

ST. LOUIS--(BUSINESS WIRE)--Sept. 28, 2004-- Marks Entry into Two Additional Mandated States Serving 136,000 Members in Kansas and Missouri

Centene Corporation (NYSE: CNC) announced today that it has signed a definitive agreement with Swope Community Enterprises to purchase two health plan entities serving 136,000 members. FirstGuard Inc.'s subsidiary, FirstGuard Health Plan Kansas, serves over 94,000 Medicaid and CHIP members throughout the state of Kansas, and FirstGuard Health Plan, Inc. serves 42,000 Medicaid members in Missouri (collectively, FirstGuard). This agreement marks Centene's entry into two additional Medicaid mandated states.

This acquisition is subject to regulatory approvals and other closing conditions. Under the terms of the agreement, Centene will pay approximately \$93 million in cash for all of the issued and outstanding capital stock of FirstGuard. The consideration will be sourced from a combination of cash and Centene's \$100 million revolving credit agreement. As part of the transaction, FirstGuard will enter into long-term provider agreements with Swope Health Services, a Federally Qualified Health Center, to serve the Missouri market. Additionally, FirstGuard will continue to work with Heartland Physicians Health Network (HPHN) in the Kansas market.

Michael F. Neidorff, Chairman and Chief Executive Officer of Centene Corporation, stated, "This acquisition marks our entry into two additional Medicaid mandated states serving 136,000 members, with a total eligible population of approximately 1.2 million, and will enable us to provide quality service and outreach in our home state of Missouri as well as Kansas. Importantly, it offers us opportunities for future organic growth, including the potential for service area expansion and inclusion of the SSI population into our programs. We look forward to continuing to work with HPHN who will be an important contributor to our ongoing relationships with physicians in the marketplace and who has built a strong network in their markets. Additionally, we are very confident in the strength of FirstGuard's management team and look forward to their ongoing contributions."

Joy Wheeler, President of FirstGuard, stated, "We are pleased to become part of a growing multi-state company dedicated to quality service to the Medicaid population. Consistent with Centene's philosophy, retention of the FirstGuard name in the local community will allow for continuity of our plans and services in the marketplace. I look forward to continuing to lead the health plan and maintaining and growing the relationships with our key constituencies."

E. Frank Ellis, Chairman and Chief Executive Officer of FirstGuard and Swope Community Enterprises, commented, "This transaction with another Missouri-based company will enable us to work closely with both states and share our vision of offering quality care for Medicaid recipients. As a result of Centene's investment, Swope Community Enterprises and its board of directors will develop ways to further the Swope mission to improve the physical, behavioral and economic well-being of individuals, families and communities."

FirstGuard Health Plan Kansas competes with the State's Primary Care Case Management program. Its service area includes 62 of the State's 105 counties. FirstGuard Health Plan Kansas is also the exclusive provider of the State's CHIP program serving 100% of the CHIP members statewide. In Missouri, FirstGuard Health Plan participates in the Western Region of the State, predominantly in the Kansas City market, and is the number two health plan in that market.

Subject to regulatory approvals and other closing conditions, the acquisition is expected to close by the first quarter of 2005. Centene estimates that this acquisition will generate total revenues of approximately \$250 million to \$260 million and provide approximately \$0.31 to \$0.34 of accretion to earnings per share in 2005, assuming that the membership is transitioned on or before January 1, 2005.

"This FirstGuard transaction is consistent with our stated criteria. It provides an estimated IRR of 21%, which is acceptable relative to our normal 20 to 25% hurdle rate range, particularly, when a plan holds the number one or two position in its service areas, is multi-state and has significant organic growth opportunities. In addition, the acquisition will add to our multi-state platform, will allow us to implement and leverage Centene's local approach, and is accretive within the first 12 months. We continue to implement our strategy of entering new mandated markets where we can provide demonstrated cost savings and better health outcomes for our members," Neidorff concluded.

The third, seventh and eighth 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. 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 successfully integrate and manage the acquisition of FirstGuard, 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.

About Centene Corporation

Centene Corporation provides multi-line managed care programs and related services to individuals receiving benefits under Medicaid, including Supplemental Security Income (SSI) and the Children's Health Insurance Program (CHIP). The Company operates health plans in Indiana, New Jersey, Ohio, Texas and Wisconsin. 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.

About Swope Community Enterprises

Swope Community Enterprises is dedicated to improving the lives of individuals, families and communities through its member companies, which provide primary health care, behavioral health, managed care, community development and community planning services. Member companies include Swope Health Services, FirstGuard Health Plan, Swope Community Builders and Applied Urban Research Institute. Information regarding Swope Community Enterprises is available via the Internet at www.swopecommunityenterprises.org.

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