

Sent: Tuesday, May 26, 2015 9:37 AM  
To: KEELING Ryan W \* DCBS  
Subject: Comment on Centene purchase of Agate

To Whom it May Concern:

I have worked in the field of Community Mental Health for over 20 years in Lance County and consider myself a Stakeholder in this decision. I have worked at Private Non-Profit Mental Health agencies throughout my career and have focused on working with disadvantaged children and families. Due to the high percentage of Medicaid recipients I work with, I, and the agency I work for will be greatly impacted by the decision you make about this sale at the state level.

When Trillium took over from LaneCare years ago, the process of providing services became more and more difficult from the view of a Provider. There were rate reductions, percentages of withholds, additional paperwork, and additional authorizations needed. Children needing more intensive services were required to try and fail through lower levels of service, often for 3-9 months, before receiving what was recommended by clinicians in the first place. On top of that, the process of decision-making at Trillium was less transparent than in the previous years of working with LaneCare and now there were profits being extracted out of the Medicaid funds in addition to lots of administrative costs. I do not know what percentage went to cover administrative costs. The problems with less transparency, more hassle, and profit extraction were somewhat mitigated by Agate being Oregon-run, extracting a reasonable 3-3.5% profit, and that we providers were able to work with former LaneCare employees who we liked and had trust in. Given Trillium's tight management of the Medicaid funds, they had a hard time disbursing all of the money coming in and ended up with too many dollars in reserve year after year.

Enter Centene. Centene representatives have indicated that they will want to start at 7% profit and go up from there. Centene profits leave the State and go to their headquarters in St. Louis. Those profits are at that 7% or higher rate after compensating Centene CEO Michael Neidoroff nearly 20 million in 2014. (His pay will undoubtedly go up as he has acquired the highly profitable Agate, which earned 3.9 million in 2013 and 8 million in 2014 whilst taking only 3.5%.) Centene will need to go more than double that amount to get to their 7 or more percent, while also meeting the required yearly 2% reduction in costs to the Federal government while also supporting their overhead and highly paid executives. Remember Trillium's problem with accumulating reserves? To assist in the transition to Centene and avoid extra scrutiny in the sale, Trillium just gave about 5 million dollars to the County that they had accumulated.

Where will the money come from? Centene will say things like "economy of scale," "efficiency," "elimination of fraud," "eliminating unnecessary services," and probably a bunch of other good-sounding things. I assure you that I will see, from the trenches, service reduction to needy children and families, reimbursement rate reductions, bankruptcy of Non-Profits, and agency-level stress to decrease labor costs. I work at a wonderful agency and we have very dedicated, talented, hard-working people with passion for their work who are not paid nearly what they are worth. Indeed, we have some staff with Bachelor's Degrees, who are making very close to Minimum Wage. My own salary, as a Director of two programs, is approximately 0.0025% of what Centene's CEO makes.

What does the purchase of Agate look like to me? Robbery of public money which is supposed to stay in my in my community to help kids and families. The State of Oregon can and should manage this money and not turn it over to out-of-state profiteers. The Federal Government can manage Medicare with an overhead of 2%. What on earth is going on? Why would we turn over our tax money to a company who will take 7% minimum in profit and probably will not disclose what the overhead is?

Thank you for your  
consideration, Mark Beach

Some figures and information above are gleaned from my associations within the provider community and some are from: <https://www.thelundreport.org/content/trillium-sale-fortune-500-company-comes-under-scrutiny>

Be kinder than necessary because everyone you meet is fighting some kind of battle.  
- John Watson

<http://collaborativeparent.org/><<http://collaborativeparent.blogspot.com/>>