

ST. LOUIS--(BUSINESS WIRE)--Sept. 30, 2003--Centene Corporation (Nasdaq: CNTE) today announced that its newly created subsidiary, Buckeye Community Health Plan, has signed a definitive agreement to acquire the Medicaid-related assets of Family Health Plan, Inc., a wholly owned subsidiary of Mercy Health Partners. This transaction includes the right to serve up to 24,000 Medicaid members in Toledo, Ohio, a new market for Centene.

Michael F. Neidorff, President and Chief Executive Officer of Centene Corporation, stated, "We are pleased to be entering the state of Ohio, our fifth state, in which there are over one million Medicaid-eligible members. This acquisition is consistent with our stated strategy of entering new markets that mandate Medicaid enrollment, with the ultimate goal of providing demonstrated cost savings to the states. This agreement allows us to establish our footprint in Ohio and demonstrate to providers and members in the marketplace our ability to work effectively in supporting their efforts to deliver high-quality care to Medicaid recipients. It also provides a strong foundation for future growth of our managed Medicaid model and the opportunity for expansion into other Ohio markets."

Joseph Drozda, M.D., Centene's Executive Vice President, Operations, stated, "Importantly, this agreement enables us to establish and build a long-term relationship with Mercy Health Partners and their physician groups, who are well respected for providing quality, cost-effective healthcare and have built a strong network across the region. I also look forward to working with the Ohio Department of Job and Family Services, a committed organization which shares Centene's goal of providing improved health outcomes for its recipients."

"This agreement with Centene will allow Mercy Health Partners to strengthen its focus on its core business of providing convenient, high quality and cost-effective healthcare services to the residents of Northwest Ohio and Southeast Michigan," said Steven L. Mickus, President and Chief Executive Officer, Mercy Health Partners. "Through our agreement with Centene, we will ensure that Medicaid enrollees in our community have continued access to quality physicians and healthcare services."

Centene will pay approximately \$6.5 million for this acquisition, which meets or exceeds the company's 25% internal rate of return criteria. The acquisition is subject to regulatory approvals and other closing conditions. Subject to these approvals and conditions, the acquisition is expected to close by the first quarter of 2004. Centene estimates that this acquisition will generate total revenues of approximately \$40 million to \$44 million and provide approximately \$0.05 to \$0.06 of accretion to earnings per share in 2004, assuming that the membership is transitioned on or before January 1, 2004.

About Mercy Health Partners

Mercy Health Partners is a not-for-profit health system dedicated to improving the health of people in its communities with emphasis on its 150-year mission of caring for all in need. Mercy is composed of seven hospitals in Northwest Ohio including St. Vincent Mercy Medical Center, St. Charles Mercy Hospital, St. Anne Mercy Hospital, Mercy Hospital of Tiffin, Mercy Hospital of Willard, Mercy Children's Hospital and Mercy/MCO Rehabilitation Hospital at the Coghlin Pavilion. Please visit www.mercyweb.org for additional information regarding Mercy Health Partners.

About Centene Corporation

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.

Safe Harbor Statement

The second and fifth paragraphs of this press release contain 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.

CENTENE and MERCY HEALTH PARTNERS
MEDICAID-RELATED ASSETS TRANSFER AGREEMENT
FACT SHEET

- Mercy Health Partners has entered into an agreement with Centene Corporation to transfer Medicaid-related assets of Family Health Plan to a newly formed Centene subsidiary, Buckeye Community Health Plan.
- The agreement gives Buckeye Community Health Plan the right to serve up to 24,000 Medicaid members in Toledo, Ohio.
- The transfer of Medicaid-related assets from Family Health Plan continues Mercy Health Partners' strategy of focusing on its core business of providing convenient, high quality and cost-effective healthcare services to residents of Northwest Ohio and Southeast Michigan.
- Family Health Plan's Medicaid enrollees will experience no immediate changes to their coverage. Upon approval by the regulating bodies, a letter will be sent to each enrollee, detailing steps an enrollee should take to ensure continuity of care.
- Centene Corporation will work with current Family Health Plan physician providers with a goal of maintaining and enhancing the current panel of doctors.
- In March 2003, Mercy Health Partners announced an agreement with Medical Mutual of Ohio. Through the agreement, Medical Mutual of Ohio's wholly owned subsidiary, Antares, began serving as administrator of Family Health Plan's commercial HMO and Medicaid business on August 1, 2003.
- The agreement with Medical Mutual specifies that Family Health Plan's current commercial accounts remain in place with no changes for enrollees through the remainder of the contracts. As a result, enrollees will not see any change in services, primary care physicians, other providers, hospitals or benefits through the time of contract renewal. As contracts come up for renewal, Medical Mutual will seek to renew those customers.

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SOURCE: Centene Corporation

<https://investors.centene.com/2003-09-30-Centene-Corporation-Announces-Agreement-to-Acquire-Medicaid-Related-Assets-of-Family-Health-Plan-in-Toledo,-Ohio-Marks-Entry-into-5th-State,-Adding-24,000-Lives>