

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.

Coventry Health Care Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Yes, sir. The question-and-answer session will be conducted electronically. [Operator Instructions]. We will take our first question from Carl McDonald with Oppenheimer.

Carl McDonald - Oppenheimer & Co.

Thanks. I'd be interested in your commentary about how the 2009 repricing is going. As you mentioned, you are targeting at the 150 basis point miss. Do you feel like you are getting that in the renewal pricing and any comments you have on anything that's changed over the last month or so because of the economy in those negotiations?

Dale B. Wolf - President and Chief Executive Officer

Carl, I think that I am going to give you an answer of mostly it's too soon to know exactly. There's no question, we will get it. The only question is what happens to volume and it is just too early to tell. When you think about the timing of this, while we did put a little bit of this sort in March that would have begun to be felt as Shawn mentioned before at the fourth quarter. This is not going to take hold very much of all except in 2009. So it's too early to tell how much impact this will have in the marketplace. But we will get the price.

Carl McDonald - Oppenheimer & Co.

And then just to, anything related to the economy in terms of the commentary do you see greater pushback from employers or more focus on cost sharing?

Dale B. Wolf - President and Chief Executive Officer

Yes. I think the answer to both of those is yes. But I don't think that's new particularly. I mean it's a competitive business. Employers have been pushing back for years. It would be indiscernible whether the pushback was higher or lower than it was three months ago and six months ago and 12 months ago. It's a seriously competitive business with pushback from the customers and negotiation around rate increases. And certainly to your second point, buy downs, call them what you want, whatever form they take have been a feature in the landscape for several years and continue to be and will continue to be.

Carl McDonald - Oppenheimer & Co.

Thank you.

Operator

We will now take our next question from Tom Carroll with Stifel Nicolaus.

Thomas Carroll - Stifel Nicolaus & Company, Inc

Good evening, gentlemen. I guess, just a couple of quick things and just to follow-up on Carl's question. Would you suggest that the Medicare bids for 2009 are your biggest concern, as you would contemplate next year's numbers?

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