

FACT SHEET: CENTENE CORPORATION

General Context

More than half of all Medicaid beneficiaries nationally receive most or all of their care from risk-based managed care organizations (MCOs) that contract with state Medicaid programs to deliver comprehensive Medicaid services to enrollees. Although not all state Medicaid programs contract with MCOs, a large and growing majority do, and states are also rapidly expanding their use of MCOs to reach larger geographic areas, serve more medically complex beneficiaries, deliver long-term services and supports, and, in states that have expanded Medicaid under the Affordable Care Act (ACA), to serve millions of newly eligible low-income adults.

Total Medicaid MCO spending in the US (FY2014) was \$162B, which comprised 34% of total Medicaid spending.¹

Centene

1. Centene Corporation, a publically traded Fortune 500 company (#186), is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government sponsored healthcare programs, focusing on under-insured and uninsured individuals. Centene (ticker: CNC) operates in 25 states² and as of March 2016, provides Medicaid MCO services in 17 states.³ However, Centene is only providing Medicaid MLTSS in Arizona, Texas, and Georgia.⁴
2. Centene also operates in integrated care programs in Florida and Ohio.
3. Centene reports that its 2015 revenues were \$21.3B, earnings were \$356M, and \$7.3M in total assets.⁵
4. In Centene Corporation's 2015 annual report, they sought to increase managed care membership in the U.S. The report expressed that managed care membership increased by 5.1 million members. The report also highlights Centene's interest in expanding access to underserved populations including Medicaid/CHIP (150,000 enrollees,) Foster Care (83,000 enrollees,) Medicare (One Special Needs Plan,) LTSS and I/DD (75,000 enrollees.)⁶
5. Centene was recently awarded 3 zones in HealthChoices Physical Health for Contract years 2017-2019 – SW, SE and Lehigh Capital.⁷
6. 2014 revenues of \$16.6B (\$271M in profits) and 83% of its \$22.8B (\$355M in profits)⁸ in 2015 revenue came from Medicaid services.⁹
7. Centene has 9.5% of the Medicaid MLTSS market share as of June 2016 in Arizona, whereas UHC and Mercy have close to 20%.¹⁰
8. On March 24, 2016, Centene announced that it has completed its acquisition of Health Net, Inc. With the acquisition, Centene is now one of the largest providers of Medicaid, Medicare Advantage, and other government-sponsored and commercial programs in the country. Together with Health Net, Centene

provides access to affordable healthcare to more than 11 million members across the country.¹¹

9. On January 27, 2016, BBC reported that Centene was conducting an internal search for six hard drives containing the medical records of ~950,000 people who had received laboratory services between 2009 and 2015. Customers' names, addresses and DOBs were included, as well as their SSNs, membership details and health information.¹²
10. In 2013, Buckeye Community Health Plan (OH) was fined \$15,000 for failing to meet provider panel requirements. In 2010, Superior Health Plan (TX) was fined \$129,750 for failing to meet standards for appealed acute clean claims in STAR and CHIP (\$110,250), failing to meet standard for prompt live response to call center calls for CHIP, STAR and STAR+ PLUS and underperforming on standards for behavioral health and acute care appealed claims (\$19,500).¹³
11. Satisfaction of Bridgeway Health Solutions (AZ LTSS Plan) is at about 70.7% overall among participants.¹⁴ Superior Health Plan (TX LTSS Plan) is rated below average in coordination of care by participants in NCQA and merely rated average by participants in satisfaction surveys administered through STAR+ (TX Medicaid MLTSS program.)¹⁵
12. Satisfaction of claims processing and resolution of claims, as of 2015, is a bit lower in AZ. A little more than 52.3% of providers are satisfied with Bridgeway's resolution of claims issues.¹⁶ Provider satisfaction for Superior Health plan included need for improvement in call center service staff.¹⁷
13. Centene has expressed possibly working with the AAAs in the past. Representatives have shown interest in partnering for service coordination, care transitions, nursing home transitions, and other services in PA.
14. In their other LTSS plans, Centene has built a local care management capability by recruiting care managers from within the community. Reports show that Centene likes to ensure those authorizing care plans are not those providing services; they value conflict-free care management.¹⁸
15. Service providers listed in Superior Health Plan's Provider Manual do not include care coordination or service coordination. It does include ancillary, long-term care, primary care, specialty care, and hospital care services.¹⁹
16. Centene uses [Casenet](#) as its health information management system.
17. Centene plans to move from FFS payment models to PMPM payments in PA.
18. Centene offers risk stratified caseloads (i.e., high caseloads for low risk participants and lower caseloads for high risk participants.)