

Press Releases | Centene Corporation

ST. LOUIS--(BUSINESS WIRE)--June 26, 2003--Centene Corporation (Nasdaq: CNTE) announced today that its Texas subsidiary, Superior HealthPlan, has entered into a definitive agreement to acquire the Medicaid-related assets of HMO Blue Texas in the San Antonio market (Bexar County Service Area). This transaction includes the right to serve 21,000 Medicaid lives in a market where Centene currently has 24,000 Medicaid and SCHIP members. This transaction does not affect HMO Blue Texas' commercial business.

Michael F. Neidorff, president and chief executive officer of Centene, stated, "We are pleased to expand our Medicaid membership in the San Antonio market where we have a strong foundation. Texas continues to be a positive environment for Centene; this agreement is consistent with our strategy to grow organically and through market acquisitions."

Chris Bowers, president of Superior HealthPlan, said, "This acquisition gives us the ability to further penetrate a market where organic growth has been solid. We continue to build awareness of our programs through our strong local branding initiatives, including NurseWise and START SMART for Your Baby(SM)."

Jackie Hamilton, Blue Cross and Blue Shield of Texas vice president of Government Programs, said, "We made a business decision to exit the managed Medicaid business in San Antonio, but we will be working closely with Superior HealthPlan to ensure a smooth transition for affected members, and are pleased that these members will continue to receive quality care and benefits through this program."

The acquisition is subject to regulatory approvals and other closing conditions. Subject to these approvals and conditions, the acquisition is expected to close in the third quarter of 2003.

Centene estimates that the acquisition will generate total revenues of approximately \$11 million to \$13 million and provide approximately \$0.03 to \$0.04 of accretion to earnings per share during the remainder of 2003, assuming that the membership is transitioned on or about August 1, 2003.

Centene Corporation provides managed care programs and related services to individuals receiving benefits under Medicaid, including Supplemental Security Income (SSI) and the State Children's Health Insurance Program (SCHIP). The Company operates health plans in Texas, Wisconsin, Indiana and New Jersey. In addition, the Company contracts with other healthcare organizations to provide specialty services including behavioral health, nurse triage and pharmacy compliance. Information regarding Centene is available via the Internet at [www.centene.com](http://www.centene.com).

This press release contains forward-looking statements that relate to future events and future financial performance of Centene. Subsequent events and developments may cause the company's estimates to change. The company disclaims any obligation to update this forward-looking financial information in the future. Readers are cautioned that matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, regulatory, competitive and other factors that may cause Centene's or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Actual results may differ from projections or estimates due to a variety of important factors, including Centene's ability to accurately predict and effectively manage health benefits and other operating expenses, competition, changes in healthcare practices, changes in federal or state laws or regulations, inflation, provider contract changes, new technologies, reduction in provider payments by governmental payors, major epidemics, disasters and numerous other factors affecting the delivery and cost of healthcare. The expiration, cancellation or suspension of Centene's Medicaid managed care contracts by state governments would also negatively affect Centene.

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