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Centene Corporation Acquires Majority Interest In U.S. Medical Management

Expands its capabilities in serving high acuity populations

ST. LOUIS, Dec. 12, 2013 /PRNewswire/ -- Centene Corporation (NYSE: CNC) announced today that it has signed a definitive agreement to purchase a majority interest in U.S. Medical Management, LLC. U.S. Medical Management, LLC, along with its affiliated entities ("USMM"), is a leading management services organization and provider of in-home health services for high acuity populations. Based in Troy, Michigan, USMM provides an integrated, physician-driven model which coordinates comprehensive care management for complex populations. USMM provides a continuum of in-home services including primary care, health risk assessments, home health, hospice, podiatry, radiology, DME, lab and pharmacy. This investment underscores Centene's commitment to provide integrated care for the Aged, Blind and Disabled (ABD), Long-Term Care (LTC), Dual-Eligible, and Medicare populations. Under the terms of the transaction, Centene will acquire an approximate 68% interest in USMM. Mark Mitchell, the company's Founder and CEO, will continue to lead USMM and retain his existing management team.

"The partnership with USMM is the next step in Centene's strategy to provide a continuum of high quality services that allow us to effectively manage the complex needs of our growing high acuity populations. The integrated, home-based primary care model is a capability expansion for Centene. This will allow us to offer quality healthcare services and programs for an aging population in the comfort of their own homes," said Michael F. Neidorff, Chairman and CEO of Centene. "We believe that there is significant opportunity to enhance access to health services and quality of life for complex populations by removing barriers to receiving care in the home. We are pleased to partner with USMM to assist in the build out of a national platform that will improve quality and reduce medical costs for Centene and USMM's other managed care partners."

In conjunction with the investment in USMM, Centene is announcing the formation of a new healthcare enterprise holding company. This new independent enterprise will connect Centene and other health solution providers while preserving the entrepreneurial spirit and innovation which has led to improved health outcomes, development of a more efficient care model and the facilitation of sales to third party companies.

Mark Mitchell, CEO of USMM said, "USMM has been committed to providing high quality, compassionate and cost-effective in-home care to our patients for over 20 years and will continue to do so. We share Centene's core belief that integrated care models lead to improved quality, enhanced medical outcomes and cost efficient care. We are confident that we will drive meaningful results and enhance care delivery for Centene's growing high acuity population."

USMM is a national leader in house call medicine with comprehensive service offerings and depth of experience serving individuals with complex health needs. USMM, directly or

through managed affiliates, conducts over 400,000 physician house calls annually and over 2,500 face-to-face patient interactions with licensed health care professionals on a daily basis. USMM currently operates 39 local offices across 11 states, including seven states in which Centene currently operates. Centene has over 150,000 existing high acuity members in these overlapping markets.

The transaction is expected to close in the first quarter of 2014, subject to customary closing conditions. The purchase price for Centene's majority interest is approximately \$200 million and is anticipated to be funded with a combination of approximately one-third cash and two-thirds Centene stock. On an annualized basis, the transaction is expected to add revenue in the range of \$220M to \$240M. The deal is expected to be accretive to earnings per share by \$0.02 to \$0.05 in 2014, excluding transaction costs. Centene expects to achieve medical cost savings as the USMM model is deployed across a larger percentage of Centene's high acuity members over time. As a result, Centene expects the transaction to be accretive to earnings per share by \$0.20 to \$0.25 in 2015.

Additional information regarding the transaction will be provided at Centene's investor presentation on Friday, December 13, 2013.

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, specialty pharmacy and telehealth services.

This information provided in this press release contains forward-looking statements about a transaction between Centene and USMM, including the potential benefits of the transaction and the anticipated timing of the completion of the transaction. Such information involves substantial risks and uncertainties including, among other things, whether and when Centene and USMM will satisfy the various closing conditions, including without limitation obtaining the required regulatory approvals; and economic, regulatory, competitive and other factors that may cause the actual benefits to be materially different from those expressed in this press release. Forward-looking statements speak only as of the date of this release and are based on information available at the time those statements are made, as well as management's views and assumptions regarding future events. You should not put undue reliance on any forward-looking statements. Centene does not undertake to update its forward-looking statements, except as required by law.

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