



# THE VALUE AND IMPORTANCE OF MEDICARE STAR RATINGS

Retain customers, grow  
your business, and improve  
customer satisfaction



# The Value and Importance of Medicare Star Ratings

Health insurance brokers have to show Star Ratings determined by the Centers for Medicare and Medicaid Services (CMS) by law, but did you know that there's more to them than just the required document you show your clients?



# Three Things to Understand about Star Ratings

**1** Star Ratings may change from one year to the next because performance is being continually measured.

This keeps Star Ratings true to the current reflection of quality. Some of the metrics that Star Ratings are based on include:



Are your clients getting the doctor appointments, services and preventive care they need to be healthy?



If your clients have a chronic condition, are they getting the care and treatments needed to manage their condition?



How happy are they with their health plan overall?



How easy is it for your clients to get answers or assistance when they need help from their healthcare provider?

# Three Things to Understand about Star Ratings

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**CMS pays a bonus to Medicare Advantage Plans that earn at least four stars.**

As a not-for-profit, SCAN relies on our Medicare funding to deliver the benefits and services our members depend on. The bonus we earn from our high Star Rating enables us to offer comprehensive benefits of real value to our members year after year.

# Three Things to Understand about Star Ratings



**Star Ratings are not the full story.**

While Star Ratings are one objective measure for people with Medicare to compare health plans, there are many more important factors to consider when choosing a plan that is right for them.

**So, what is the full story?**



# Quality Beyond Stars

SCAN is dedicated to offering quality benefits to our members regardless of the Star Ratings we receive. We're talking about the offerings your clients often ask you about first.

## We offer:

- 1 Choice of quality, local doctors and hospitals
- 2 Comprehensive, dependable, low-cost coverage
- 3 Generous formulary
- 4 And many extras beyond Original Medicare



# Why Recommend Plans with Consistently High Star Ratings?

In markets with a lot of look-alike benefits and even look-alike networks, Star Ratings can be a differentiator. The Centers for Medicare and Medicaid Services (CMS) has rated SCAN 4.5 out of 5 stars for 2023—making SCAN the only plan in California to maintain 4.5 stars for six straight years.\*



\* 4.5 out of 5 stars rating applies to all plans offered in California by SCAN Health Plan from 2018 to 2023 except SCAN Healthy at Home (HMO SNP) and VillageHealth (HMO-POS SNP). Every year, Medicare evaluates plans based on a five-star rating system.

# Provider Stability and Star Ratings

## Revenue:

The Star Ratings bonus drives more revenue to highly rated plans. The most significant boost is between 3.5 and 4 stars, as seen in the chart below. However, when Star Ratings drop to 3.5 or lower, the bonus revenue drops considerably. Capitated providers are paid on a percent-of-revenue basis, so provider groups see a large percentage of the Star Ratings bonus. And while CMS requires at least 85% of total revenue to go towards medical costs, SCAN

historically has paid more than this. To quantify the real-world impact the Star Ratings bonus brings using the Quality Bonus Example below, let's imagine a provider group that has 5,000 members of a certain plan. The difference in bonus revenue between a 4.5/5.0 rating and a 3.5 rating for this plan would be \$3.6 million annually. If the rating drops to 3 stars, the revenue difference is almost \$6 million.\*

### Quality Bonus Example: Los Angeles County

Star Rating:	4.5 / 5.0	4.0	3.5	3.0 and Lower
Rev at RAF 1.0	\$1,147.39	\$1,131.88	\$1,075.29	\$1,031.10
Variance to 4.5 / 5.0	—	(\$15.51)	(\$72.10)	(\$116.29)

\*Annual bonus example calculation: Multiply the 3.5 Rating Variance to 4.5/5.0 (\$72.10), the minimum Cap Rate that is paid to groups (85%), the size of the example group (5,000 members), and 12 months to annualize the result (\$3.6 million).

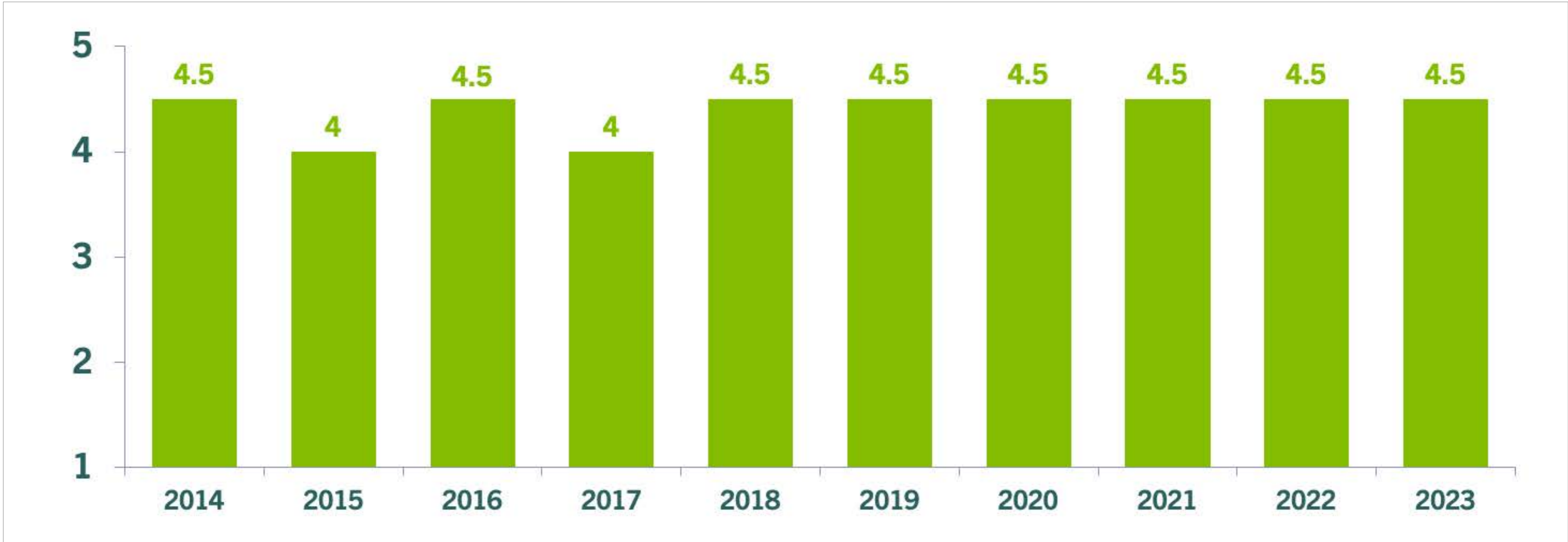


# Provider Stability and Star Ratings

## Quality and Consistency:

The additional revenue coming from the Star Ratings bonus enables providers to invest in the measures they impact directly, such as access to care, coordination of care, and other measures that drive CAHPS performance. This commitment to continually

improving performance positively impacts our members' quality of care and our contracting decisions. Having maintained 4 stars or higher for the past 10 years, this bonus is a consistent revenue stream for SCAN's providers.



# Provider Stability and Star Ratings

## Customer Satisfaction, Consistency, and Referrals Drive Growth:

Provider stability, along with benefit consistency and great service all lead to member satisfaction. That, in turn, leads to higher star ratings—it's one of the many metrics that decide the ratings! More satisfied clients mean more clients referring your services to their friends and family.

And while plans with lower Star Ratings may appear to have more enticing benefits, they may not be sustainable in the long run—causing you to switch your clients from plan-to-plan year after year. With your current clients in a trusted plan, like SCAN, you can focus more of your time on growing your book of business.



# Why SCAN?

What makes SCAN different from other four-plus star rated plans?

Our mission is to keep seniors healthy and independent. That's been our singular focus since our founding in 1977 – long before Star Ratings were introduced in 2008. SCAN is, and has always been:



## Not-for-profit:

As one of the nation's largest not-for-profit Medicare Advantage plans, we answer to our members, not stakeholders.



## Experts in Medicare:

Unlike other carriers, SCAN is Medicare only. More specifically, Medicare Advantage only. We know this market and we know our members.



## Committed to sustainable, long-term benefits:

While some other plans may offer enticing benefits, SCAN is dedicated to offering sustainable, reliable benefits of real value year over year. Our Star Ratings bonus plays a role in our ability to do this.



## Known for our Member Services:

Our Member Services team is comprised of award-winning, extensively trained, and genuinely caring representatives.



## Dedicated to sales support:

We are proud of our service to brokers as well as your clients. We know how instrumental our BAEs are, for example.

# How You Can Impact Star Ratings

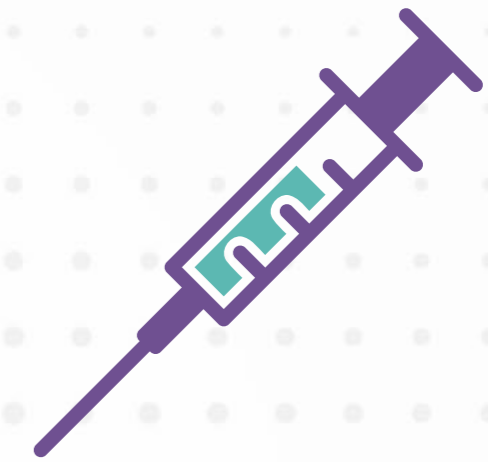
Great brokers take an active role in their clients' healthcare management and stay in touch to get to know their needs. Regular check-ins with your clients to maintain your relationship builds trust and keeps them invested in your services. This open line of communication is not only beneficial for customer satisfaction, but also keeps you attuned to your clients' changing needs to ensure they are taking full advantage of their plan benefits.

## Remind and encourage your clients to:

- 1 See their doctors regularly.
- 2 Get their preventive care and screenings.
- 3 Take their prescription medications as directed.
- 4 Provide feedback via surveys.



Regular Check-Ups



Flu Shots



3-month Supply  
of Medicine



Medicare Surveys

# How to Present Star Ratings

Being a trusted advisor helps you maintain client relations, helps SCAN maintain our Star Ratings, and, most importantly, helps your clients stay healthy and independent. So, how do you bring star ratings into the discussion? Use Star Ratings as an additional fact when making your recommendations.



Present to your clients as you normally would – showcasing the plans that fit their needs for providers, prescriptions, coverage and costs.



Bring in the Star Ratings as a point of differentiation, explaining that Star Ratings are an objective measure of quality from Medicare.



Address questions and share your experience working with higher rated plans.

# Aiming Beyond the Stars

As a broker, your clients trust you to find the plan that fits their needs at an affordable price. Star Ratings can and should play a role in this selection.

- 1 Higher rated plans are more likely to have**
  - a. High-quality service
  - b. Sustainable benefits
  - c. Long-term customer satisfaction
- 2 Placing your clients in higher rated plans**
  - a. Improves client retention year to year
  - b. Increases customer satisfaction and referrals
  - c. Frees up more time to grow your business
- 3 What you can do:**
  - a. Present Star Ratings in-context with your clients
  - b. Trust your clients with high rated plans like SCAN
  - c. Keep in touch with clients to help ensure they are staying on top of their care



# Delivering the SCAN Experience

In California, we've earned the following awards and accolades for 2023\*. And we're working to deliver the same, consistent SCAN experience everywhere.



\*4.5 out of 5 stars rating applies to all plans offered in California by SCAN Health Plan from 2018 to 2023 except SCAN Healthy at Home (HMO SNP) and VillageHealth (HMO-POS SNP). Every year, Medicare evaluates plans based on a five-star rating system.



**To learn more about the value and importance of Medicare Star Ratings,  
head to [SCANAgentPortal.com](https://SCANAgentPortal.com) or get in touch with us  
at [StarQuality@scanhealthplan.com](mailto:StarQuality@scanhealthplan.com).**

For other questions or support please contact  
your Broker Account Executive or send an email  
to [SalesSupportTeam@scanhealthplan.com](mailto:SalesSupportTeam@scanhealthplan.com).