

Centene Subsidiary Receives Favorable Ruling From Kentucky Court of Appeals - Jul 1, 2013

ST. LOUIS, July 1, 2013 /PRNewswire/ -- Centene Corporation (NYSE: CNC) announced today that its Kentucky subsidiary, Kentucky Spirit Health Plan (Kentucky Spirit), has received a decision from the Kentucky Court of Appeals denying the Commonwealth's emergency motion for a mandatory injunction, thereby allowing Kentucky Spirit to move forward with exiting the Medicaid managed care program.

"Unfortunately, despite numerous opportunities to address the underlying issues of the program, efforts to resolve these matters with the regulatory agencies have been unsuccessful," said Deanne Lane, Vice President Corporate Communications. "We have attempted to engage the Commonwealth in transition planning for months without success. In the interest of our members, we have offered to remain in the Medicaid managed care program up to August 31, 2013 and await the Commonwealth's response."

Kentucky Spirit remains focused on providing a smooth and effective transition for the Medicaid membership and its provider network. A copy of Centene's letter to the Commonwealth is as follows:

July 1, 2013

Richard M. Sullivan, Esq.
Conliffe, Sandmann & Sullivan, PLLC
2000 Waterfront Plaza
325 West Main Street
Louisville, Kentucky 40202

By Hand Delivery and Electronic Mail

Re: *Kentucky Spirit Health Plan, Inc. v. Commonwealth of Kentucky, Finance and Administration Cabinet, Case No. 12-CI-1373*

Dear Dick:

We write to address transition issues in light of the Court of Appeals' decision today denying the Commonwealth's emergency motion for a mandatory injunction.

In prior correspondence, Kentucky Spirit has pointed out that if the Commonwealth deems Kentucky Spirit to be in default of the Managed Care Contract ("Contract") based on its July 5, 2013 exit from the Kentucky Managed Care program, it has certain remedies available to it under the Contract, including terminating Kentucky Spirit for default and requiring it to remain in the program for an additional two months under Section 39.10. Kentucky Spirit twice has offered to waive any notice periods or requirement for default and breach (without waiving other rights, including its rights with respect to the pending appeal of Judge Wingate's May 31, 2013 order denying Kentucky Spirit's motion for summary judgment, including its position that Kentucky Spirit has a right under Section 39.13 of the Managed Care Contract to terminate the Contract early), so that *before July 5, 2013*, the Commonwealth may effectuate the Contract's mechanism for requiring Kentucky Spirit to remain in place through August 31, 2013. The Commonwealth rejected the first offer. The renewed offer remains open through 12:01 a.m. July 6, 2013, and Kentucky Spirit continues to be prepared to provide services under Section 39.10 for any period of time beyond July 5, 2013 (up to August 31, 2013) to ensure the effective transition of members.

In the event that the Commonwealth proceeds to reassign Kentucky Spirit's members to other vendors effective 12:01 a.m. July 6, 2013 as described in your e-mail this afternoon -replacing Kentucky Spirit as vendor - the reassignment will constitute a constructive termination under the Contract.

Please advise how the Commonwealth intends to proceed.

Sincerely,
Philip W. Collier

About Centene Corporation

Centene Corporation, a Fortune 500 company, is a leading *multi-line* healthcare enterprise that provides programs and related services to the rising number of under-insured and uninsured individuals. Many receive benefits provided under Medicaid, including the State Children's Health Insurance Program (CHIP), as well as Aged, Blind or Disabled (ABD), Foster Care and Long-term Care (LTC), in addition to other state-sponsored/hybrid programs, and Medicare (Special Needs Plans). The Company operates local health plans and offers a range of health insurance solutions. It also contracts with other healthcare

and commercial organizations to provide specialty services including behavioral health, care management software, correctional systems healthcare, life and health management, managed vision, pharmacy benefits management and telehealth services.

SOURCE Centene Corporation

For further information: Media, Deanne Lane, (314) 725-4477, or Investors, Edmund E. Kroll, Jr., (212) 759-0382

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