

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Community Health Systems, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions] Your first question comes from Justin Lake with UBS.

Justin Lake - UBS

Thanks, good morning. Couple of questions, just first on commercial pricing, can you talk a little bit about what you are seeing for managed care, specifically. There has been a lot of chatter in the market that we might be seeing an inflection point here as far as our hospital negotiations.

Are you seeing anything there that you kind of point to as far as managed care's willingness to give up price or your ability to get better price from them and maybe talk to what those points are?

W. Larry Cash - Executive Vice President and Chief Financial Officer

Yeah, this is Larry. Our guidance has been 5% to 7%, and we pretty much think we are staying in that range of 5% to 7%. We do have some anticipated synergies in \$145 million for managed care, which I think were achieved for the year and talking to our managed care directors, they feel pretty confident about we will be within that range and I think that's been our range for a while. So, I wouldn't think that we would expect to be lot any outside that range right now.

Wayne Smith - Chairman, President and Chief Executive Officer

But one of the things that's helped us in terms of managed care if you recall, is the fact that we've been able to consolidate our operations in individual states and having one manager over that particular state as opposed to the way Triad did it by individual hospital and that's given us a little advantage currently in terms of working through our contracts.

Justin Lake - UBS

Great. And when you sit down with your counterpart, someone who is going to plan, and you talk about a certain pool of revenue, for instance that, you're putting together community in Triad and you're talking to, trying to get your rates obviously closer to Triad's are getting a better rate on that total pool.

Is there any thing that you're seeing from the employer community or the plan that's changed as far as your ability to get them to move closer to that higher rate? And within that 5% to 7% is there, do you feel like you're moving towards the higher end of that range from maybe, five to six. Is there any movement within that range that you can talk about?

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.