Managed Care Contracts: The Win-Win Approach

Debbie Cagle
Chief Marketing Officer
Centerstone at a Glance

- National, private, not-for-profit 501(c)(3) healthcare organization
- 60+ years in operation
- Specializing in the treatment and rehabilitation of individuals with mental illness, addictions, traumas, and intellectual/developmental disabilities
- Five state primary footprint; specialized services spanning all 50 states
- CARF and Joint Commission Accredited
  - Including specialized CARF Accreditation – Adult and Children & Youth Health Home

In FY2016

People Served
- 172,000+
- 49%-Male | 51%-Female
- All ages served

Services Provided
- 2,781,000+

Staff
- 5,000+ clinical and administrative staff and a national network of over 700 contract therapists

Signature Service Lines
- Health Homes
- Integrated Primary Care
- MAT/Addiction Services
- Hospital and Crisis Services
- Active Military and Veterans
- Intellectual and Developmental Disabilities
Centerstone Reach

Centerstone’s reach is spread across the United States with concentration in five states: FL, IL, IN, KY and TN.

Centerstone’s psychiatric inpatient unit in Florida and addiction centers in Florida and Kentucky draw patients from across the nation.
Centerstone Contracting

Five state footprint with hundreds of managed care contracts; over 50 active payer discussions at present.

Small, but Experienced Team – 2 1/4 FTE’s supporting five states.

Over 75 years of combined managed care experience.

Team is committed to increasing revenue and developing long-term sustainable contracts.

Dependent on information and state business unit resources to be successful.
Current Fiscal State

Medical Loss

- 105%
- Utilization (ED + Hospital) MLR
- Need for Value Based Care
- Paid Claims (MLR + Interest)
- No Incentive Payment to CKY

Revenue

- Paid Claims
- 105%
- Incentive
- ($1M)
Proposed by Health Plan

Medical Loss

- 100% Rates (+5%)
- MLR Utilization (90% of Savings Pool)
  Paid Claims Promise
  Credentialing Promise
- Value Based Care

Revenue

- Infrastructure Cost
- 100% Rates (-5%)
- Incentive (10% of Savings Pool)
  Paid Claims Promise
  Credentialing Promise
- Value Based Care (Fiscal Risk)

Partnership Relationship
Proposed by Centerstone

**Medical Loss**
- ↓ 100% Rates (+5%)
- ↑ 105% Rates (for Limited Select Services)
- ↑ MLR Utilization (60% of Savings Pool)
  - Paid Claims Promise
  - Credentialing Promise
- ↑ Value Based Care

**Revenue**
- ↑ Infrastructure Cost
- ↓ 100% Rates (-5%)
- ↑ 105% Rates (for Limited Select Services)
  - Incentive (40% of Savings Pool)
- ↑ Paid Claims Promise
- ↑ Credentialing Promise
- ↑ Value Based Care (Fiscal Risk)

**Partnership Relationship**
Final Proposal

Medical Loss
- 100% Rates (+5%)
- MLR Utilization (Tiered Savings Band)
- High Utilizer Pilot with additional new members (new revenue & larger shared savings pool)
- Paid Claims Promise
- Credentialing Promise
- Value Based Care

Revenue
- Infrastructure Cost
- 100% Rates (-5%)
- Incentive (Tiered % of Shared Savings Pool)
- High Utilizer Pilot – addtl. new members (new revenue & larger shared savings pool)
- Paid Claims Promise
- Credentialing Promise
- Value Based Care (Fiscal Risk)

Partnership Relationship
How We Get There

The Good | The Bad | The Ugly

Training & Coaching in Change | The New Clinical Norm

Marketing to MCOs

Managed Care Contracts

#NATCON17 #BH365
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