



— 2017 —

# ANNUAL REPORT

STRENGTHENING OUR VISION FOR  
DIGNITY, CHOICE, AND INDEPENDENCE





# 2017 ANNUAL REPORT

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## Vision

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A society where older adults can access health and supportive services of their choosing to meet their needs.

## Mission

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To advance a coordinated and easily navigated system of high-quality services for older adults that preserve dignity and independence.



## Our Thematic Goals

### **Medicare-Medicaid Integration:**

Integrate care and financing for vulnerable, low-income older adults.

### **Person-Centered Care:**

Support models of care that value dignity, choice, and independence by putting individuals and their families at the center of the decision-making process.

### **Long-Term Care Financing:**

Provide working families with tools to help pay for their future care needs.

## 2017 Annual Report

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### Strengthening Our Vision for Dignity, Choice, and Independence

Our 2017 Annual Report celebrates The SCAN Foundation's ninth year of work to advance aging with dignity and independence. We are deeply appreciative of our partner organizations who work tirelessly to advance an integrated system of care for older adults of today and tomorrow who live with complex care needs. The video below offers a summary of our work since 2014 and a vision forward.

In this 2017 Annual Report, we highlight key efforts across the Foundation's three thematic goals.

**The SCAN Foundation 2014-2017:**  
*Reflections on Our Progress*

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**PLAY VIDEO**

## Strengthening Our Vision

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### for Dignity, Choice, and Independence

#### Thematic Goal 1: Integrate Care and Financing for Medicare-Medicaid Eligible Individuals



Our first thematic goal focuses on efforts to best integrate Medicare and Medicaid services and funding in order to provide the highest quality of care for people with access to both of these programs. The Foundation's leadership and collaborative partnerships have challenged long-standing myths and marshalled key stakeholders to advance the promise of coordinated care.

#### RECENT GOAL 1 SUCCESSES:

- Results from evaluations of California's Duals Demonstration – **Rapid-Cycle Polling and the UCSF evaluation** – have enabled us to learn directly from consumers in real time, as well as the duals health plans and associated delivery systems implementing California's demonstration using these new care models. For the first time, the experiences and perspectives of those accessing these services have been used to drive change for this vulnerable population.

- Using the Foundation's voice to promote policy change, we captured the **"Top 10" policy recommendations** from the California experience and disseminated them to the Centers for Medicare and Medicaid Services (CMS) and national advocacy organizations.
- Policy advancement only happens when good ideas are in the hands of a **knowledgeable and diverse pool of advocates** who can speak with one common voice for change. Our California Collaborative in Sacramento and the associated locally based Regional Coalitions are championing system transformation efforts. They have become the "go-to" advocacy resource for policymakers at every level, keeping the consumer voice front and center in technical policy and implementation discussions.
- In our effort to change the quality discussion to focus on what matters most to people receiving care, we and The John A. Hartford Foundation provided continuous funding to the National Committee for Quality Assurance (NCQA) to initiate the development of new quality measures expressly for this population of older, low-income adults with complex care needs. NCQA has developed an **all-new accreditation program** for case management for long-term services and supports (LTSS) and an LTSS distinction module for use in conjunction with their existing health plan accreditation.

## Thematic Goal 2: Build the Business Case for Person-Centered Care Models That Value Dignity, Choice, and Independence



Our second thematic goal recognizes that the way Medicare is currently organized for older adults with complex needs is inefficient and often ineffective, if not harmful, because it is overly medicalized and fails to build plans of care that actually address beneficiaries' full range of needs. A more integrated approach to health and supportive services is critical to better addressing these needs and a more comprehensive care coordination model is required—one that specifically incorporates the needs, values, and preferences of the older adult. This is particularly true for older adults with Medicare only—the population focus of Goal 2.

### RECENT GOAL 2 SUCCESSES:

- AARP, along with The Commonwealth Fund and the Foundation, released the third **Long-Term Services and Supports (LTSS) State Scorecard**.

- The Foundation instituted the first **Pacesetter Prize**, honoring states making the largest improvements since the 2014 LTSS State Scorecard. The impact is evidenced by the overwhelmingly positive response of governors and state staff who won this prize—with all four states (Minnesota, New York, Vermont, and Wisconsin) embracing their efforts and pursuing the next phase of progress.
- We worked with the Five Foundation Collaborative on several bodies of work: 1) refining and growing **The Playbook - Better Care for People with Complex Needs**; 2) supporting the Bipartisan Policy Center's report on **policy options to improve care for Medicare-only individuals**; and 3) incorporating key person-centered care questions in The Dartmouth Institute's **National Survey of ACOs**.
- We showcased the work of the Playbook and the efforts of the Five Foundation Collaborative at **Spotlight Health**, the Aspen Ideas Festival pre-conference, to maximize national awareness and interest in providing person-centered care to high-need, high-cost older adults.
- We updated our media investment strategy, continuing longstanding successful partnerships (e.g., **Associated Press-National Opinion Research Center [AP-NORC]**, **Kaiser Health News**, **Next Avenue**, **Univision**) and cultivated new relationships that leveraged creativity and building community in novel ways (e.g., **Spotlight Health**; **USC's Hollywood, Health & Society**).

## Thematic Goal 3: Create a Viable Set of Long-Term Care Financing Solutions



Our third thematic goal acknowledges that the vast majority of older adults will need some daily living support as they age. The likelihood that any individual might need LTSS is quite variable, with approximately 20 percent of older adults never requiring support while a slightly lower percentage will need high levels of care for five or more years. These costs can be quite substantial, and for many older adults living on fixed incomes, they can easily overwhelm remaining savings and other available resources.

Compounding this problem is people's misperceptions about the likelihood of needing LTSS as they age. As a result, there is little demand for an alternative solution. The largest sources of spending today are personal/out of pocket, then Medicaid. Recent threats to the Medicaid safety net challenge not only those who spend down to poverty, but also create increasing pressure to craft meaningful and much needed solutions for middle-income Americans.

**RECENT GOAL 3 SUCCESSES:**

- Avalere Health used its Medicaid forecasting and simulation model to estimate the impact of per capita caps on federal Medicaid spending, specifically for dual eligibles, along with state-specific impacts. It conducted additional analyses on the impact of the **Medicaid funding proposals** outlined in the Senate's *Better Care Reconciliation Act (BCRA)*, as well as other capped funding scenarios.
- Bipartisan Policy Center further refined policy concepts that would allow all American families to access affordable and viable options to pay for future support needs, issuing its **final recommendations report** in July. One main recommendation from the BPC report – creating a pathway to pay for non-medical services in Medicare Advantage plans – was incorporated into the *CHRONIC Care Act*, passed by the Senate in September and included in the final **Bipartisan Budget Act** in February 2018.
- We collaborated with the Milbank Memorial Fund to support a new project with the **Center for Health Care Strategies and Manatt Health** to outline how states should apply “person-centeredness” when requesting changes to their Medicaid-funded long-term care programs.
- **Univision** added a dedicated “Healthy Aging Day” to its annual Health Week and launched a designated microsite with digital content on topics like caregiving and affording long-term care.
- The **national aging and long-term care poll** completed annually by AP-NORC was released again in 2017, taking the pulse of knowledge, attitudes, and behaviors of Americans aged 40 and older regarding aging, long-term care, and family caregiving.

## The Year Ahead



The final year of the Foundation's current strategic framework is 2018. It will be a year of continued hard work on our current goals while architecting a bold, catalytic, and impact-oriented framework for 2019 and beyond. We will do this by:

1. Accelerating our current activities toward success;
2. Leveraging our multiple partnerships with grantees, consultants, and collaborative funders; and
3. Taking stock of the ever-changing demographic, economic, social, and policy environments that shape daily life for older adults with complex care needs.

Please look forward to our 2018 Annual Report that will celebrate 10 years of The SCAN Foundation and reveal our refreshed strategic framework.

## Grants List

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### Thematic Goal 1

#### **Polling to Evaluate California's CCI**

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, SAN FRANCISCO

\$450,000

9 months

This project continued the Rapid Cycle Polling project previously managed by Field Research Corporation. The 2017 results showed greater confidence in the Coordinated Care Initiative (CCI) and satisfaction among California's dual eligible demonstration enrollees than those who were not enrolled.

#### **State LTSS Improvement Toolkit and Dissemination**

CENTER FOR HEALTH CARE STRATEGIES

\$269,750

9 months

This project produced a toolkit for states on strengthening Medicaid long-term services and supports (LTSS) in an evolving policy environment. It was co-funded by the Milbank Memorial Fund.

#### **Congressional Briefing on Accountability in Person-Centered Care**

ALLIANCE FOR HEALTH POLICY

\$75,000

5 months

This project organized multiple briefings to demonstrate how person-centered quality measurement can inform health care payment mechanisms, and incentivize recognition of what matters most to people.

#### **Implementing New Systems of Integration for Dually Eligible Enrollees (INSIDE)**

CENTER FOR HEALTH CARE STRATEGIES

\$74,665

12 months

This project provided national technical assistance to nine states implementing integrated dual eligible demonstration programs. It was co-funded by the The Commonwealth Fund.

Note: This list reflects all grants that were initiated during the calendar year 2017.

## Grants List

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### Thematic Goal 1, cont.

#### 2017 LTSS Summit Logistics

GOVERNMENT ACTION & COMMUNICATION INSTITUTE (GACI)

\$71,485

8 months

This project provided logistic and vendor support for the 2017 California Summit on Long-Term Services and Supports (LTSS) held in Sacramento on October 26, 2017.

#### Supporting Dual Eligibles' Health Care Decisions in California

GRETCHEN ADDI DESIGN

\$70,000

4 months

This project interviewed Californians who are dually eligible for Medicare and Medi-Cal to understand what matters to them in making health care delivery decisions. This information will be used to build an online prototype tool and resources to better inform their health care choices.

#### State and Federal Impact of Medicaid Per Capita Cap for Dual Eligibles

AVALERE HEALTH, LLC

\$62,640

5 months

This project analyzed Congressional proposals on Medicaid per capita caps, and their impacts on the nation's dual eligible population.

#### CCI Health Plan Learning Collaborative

CALIFORNIA ASSOCIATION OF HEALTH PLANS

\$35,000

9 months

This project provided support for the Coordinated Care Initiative (CCI) Learning Collaborative of participating duals demonstration health plans.

Note: This list reflects all grants that were initiated during the calendar year 2017.

## Grants List

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### Thematic Goal 1, cont.

#### **Project Coordination of Rapid Cycle Polling and CCI Evaluation**

PUBLIC CONSULTING GROUP

\$24,750

6 months

This project supported the Coordinated Care Initiative (CCI) evaluation efforts of the University of California, San Francisco, and Field Research Corporation, ensuring the Department of Health Care Services provided necessary data for the research and coordination between the organizations.

#### **Leadership Strategy Retreat 2017**

LONG-TERM QUALITY ALLIANCE

\$19,965

6 months

This project convened long-term services and supports (LTSS) stakeholders to address opportunities for advancing high-quality, person-centered, integrated care and services, and develop shared strategies to achieve more widespread LTSS integration.

#### **Linkage Lab 2: Case Studies**

COLLABORATIVE CONSULTING, INC.

\$11,000

J. SOLOMON CONSULTING LLC

\$6,600

4 months

This project supported the development of six case studies, one for each of the California organizations that participated in the second cohort of the Linkage Lab Academy.

Note: This list reflects all grants that were initiated during the calendar year 2017.

## Grants List

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### Thematic Goal 2

#### Spotlight Health 2017

THE ASPEN INSTITUTE

\$250,000

12 months

This project highlighted The Playbook: Better Care for People with Complex Needs, as well as other person-centered care and caregiving topics, at the 2017 Spotlight Health pre-conference to the Aspen Ideas Festival.

#### Kaiser Health News' Coverage of Aging and Long-Term Care

HENRY J. KAISER FAMILY FOUNDATION

\$250,000

12 months

This project supported core digital coverage and video on aging and long-term care issues, including deeper dives into government programs and the effects of policy changes.

#### Aging and Long-Term Care in the Hispanic Community

UNIVISION NETWORK

\$250,000

21 months

This project conducted formative research and produced original digital content and television programming on aging with dignity and planning for long-term care for Spanish-speaking audiences in California and nationwide.

#### Changing the Narrative: Aging and Person-Centered Care in Entertainment

HOLLYWOOD, HEALTH & SOCIETY

\$200,000

21 months

This project promoted person-centered care storylines in entertainment and worked to improve the diversity of portrayals of older adults and aging to touch a variety of television and film audiences.

Note: This list reflects all grants that were initiated during the calendar year 2017.

## Grants List

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### Thematic Goal 2, cont.

#### Person-Centered Care and Long-Term Care Coverage for Next Avenue Platform

TWIN CITIES PUBLIC TELEVISION

\$199,664

16 months

This project produced original news coverage on person-centered care, long-term care, and federal policy issues for its online platform and social media channels.

#### Inaugural Pacesetter Prize

MCCABE MESSAGE PARTNERS

\$160,000

15 months

NATIONAL CONFERENCE OF STATE LEGISLATURES

\$49,747

11 months

ELLEN O'BRIEN

\$39,200

12 months

This project developed the Foundation's first Pacesetter Prize based on the results of the Long-Term Services and Supports (LTSS) State Scorecard. Activities included developing the local events, national messaging, and communication products, as well as creating a national dialogue about the policies, practices, and impacts of the winning states.

#### Building Sustainability of Person-Centered Care Models in California

VICTOR TABBUSH CONSULTING

\$93,500

23 months

This project provided technical assistance to four hospital systems and 21 medical provider groups to develop the business case for their person-centered models of care.

Note: This list reflects all grants that were initiated during the calendar year 2017.

## Grants List

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### Thematic Goal 2, cont.

#### Identifying ACO Strategies for High-Need, High-Cost Individuals

NATIONAL ASSOCIATION OF ACCOUNTABLE CARE ORGANIZATIONS

\$75,000

6 months

This project supported planning activities to assess accountable care organization (ACO) needs and readiness for implementation.

#### The Playbook: Better Care for People with Complex Needs

INSTITUTE FOR HEALTHCARE IMPROVEMENT

\$75,000

12 months

This project, co-funded by The Commonwealth Fund, The John A. Hartford Foundation, Peterson Center on Healthcare, and the Robert Wood Johnson Foundation, refined and updated the Playbook – a curated set of resources on providing and sustaining care.

#### Understanding ACOs' Management of High-Need, High-Cost Beneficiaries

TRUSTEES OF DARTMOUTH COLLEGE

\$50,000

19 months

This project, co-funded with The Commonwealth Fund, The John A. Hartford Foundation, Peterson Center on Health Care, and the Robert Wood Johnson Foundation upgraded the national survey of accountable care organizations (ACOs) to compare capabilities of ACOs to identify, manage, and treat high-need, high-cost populations.

#### Payment Models for Effective Care Management Programs

PACIFIC BUSINESS GROUP ON HEALTH

\$50,000

8 months

This project, co-funded with The Commonwealth Fund, supported qualitative research to understand the payer-provider contractual relationships for high-need, high-cost populations.

Note: This list reflects all grants that were initiated during the calendar year 2017.

## Grants List

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### Thematic Goal 2, cont.

#### **Campaign to Disseminate Best Practices for People with Complex Needs**

GRANTMAKERS IN AGING

\$35,000

11 months

This project, in partnership with Grantmakers in Health, supported the dissemination of The Playbook: Better Care for People with Complex Needs. It was co-funded by The Commonwealth Fund, The John A. Hartford Foundation, and the Robert Wood Johnson Foundation.

#### **A Blueprint to Advance the Field of Complex Care**

CAMDEN COALITION OF HEALTH CARE PROVIDERS

\$35,000

12 months

This project, co-funded by The Commonwealth Fund and Robert Wood Johnson Foundation, supported the development of a national blueprint to guide the design and advancement of the field of complex care.

#### **Implementing Better Care for Special Needs Populations**

SPECIAL NEEDS PLAN ALLIANCE, INC.

\$34,810

4 months

This project engaged 10 special needs plans to explore potential person-centered care models for high-need, high-cost populations and develop an implementation strategy.

#### **Case Studies for California's Innovation in Health Care Award**

COLLABORATIVE CONSULTING, INC.

\$10,000

3 months

This project developed 10 case studies on the California-based partnerships between health care and community organizations that submitted entries for the 2017 Innovation in Health Care Award and honorable mentions.

Note: This list reflects all grants that were initiated during the calendar year 2017.

## Grants List

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### Thematic Goal 3

#### **Long-Term Care Public Opinion Research and Dissemination**

ASSOCIATED PRESS-NATIONAL OPINION RESEARCH CENTER

\$586,850

24 months

This project extended national research, as well as product creation and dissemination, on the public's understanding, perceptions, and experiences with long-term care.

#### **Briefings on State Medicaid LTSS Reform**

ALLIANCE FOR HEALTH POLICY

\$72,713

5 months

This project organized briefings to highlight emerging best practices in Medicaid long-term services and supports (LTSS) program design that promotes high-quality, cost-effective, person-centered care.

#### **Policy and Communications Strategies for Long-Term Care Financing**

BIPARTISAN POLICY CENTER

\$64,315

4 months

This project produced a summary report on long-term care financing recommendations and elevated the topic as a national issue.

Note: This list reflects all grants that were initiated during the calendar year 2017.

# Financial Statements

## Statements of Financial Position as of December 31, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$5,926,674	\$3,519,183
Investments	216,704,664	199,268,545
Interest and dividend receivables	312,993	288,431
Prepaid expenses and other current assets	2,372	34,080
Total current assets	222,946,703	203,110,239
<b>PROPERTY AND EQUIPMENT—Net</b>	152,642	138,783
<b>INVESTMENTS</b>	913,937	747,344
<b>MISSION-IMPACT INVESTMENTS</b>	999,998	999,998
<b>DEPOSITS AND OTHER ASSETS</b>	18,072	18,072
<b>TOTAL ASSETS</b>	<b>\$225,031,352</b>	<b>\$205,014,436</b>

<b>LIABILITIES AND UNRESTRICTED NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$205,485	\$68,491
Accrued payroll and related benefits	607,808	746,622
Grants payable	1,918,876	3,564,900
Due to parent and affiliates	35,687	-
Total current liabilities	2,767,856	4,380,013
<b>DEFERRED COMPENSATION</b>	913,937	747,344
<b>DEFERRED RENT</b>	244,447	252,254
<b>GRANTS PAYABLE</b>	361,552	1,078,547
Total liabilities	4,287,792	6,458,158
<b>NET UNRESTRICTED ASSETS</b>	220,743,560	198,556,278
<b>TOTAL LIABILITIES + UNRESTRICTED NET ASSETS</b>	<b>\$225,031,352</b>	<b>\$205,014,436</b>

## Financial Statements

### Statements of Activities and Changes in Unrestricted Net Assets for the Years Ending December 31, 2017 and 2016

	2017	2016
<b>NET REVENUES—Investment income</b>	\$10,487,327	\$9,023,436
<b>OPERATING EXPENSES:</b>		
Grants donation expense	2,343,485	3,985,256
Program expense	4,506,532	4,572,675
General and administrative expense	1,536,250	1,369,646
Depreciation and amortization	15,957	15,472
Total operating expenses	8,402,224	9,943,049
<b>NET REALIZED INVESTMENT INCOME (DEFICIENCY)</b>		
<b>OVER OPERATING EXPENSES</b>	2,085,103	(919,613)
<b>CHANGE IN UNREALIZED GAIN ON INVESTMENTS—Net</b>	20,102,179	6,648,782
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	22,187,282	5,729,169
<b>UNRESTRICTED NET ASSETS—Beginning of year</b>	198,556,278	192,827,109
<b>UNRESTRICTED NET ASSETS—End of year</b>	<b>\$220,743,560</b>	<b>\$198,556,278</b>

## 2017 Board of Directors

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Jennie Chin Hansen, RN, MS, FAAN, Chair

Melanie Bella, MBA

Colleen Cain

Bruce A. Chernof, MD, FACP

Ivelisse R. Estrada

Tom Higgins

Francesca "Cesca" Ruiz De Luzuriaga

Cheryl Phillips, MD, AGSF

Carol Raphael, MPA

Patrick Seaver

Ryan M. Trimble, DDS, MBA

## Executive Staff

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**Bruce A. Chernof,**  
**MD, FACP**  
*President &  
Chief Executive Officer*



**Gretchen E. Alkema,**  
**PhD**  
*Vice President  
Policy and Communications*



**René Seidel,**  
**Dipl. Soz. Paed. (FH)**  
*Vice President  
Programs and Operations*

## Program Staff

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**Megan Burke, MSW**  
*Policy Analyst*



**Megan Juring**  
*Program Officer*



**Mari Nicholson, MHS**  
*Director of Communications*



**Kali Peterson, MS, MPA**  
*Program Officer*



**Karen Scheboth, MS**  
*Director of Grants Administration*



**Sarah S. Steenhausen, MS**  
*Senior Policy Advisor*



**Eric Thai, CPA, MBA**  
*Director of Finance*



**Erin Westphal, MS**  
*Program Officer*

## Administrative Staff

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**Gina Alferez**  
*Executive Assistant*



**Susan Doles**  
*Program Associate*



**Renata McElvany**  
*Program Associate*



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