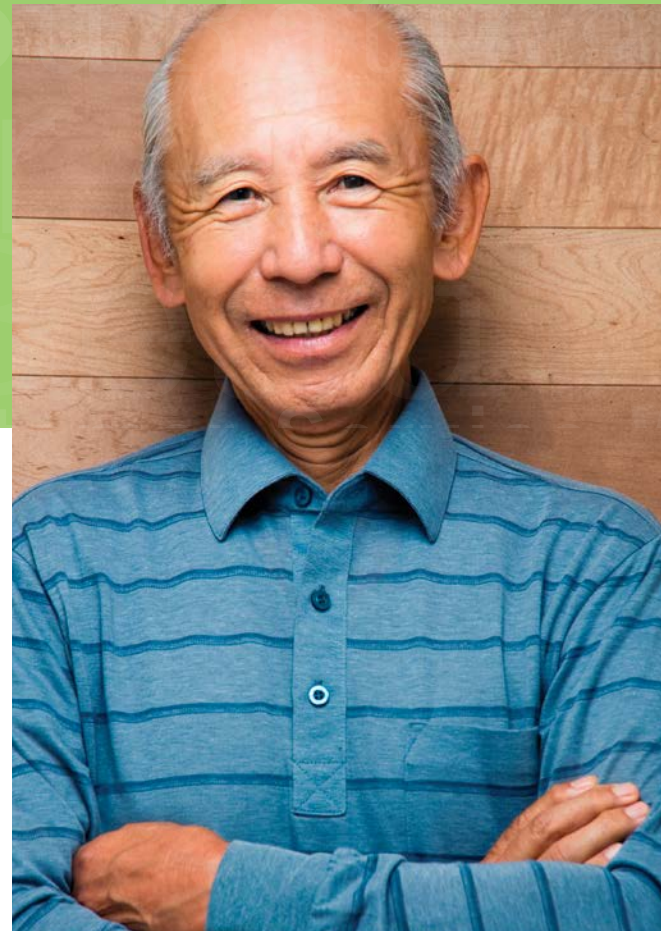
We think the summit's success lies in the post-event follow-up. Each organization is receiving hands-on clinical and operational mentoring from the team they worked with at the event, including weekly tracking reports, biweekly conference calls and as-needed consults. After six months we'll evaluate the groups' implementation efforts and results.

Again, it's this sharing of knowledge, experience and innovation that will enable us to impact not just quality of care but quality of life. It's an approach that benefits us all.

Summit Presenters and their Presentations:

1. Monarch HealthCare shared its Outpatient Palliative Care Program.
2. HealthCare Partners discussed its advance care planning program for patients who may be in their last year of life.
3. Brown & Toland Physicians shared its population health management program aimed at reaching Medicare patients at high risk for hospitalization.
4. MemorialCare Medical Group shared its best practice in assuring that appropriate hospitalized patients receive a palliative care consult.
5. Hill Physicians Medical Group discussed its Virtual Care Team Initiative to reach high-risk patients.

Independence at Home



Expanding the Footprint of the SCAN Mission

Independence at Home (IAH), SCAN's community service branch, began with a single contract in 1977: the Multipurpose Senior Services Program (MSSP). The program's goal? To keep frail, low-income seniors safely at home for as long as possible. Since then, IAH has developed an expertise in serving this deserving population, adding additional state and county contracts along the way. Today, IAH is one of the few remaining resources of its kind dedicated to improving access to healthcare resources for our communities' most vulnerable members.

Between 2012 and 2014, California experienced more than \$27 million in cuts to home and community-based services.

The gaps are growing. State and federal funding for home and community-based services is being cut. There are fewer programs available and fewer spaces in those that remain. Our own gap analysis shows an urgent need in the largest counties that SCAN serves.

The needs are increasing. As the baby boomers age, they are stretching the already meager offerings. What exactly does the aging baby boom look like? In California, the senior population is growing at twice the rate of its general population.

We are responding. In 2014, we realigned our community outreach and giving activities, rolling them all under IAH to ensure maximum efficiency while expanding both reach and scope. In addition to maintaining its contracts with the State of California and Los Angeles County, IAH also expanded our volunteer and education programs. We've been able to respond to more community requests and reach more people than ever.

566% increase

Number of people reached by IAH

2013: 2,700	2014: 18,000
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Open page to see how we were able to increase our reach so dramatically in 2014

Geographic Expansion: In 2014, IAH expanded its service area and offerings beyond Long Beach and greater Los Angeles County, providing increased services in Orange, Ventura and San Diego counties. We grew significantly in Arizona and started outreaches in the Inland Empire and Northern California.



On behalf of over 3,200 vulnerable San Francisco seniors, thank you very much... With your help, homebound seniors, many with no other source of food, receive the nutritious meals, daily human contact and supportive services that allow them to age at home safely and with dignity. We couldn't do it without your generosity."

- Ashley C. McCumber, Executive Director, Meals on Wheels San Francisco

18,000 People Reached Through:



Community Education

510
Presentations

48
Topics

Presented in 6 languages:
 1. English 4. Russian
 2. Spanish 5. Chinese
 3. Korean 6. Farsi



5
Most-Requested Topics

1. Stop Falling
2. Getting a Good Night's Sleep Without Medication
3. Heart Health
4. Dehydration
5. Living Better with Arthritis

152
Health Fairs

81
Health Screening Events

- Most popular screenings:**
1. Stroke risk
 2. Thyroid function
 3. Bone density

54
Trading Ages Presentations

1,541 newly senior-sensitive individuals at such organizations as Alzheimer's Association Inland Empire, American Heart Association, Arizona State University, California Parks & Recreation, California DMV, California State University Long Beach, Riverside Office on Aging, St. Vincent De Paul, UC Hastings College of Law, USC School of Gerontology



Volunteer Action for Aging

229
Volunteer Events


2,568
Hours of Volunteer Service to Seniors

2,262
Thanksgiving Meals



Popular programs:
 Cell Phone Connection
 Day of Beauty
 Drumming for Wellness
 Friendly Visitor
 Guided Autobiography



Meals Delivered by County: 
 1,970 in Los Angeles
 172 in Orange
 120 in Ventura



IAH State and County Contracts:


- Multipurpose Senior Services Program
- California Community Transitions Project
- Innerlinks Advantage
- Integrated Care Management:
 - Supportive Services Program
 - Family Caregiver Support Program
 - Linkages Program




Community Giving

\$297,000
in Grants to 29 Agencies


45,000 meals


Funding to help older adults through an unexpected financial crisis


Grants to programs that support caregivers and their family members

\$97,292
to Sponsor 90 Events

1. Walk to End Alzheimer's
2. American Cancer Society Relay for Life
3. American Diabetes Association Step out for Diabetes Walk
4. American Heart Association Heart Walk
5. Senior Legends Wii Bowling Tournament



“ The importance of this program and (your) very generous grant is huge for the center and the community. The scholarship program allows San Diego families an opportunity to place their loved ones in a safe, licensed, structured social setting, allowing caregivers, who are often immediate family members, to remain in the workplace.”

- Kevin Casillo, Executive Director LiveWell San Diego

Officers of the Company

- Chris Wing, Chief Executive Officer
- Cathy Batteer, Senior Vice President, General Manager, all Markets
- Janet Kornblatt, General Counsel
- Vinod Mohan, Chief Financial Officer
- Nancy J. Monk, Chief Risk and Administrative Officer
- Bill Roth, President

Executive Management

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- Peter Begans, Senior Vice President, Public, Government and Community Affairs
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- David Milligan, Senior Vice President, National Sales
- Sherry L. Stanislaw, Senior Vice President, General Manager, Southern California
- Karen Sugano, Vice President, General Manager, Northern California and Arizona



I joined SCAN on the advice of my physician and two other people whose opinions I treasure. I am so glad I came to SCAN. Thank you for all your warm and helpful care."

Board of Directors

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Week Website Launch
REACH Best Practices
HealthCheck Assessment Summit
Medicare & You Rating
Special Needs Expertise Straight Tele Talks
\$4 million funding
Senior Advocate
Day of Beauty
Customer Service Week
OUTREACH Webinars
Best Practices Summit
HealthCheck Assessment Center
SNP extension
OUTREACH
Website Launch



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