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When Coverage, Quality, & Cost Collide in SUD Care

What Leading Organizations Do Differently: *A Caron Case Study*

Today's Moderator & Speaker

Moderator:

Stuart Buttlaire, Ph.D.

Vice President Of Clinical Excellence & Leadership, *OPEN MINDS*

Speaker:

Lee Peterson

Executive Director of Revenue Cycle and Payer Relations, *Caron Treatment Centers*

What You'll Learn:

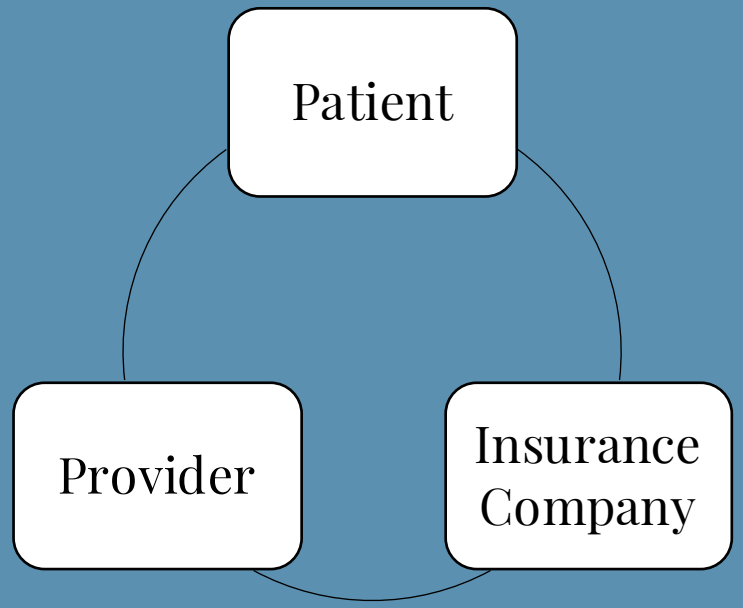
- Why provider-payer collaboration has become a strategic priority in SUD care
- How Caron Treatment Centers aligned coverage, quality, outcomes, and financial sustainability
- Strategies for strengthening trust, transparency, and shared accountability with payers
- Actionable lessons to help organizations prepare for the future of value-based care

Why This Matters Now

SUD treatment is moving from episodes of care and fee-for-service toward an accountable model built on measurable outcomes, continuity, and demonstrable value.

- ✓ Payers increasingly expect credible outcomes, care continuity, and proof of value.
- ✓ Value-based payment and alternative payment models continue to expand.
- ✓ Accountability is shifting the field from volume toward measurable results.
- ✓ Providers who show outcomes, coordinate across levels of care, and engage payers as strategic partners will be best positioned.

The Biggest Challenges in Provider-Payer Collaboration



Lack of Shared Definitions

Quality, value, engagement, and recovery often mean different things operationally.

Fragmented Care Journeys

Patients move across detox, residential, PHP, IOP, outpatient, peer, and primary care, but data and reimbursement rarely follow them.

Short-Term Measurement Bias

Payers need near-term indicators, while recovery outcomes unfold over longer horizons.

Limited Outcome Standardization

The field still lacks consensus on which SUD outcomes should define quality and value.

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Different Perspectives. Shared Goal.

Providers Prioritize:

- ✓ Clinical outcomes
- ✓ Patient engagement
- ✓ Recovery
- ✓ Whole-person care
- ✓ Long-term success

Payers Prioritize:

- ✓ Access
- ✓ Quality
- ✓ Cost
- ✓ Utilization
- ✓ Member experience

The challenge isn't competing goals – it's *aligning how success is measured*.

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Where The Misalignment Occurs

Misalignment Area	Provider Perspective	Payer Perspective	Bridge Strategy
Coverage Decisions	Clinical complexity and individualized placement drive level-of-care decisions.	Medical necessity, network policy, and utilization criteria drive approvals.	Shared criteria, early case review, and clearer escalation pathways.
Quality Expectations	Clinical depth, engagement, family work, relapse prevention, and recovery support.	Measurable, comparable indicators across providers.	Agree on a limited set of meaningful process, outcome, and experience metrics.
Outcomes Measurement	Recovery is longitudinal and multidimensional.	Outcomes must be timely, auditable, and linked to cost and utilization.	Use both short-term leading indicators and longer-term recovery measures.
Reimbursement Structures	Fee-for-service underfunds coordination, family services, and post-discharge engagement.	Payment must reflect appropriate utilization and value for covered populations.	Explore case rates, bundled payments, pay-for-performance, or shared quality initiatives.
Care Transitions	Continuity is essential to sustained recovery.	Transitions are high-risk moments for readmission, relapse, and avoidable utilization.	Warm handoffs, post-discharge engagement protocols, and shared care plans.

"Value-Based" Alignment?

Not always — providers and payers often mean different things by "value."

Providers define value as clinical effectiveness, patient engagement, family stabilization, sustained recovery, and whole-person improvement.

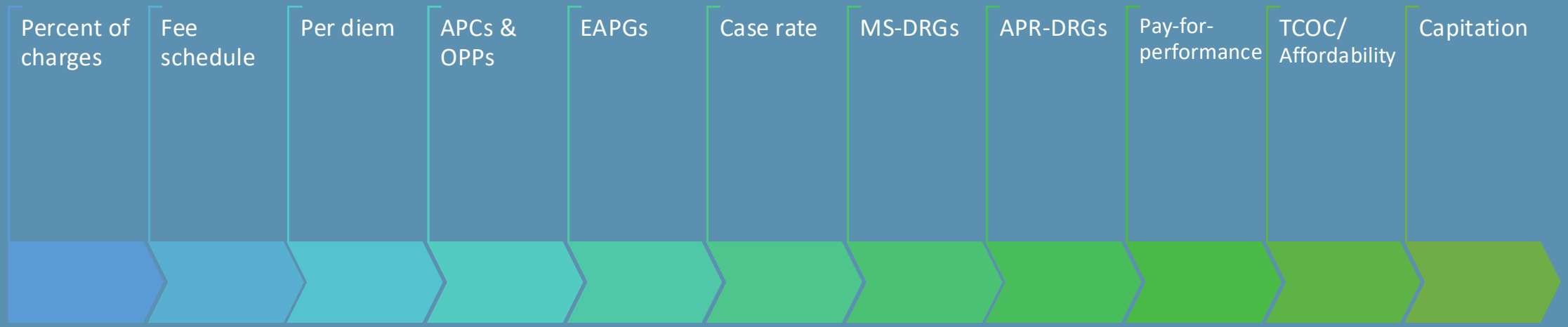
Payers define value as access, quality, measurable outcomes, reduced avoidable utilization, member experience, and affordability.

The opportunity: translate clinical excellence into evidence that is understandable, measurable, and actionable for payers.

The Value-Based Spectrum

Fee-For-Service:
"Paid to do more"

Fee-For-Value:
"Paid for outcomes"



It is imperative that you understand where on the spectrum you live now, where you can live, and where you feel comfortable living.

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Caron's Journey

Catalyst	Strategic Rationale	Operational Shift	The Message
• The market increasingly required broader access, payer engagement, and financial models beyond a private-pay-only pathway	• Payer collaboration expands access, demonstrates value, and positions Caron in an environment focused on outcomes and accountability	• Stronger reimbursement strategy, outcomes infrastructure, payer education, and the ability to articulate impact on quality, cost, and continuity	• This is about aligning mission, access, clinical quality, and long-term sustainability—not simply contracting

Moving Beyond Contracting
Optum & Caron: Teen Services

Shared Challenge:

Limited access for teen SUD services – especially at the residential level of care.

What Made It Work:

We had built a strong relationship with the insurance company that when they could approach us with a struggle they were having– one that we could help them with – all while serving our mission and our margin.

Lessons Learned:

You build the partnership today not just to avoid the problems of tomorrow, but also to help identify the opportunities of tomorrow.

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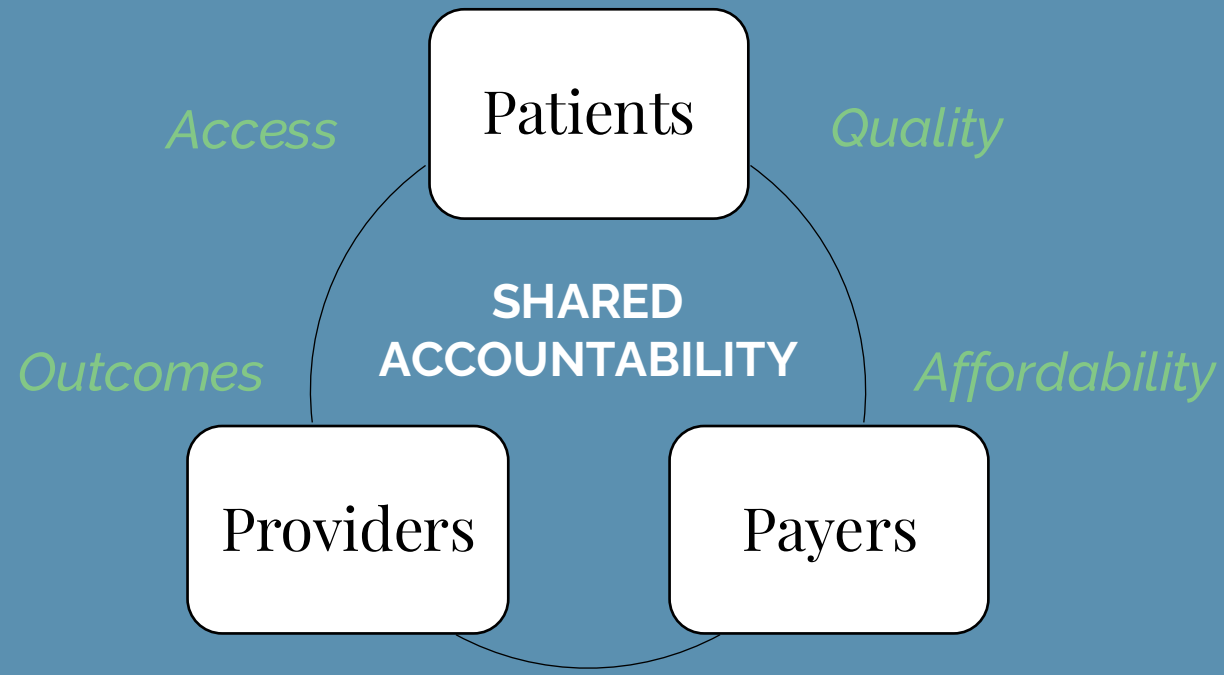
What Drives Success?

Successful Organizations Understand:	Organizations That Struggle:	Key Takeaway:
• Payer priorities • Bring credible data • Explain their clinical model clearly • Invest in care coordination • Approach payers with solutions rather than complaints	• Treat payers at adversaries • Lack reliable outcomes data • Cannot quantify value • Have inconsistent handoffs • Wait until contract negotiations to engage	• Strong payer collaboration is an organizational capability, not a contracting tactic

The Provider–Payer–Patient Partnership



Sustainable partnerships balance the needs of all three stakeholders.

What Kind Of Relationship Do You Want?

Transactional Relationship	Strategic Partnership
Focused primarily on rates, authorizations, and claims.	Focused on access, quality, outcomes, experience, and total cost of care.
Communication occurs during problems or renewals.	Communication is ongoing, structured, and data-informed.
Success is measured by contract terms.	Success is measured by shared performance and patient impact.
Limited transparency.	Shared scorecards, mutual accountability, and joint problem solving.
Provider and payer optimize separately.	Provider and payer co-design better care pathways.

Creating Alignment That Works

Shared Goals	Quality Measures	Outcomes	Incentives	Accountability
• Define the patient population, the problem to solve, and what improvement looks like	• Select a small number of measures that matter clinically and financially	• Balance leading indicators like engagement and transition completion with longer-term recovery measures	• Move gradually from fee-for-service toward upside opportunities, bundles, or value-based components as readiness grows	• Establish governance, review cadence, escalation processes, and agreed-upon data definitions

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The Value of Data

Outcomes That Build Credibility With Payers

Access	Time to assessment, time to admission, and appropriate level-of-care placement
Engagement	Treatment initiation, retention, completion, and post-discharge contact
Clinical Outcomes	Symptom improvement, substance use reduction, relapse indicators, and recovery stability
Utilization	Emergency department use, hospitalizations, readmissions, and avoidable acute care
Continuity	Successful step-down, outpatient follow-up, medication continuity, and care-plan adherence
Experience	Patient and family experience, engagement, and confidence in recovery planning

Transparency & Data Sharing

Transparency is foundational to trust.

- Data sharing creates a common language and reduces assumptions between providers and payers.
- It lets both parties see where the patient journey is breaking down.
- Open data turns disputes over length of stay or outcomes into joint problem-solving.
- The strongest relationships use data as a tool for shared learning, improvement, and trust-building—not as a weapon.

Partnership Structures That Work

Value-Based Contracts	Bundled Payments	Care-Transition Partnerships	Shared Quality Initiatives	Coordinated Care Management
• Best when both parties agree on definitions, measures, attribution, and performance timelines	• Useful when a defined episode of care can be priced and managed with clear inclusion and exclusion criteria	• High-impact, since transitions are common failure points in SUD treatment	• A practical starting point for building trust before taking on financial risk	• A strong fit for patients with complex behavioral, medical, and social needs

Initial Steps to Strengthen Payer Relationships

1. **Map the current payer relationship** — contracts, access points, friction points, denial patterns, and communication channels.
2. **Identify one shared problem that matters to both sides** — transitions, readmissions, access delays, or engagement after discharge.
3. **Build a concise value story** supported by data and patient-journey insight.
4. **Create a payer-facing scorecard** with a limited set of reliable metrics. And ask them to make one for you as a provider.
5. **Establish regular strategic meetings** outside of contract renewal cycles.
6. **Start with a low-risk collaboration**, then progress toward advanced reimbursement models as trust and data mature.

Five-Year Outlook

- More emphasis on outcomes, accountability, and total cost of care.
- Greater use of alternative payment models — pay-for-performance, bundled payments, and shared savings.
- More payer scrutiny of longitudinal engagement, care transitions, and post-acute outcomes.
- Higher expectation that SUD providers integrate with primary care, mental health, medication treatment, and recovery support.
- Growing importance of data infrastructure, analytics, and patient-reported outcomes.

Capabilities To Build Now:

1. **Outcomes infrastructure —** consistent data capture, reporting, and analysis.
2. **Payer strategy —** clear segmentation of payer relationships and partnership opportunities.
3. **Care coordination —** stronger transitions, warm handoffs, follow-up, and recovery support.
4. **Clinical standardization —** defined pathways that still allow individualized care.
5. **Financial modeling —** evaluate case rates, bundles, downside risk, and shared savings.
6. **Operational governance —** cross-functional collaboration across clinical, finance, revenue cycle, admissions, outcomes, and contracting.
7. **Storytelling with evidence —** translate Caron's clinical model and mission into payer-relevant value.

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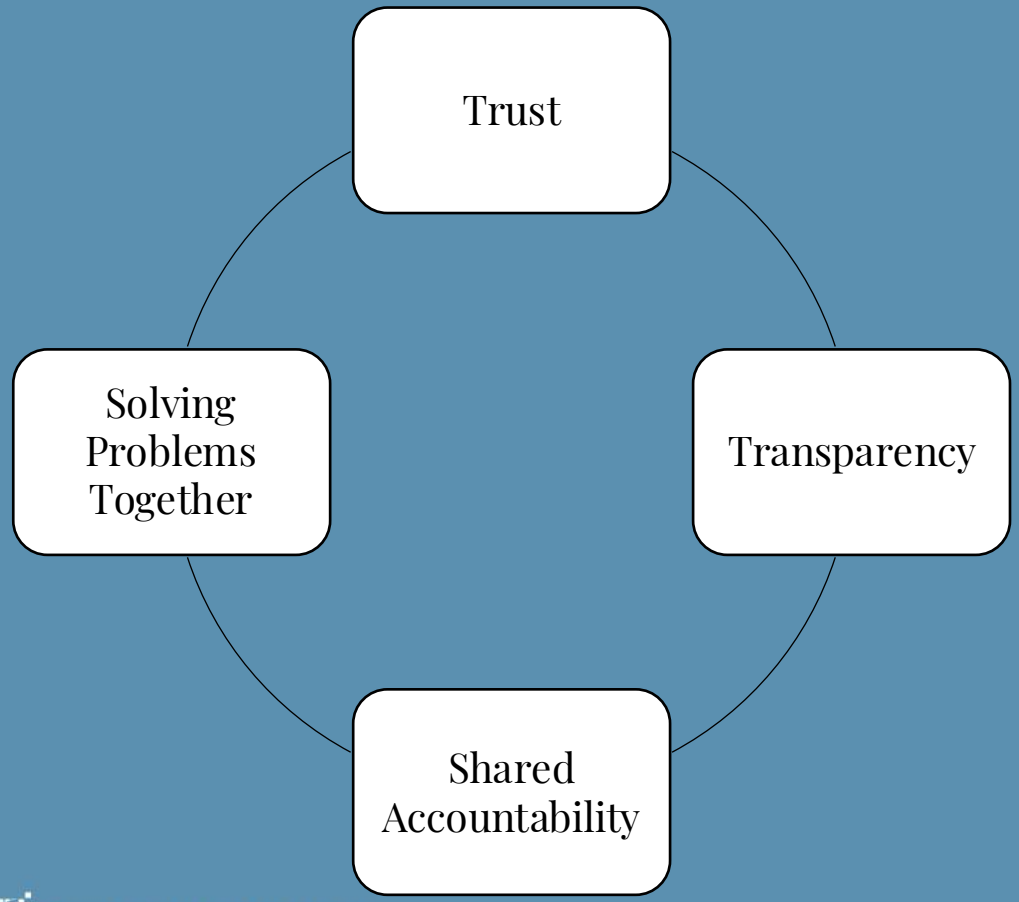
"Don't strive to become a network provider. Strive to become a network *partner*."

From Network Provider to Network Partner

The strongest provider-payer relationships are built on:



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The Future of Provider-Payer Collaboration

The future of SUD collaboration will not be defined by contracting alone. It will be defined by whether providers and payers can:

- Align around the patient journey
- Measure what matters
- Share accountability
- Build payment models that support sustained recovery — not isolated episodes of care

Strategic Discussion With *Stuart Buttlaire, Ph.D.*

One of the themes throughout your presentation was moving beyond a transactional relationship with payers toward a true strategic partnership.

From your experience, what do organizations most often get wrong when they first begin trying to strengthen those relationships?

One point I thought was particularly important was that providers and payers often share the same ultimate goals, but define success differently.

Was there a point during Caron's journey when that began to shift? What helped move the conversation from negotiating contracts to aligning around outcomes and value?

Many of the executives joining us today are probably wondering where to begin.

If you were advising the CEO of a behavioral health organization, what's one practical step they could take over the next 90 days to begin building a stronger partnership with their health plans?

Looking ahead, how do you see provider-payer relationships evolving over the next three to five years? What capabilities do you believe provider organizations should be building now to be successful in that future?

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