

April 27, 2010



Centene Corporation Reports 2010 First Quarter Earnings

ST. LOUIS, April 27 /PRNewswire-FirstCall/ -- Centene Corporation (NYSE: CNC) today announced its financial results for the quarter ended March 31, 2010. The results of operations for our New Jersey health plan, University Health Plans, are classified as discontinued operations. The discussions below, with the exception of cash flow information, are in the context of continuing operations and all financial ratios exclude premium taxes.

First Quarter Highlights

- Quarter-end managed care at-risk membership of 1,468,600, an increase of 221,300 members year over year.
- Premium and Service Revenues of \$1.022 billion, representing 12.5% year over year growth.
- Health Benefits Ratio (HBR) of 84.0%.
- General and Administrative (G&A) expense ratio of 13.3%.
- Days in claims payable of 47.7, including pharmacy claims payable.
- Diluted earnings per share from continuing operations of \$0.41.

Other Events

- During the first quarter of 2010, we completed the sale of 5.75 million shares of common stock, including the underwriters' overallotment option, for a public offering price of \$19.25 per share. Net proceeds from the sale of the shares were \$104.6 million.
- In February 2010, we announced a definitive agreement to acquire certain Medicaid assets in South Carolina. The transaction is expected to close in the second quarter of 2010 and add revenues of approximately \$60 million and diluted earnings per share of \$0.02 to \$0.03 for 2010.
- In March 2010, we completed the previously announced sale of our New Jersey health plan, University Health Plans, and recorded a pre-tax gain on sale of \$8.2 million, or \$0.08 per diluted share, in discontinued operations during the first quarter of 2010.
- In March 2010, we announced that our specialty company, Cenpatico Behavioral Health, retained its existing service area contract and was also awarded an expanded contract by the Arizona Department of Health Services to manage behavioral healthcare services for an additional four counties. The expanded contract is expected to take effect July 1, 2010, and add revenues of approximately \$20 million for 2010.
- In March 2010, Moody's Investors Service upgraded our senior unsecured debt rating and our corporate family rating to Ba2 from Ba3.
- In April 2010, we announced that our Celtic Group subsidiary, CeltiCare Health Plan of Massachusetts, renewed its contract to serve Commonwealth Care members as the low cost provider in Massachusetts.
- In April 2010, we announced that our Wisconsin subsidiary was not awarded the Southeast Wisconsin BadgerCare Plus Managed Care contract.

The loss of the contract award will reduce revenues by approximately \$25 million in 2010.

- In April 2010, FortuneMagazine announced that Centene ranked #486 in the magazine's annual ranking of the world's largest companies by revenue, up from #609 last year. The ranking placed Centene in the Fortune500 for the first time.

Michael F. Neidorff, Centene's Chairman and Chief Executive Officer, stated, "We are pleased to have maintained our positive operating momentum as 2010 begins and we are dedicated to maintaining our discipline and focus in the future."

The following table depicts membership in Centene's managed care organizations, by state, at March 31, 2010 and 2009:

| | March 31, | |
|--------------------------|-----------|-----------|
| | 2010 | 2009 |
| Arizona | 19,000 | 15,500 |
| Florida | 105,900 | 29,100 |
| Georgia | 301,000 | 289,300 |
| Indiana | 211,400 | 179,100 |
| Massachusetts | 26,900 | — |
| Ohio | 156,000 | 137,000 |
| South Carolina | 53,900 | 48,500 |
| Texas | 459,600 | 421,100 |
| Wisconsin | 134,900 | 127,700 |
| Total at-risk membership | 1,468,600 | 1,247,300 |
| Non-risk membership | 62,200 | 96,000 |
| Total | 1,530,800 | 1,343,300 |

The following table depicts membership in Centene's managed care organizations, by member category, at March 31, 2010 and 2009:

| | March 31, | |
|--|-----------|------|
| | 2010 | 2009 |

| | | |
|--------------------------|-----------|-----------|
| Medicaid | 1,088,300 | 921,100 |
| CHIP & Foster Care | 266,300 | 256,900 |
| ABD & Medicare | 87,100 | 69,300 |
| Other State programs | 26,900 | — |
| Total at-risk membership | 1,468,600 | 1,247,300 |
| Non-risk membership | 62,200 | 96,000 |
| Total | 1,530,800 | 1,343,300 |

Statement of Operations

- Premium and service revenues increased 12.5% in the three months ended March 31, 2010 over 2009 as a result of membership growth in all of our states. This increase was moderated by the removal of pharmacy services in two states beginning in 2010. These pharmacy carve outs had the effect of reducing 2010 revenue by approximately \$35 million.
- The consolidated HBR for the three months ended March 31, 2010 of 84.0% was an increase of 0.5% over the comparable period in 2009. A reconciliation of the change in HBR from the prior year same period is presented below:

| | |
|--------------------------------------|-------|
| | |
| First Quarter 2009 | 83.5% |
| Improvements in existing markets | (0.5) |
| New markets reserved at higher rates | 1.0 |
| First Quarter 2010 | 84.0% |
| | |
| | |

The increase in the first quarter of 2010 over the comparable period in 2009 was primarily due to higher HBR in our new markets, partially offset by improvements in our existing markets.

- Consolidated G&A expense as a percent of premium and service revenues was 13.3% in the first quarter of 2010, a decrease from 13.5% in the first quarter of 2009. The decrease reflects the leveraging of our expenses over higher revenues, partially offset by a \$4.6 million increase in contributions to the Company's charitable foundation.
- Other income for the quarter includes a \$3.0 million gain on distributions received from the Reserve Primary Fund in excess of our adjusted basis. An offsetting \$3.0 million contribution was made to the Company's charitable foundation and is included in G&A expense discussed above.
- Earnings per diluted share from continuing operations were \$0.41, compared to \$0.43 in the first quarter of 2009, and reflect the approximate 10% increase in diluted shares outstanding resulting from the stock offering.

Balance Sheet and Cash Flow

At March 31, 2010, the Company had cash and investments of \$969.2 million, including \$917.9 million held by its regulated entities and \$51.3 million held by its unregulated entities. Medical claims liabilities totaled \$444.8 million, representing 47.7 days in claims payable, a decrease of 2.4 days from December 31, 2009. Total debt was \$232.7 million and debt to capitalization was 23.7%. Year to date cash flow from operations was \$(38.5) million, reflecting a \$73.3 million decrease in unearned revenue from December 31, 2009 as a result of the prepayment of monthly premiums. In 2010, only two monthly premium payments were received during the quarter from Ohio and Florida.

A reconciliation of the Company's change in days in claims payable from the immediately preceding quarter-end is presented below:

| | | |
|---|-------|--|
| | | |
| | | |
| | | |
| Days in claims payable, December 31, 2009 | 50.1 | |
| | | |
| Additional processing days at quarter end | (1.5) | |
| | | |
| Pharmacy carve out | (0.9) | |
| | | |
| Days in claims payable, March 31, 2010 | 47.7 | |
| | | |
| | | |
| | | |
| | | |

Outlook

The table below depicts the Company's annual guidance from continuing operations for 2010:

| | Full Year 2010 | |
|--|----------------|---------|
| | Low | High |
| Premium and Service revenues (in millions) | \$4,300 | \$4,400 |
| Earnings per diluted share (EPS) | \$1.73 | \$1.83 |
| HBR % | 84.0% | 86.0% |
| G&A % | 12.4% | 12.9% |
| Diluted Shares Outstanding (in thousands) | 50,500 | |

The Company is increasing its earnings guidance by \$0.03 to reflect the first quarter performance and results of the RFP's in Arizona and Wisconsin. The Company is adjusting its revenue guidance to reflect a shift in the start date of our Mississippi operations to October 1, 2010. Our current guidance excludes the previously announced South Carolina transaction, which is expected to add approximately \$60 million of revenue and \$0.02 to \$0.03 diluted earnings per share in 2010, as the transaction has not yet closed.

Conference Call

As previously announced, the Company will host a conference call Tuesday, April 27, 2010, at 8:30 A.M. (Eastern Time) to review the financial results for the first quarter ended March 31, 2010, and to discuss its business outlook. Michael F. Neidorff and William N. Scheffel will host the conference call. Investors and other interested parties are invited to listen to the conference call by dialing 800-273-1254 in the U.S. and Canada; 973-638-3440 from abroad, or via a live, audio webcast on the Company's website at www.centene.com, under the Investors section. A replay will be available for on-demand listening shortly after the completion of the call for the next twelve months or until 11:59 PM (Eastern Time) on Tuesday, May 11, 2011, at the aforementioned URL, or by dialing 800-642-1687 in the U.S. and Canada, or 706-645-9291 from abroad and entering access code 63527302.

About Centene Corporation

Centene Corporation, a Fortune 500 company, is a multi-line healthcare enterprise operating

in two segments: Medicaid Managed Care and Specialty Services. Our Medicaid Managed Care segment provides Medicaid and Medicaid-related health plan coverage to individuals through government subsidized programs, including Medicaid, the State Children's Health Insurance Program, or CHIP, Foster Care, Medicare Special Needs Plans and the Supplemental Security Income Program, also known as the Aged, Blind or Disabled Program, or collectively ABD. Our Specialty Services segment offers products for behavioral health, health insurance exchanges, individual health insurance, life and health management, long-term care programs, managed vision, telehealth services, and pharmacy benefits management to state programs, healthcare organizations, employer groups and other commercial organizations, as well as to our own subsidiaries.

The information provided in 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.

(Tables Follow)

| CENTENE CORPORATION AND SUBSIDIARIES | | |
|--|-------------------|----------------------|
| CONSOLIDATED BALANCE SHEETS | | |
| (In thousands, except share data) | | |
| (Unaudited) | | |
| | March 31, 2010 | December 31, 2009 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents of continuing operations, including \$5,918 and \$8,667, respectively, from consolidated variable interest | | |

| | | |
|---|--------------|--------------|
| entities | \$ 350,075 | \$ 400,951 |
| Cash and cash equivalents of discontinued operations | 14 | 2,801 |
| Total cash and cash equivalents | 350,089 | 403,752 |
| Premium and related receivables, net of allowance for uncollectible accounts of \$1,338 and \$1,338, respectively, including \$6,565 and \$11,313, respectively, from consolidated variable interest entities | 110,120 | 103,456 |
| Short-term investments, at fair value (amortized cost \$39,953 and \$39,230, respectively) | 40,220 | 39,554 |
| Other current assets, including \$5,023 and \$4,507, respectively, from consolidated variable interest entities | 69,136 | 64,866 |
| Current assets of discontinued operations other than cash | 2,337 | 4,506 |
| Total current assets | 571,902 | 616,134 |
| Long-term investments, at fair value (amortized cost \$547,148 and \$514,256, respectively) | 558,270 | 525,497 |
| Restricted deposits, at fair value (amortized cost \$20,532 and \$20,048, respectively) | 20,618 | 20,132 |
| Property, software and equipment, net of accumulated depreciation of \$111,938 and \$103,883, respectively, including \$110,764 and \$89,219, respectively, from consolidated variable interest entities | 269,492 | 230,421 |
| Goodwill | 229,512 | 224,587 |
| Intangible assets, net | 22,008 | 22,479 |
| Other long-term assets | 35,416 | 36,829 |
| Long-term assets of discontinued operations | 23,453 | 26,285 |
| Total assets | \$ 1,730,671 | \$ 1,702,364 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Medical claims liability | \$ 444,826 | \$ 470,932 |
| Accounts payable and accrued expenses, including \$23,122 and \$14,020, respectively, from consolidated variable interest entities | 200,615 | 132,001 |
| Unearned revenue | 18,362 | 91,644 |
| Current portion of long-term debt | 660 | 646 |
| Current liabilities of discontinued operations | 20,650 | 20,685 |

| | | |
|--|--------------|--------------|
| Total current liabilities | 685,113 | 715,908 |
| Long-term debt | 232,064 | 307,085 |
| Other long-term liabilities | 63,575 | 59,561 |
| Long-term liabilities of discontinued operations | 385 | 383 |
| Total liabilities | 981,137 | 1,082,937 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Common stock, \$.001 par value; authorized 100,000,000 shares; 51,490,256 issued and 49,049,990 outstanding at March 31, 2010, and 45,593,383 shares issued and 43,179,373 shares outstanding at December 31, 2009 | 51 | 46 |
| Additional paid-in capital | 390,878 | 281,806 |
| Accumulated other comprehensive income: | | |
| Unrealized gain on investments, net of tax | 7,203 | 7,348 |
| Retained earnings | 382,909 | 358,907 |
| Treasury stock, at cost (2,440,266 and 2,414,010 shares, respectively) | (47,742) | (47,262) |
| Total Centene stockholders' equity | 733,299 | 600,845 |
| Noncontrolling interest | 16,235 | 18,582 |
| Total stockholders' equity | 749,534 | 619,427 |
| Total liabilities and stockholders' equity | \$ 1,730,671 | \$ 1,702,364 |

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share data)

(Unaudited)

| | Three Months Ended March 31, | |
|---|---------------------------------|------------|
| | 2010 | 2009 |
| Revenues: | | |
| Premium | \$ 999,315 | \$ 885,006 |
| Service | 22,907 | 23,849 |
| Premium and service revenues | 1,022,222 | 908,855 |
| Premium tax | 46,499 | 23,580 |
| Total revenues | 1,068,721 | 932,435 |
| Expenses: | | |
| Medical costs | 839,708 | 739,340 |
| Cost of services | 17,152 | 15,962 |
| General and administrative expenses | 135,507 | 122,279 |
| Premium tax | 46,743 | 23,942 |
| Total operating expenses | 1,039,110 | 901,523 |
| Earnings from operations | 29,611 | 30,912 |
| Other income (expense): | | |
| Investment and other income | 7,057 | 3,613 |
| Interest expense | (3,813) | (3,986) |
| Earnings from continuing operations, before income tax expense | 32,855 | 30,539 |
| Income tax expense | 12,525 | 10,845 |
| Earnings from continuing operations, net of income tax expense | 20,330 | 19,694 |
| Discontinued operations, net of income tax expense (benefit) of \$4,440 and \$(160), respectively | 3,920 | (449) |
| Net earnings | 24,250 | 19,245 |
| Noncontrolling interest | 248 | 787 |
| Net earnings attributable to Centene Corporation | \$ 24,002 | \$ 18,458 |
| Amounts attributable to Centene Corporation common shareholders: | | |
| Earnings from continuing operations, net of income tax expense | \$ 20,082 | \$ 18,907 |

| | | |
|---|-----------|-----------|
| Discontinued operations, net of income tax expense (benefit) | 3,920 | (449) |
| Net earnings | \$ 24,002 | \$ 18,458 |

Net earnings (loss) per share attributable to
Centene Corporation:

Basic:

| | | |
|---------------------------|---------|---------|
| Continuing operations | \$ 0.43 | \$ 0.44 |
| Discontinued operations | 0.08 | (0.01) |
| Earnings per common share | \$ 0.51 | \$ 0.43 |

Diluted:

| | | |
|---------------------------|---------|---------|
| Continuing operations | \$ 0.41 | \$ 0.43 |
| Discontinued operations | 0.08 | (0.01) |
| Earnings per common share | \$ 0.49 | \$ 0.42 |

Weighted average number of shares outstanding:

| | | |
|---------|------------|------------|
| Basic | 47,260,714 | 43,067,992 |
| Diluted | 48,761,528 | 44,238,863 |

CENTENE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

Three Months Ended March 31,
2010 2009

Cash flows from operating activities:

| | | |
|--|-----------|-----------|
| Net earnings | \$ 24,250 | \$ 19,245 |
| Adjustments to reconcile net earnings to net cash provided by operating activities | | |
| Depreciation and amortization | 12,527 | 10,233 |
| Stock compensation expense | 3,460 | 3,789 |
| (Gain) loss on sale of investments, net | (3,547) | 439 |
| (Gain) on sale of UHP | (8,201) | - |
| Deferred income taxes | 950 | 2,282 |
| Changes in assets and liabilities | | |
| Premium and related receivables | (4,457) | (39,396) |
| Other current assets | (1,375) | (1,397) |
| Other assets | 1,937 | (497) |
| Medical claims liabilities | (33,129) | 2,165 |
| Unearned revenue | (73,282) | 44,507 |
| Accounts payable and accrued expenses | 40,433 | (18,674) |
| Other operating activities | 1,934 | 722 |
| Net cash (used in) provided by operating activities | (38,500) | 23,418 |
| Cash flows from investing activities: | | |
| Capital expenditures | (23,099) | (11,157) |
| Purchases of investments | (146,935) | (292,964) |
| Proceeds from asset sales | 13,420 | - |
| Sales and maturities of investments | 117,469 | 224,312 |
| Investments in acquisitions, net of cash acquired | (2,019) | (5,191) |
| Net cash used in investing activities | (41,164) | (85,000) |
| Cash flows from financing activities: | | |
| Proceeds from exercise of stock options | 519 | 890 |
| Proceeds from borrowings | 22,030 | 108,000 |
| Proceeds from stock offering | 104,557 | - |
| Payment of long-term debt | (97,136) | (82,573) |

| | | |
|--|------------|------------|
| Distributions to noncontrolling interest | (3,585) | (1,181) |
| Excess tax benefits from stock compensation | 96 | (17) |
| Common stock repurchases | (480) | (407) |
| Net cash provided by financing activities | 26,001) | 24,712 |
| Net decrease in cash and cash equivalents | (53,663) | (36,870) |
| Cash and cash equivalents, beginning of period | 403,752 | 379,099 |
| Cash and cash equivalents, end of period | \$ 350,089 | \$ 342,229 |

Supplemental disclosures of cash flow information:

| | | |
|-------------------|----------|-----------|
| Interest paid | \$ 345 | \$ 724 |
| Income taxes paid | \$ 8,272 | \$ 18,602 |

Supplemental disclosure of non-cash investing and financing activities:

| | | |
|---|--------|------|
| Contribution from noncontrolling interest | \$ 306 | \$ - |
|---|--------|------|

| | | | | | | |
|---|---------|---------|---------|---------|---------|--|
| CENTENE CORPORATION | | | | | | |
| CONTINUING OPERATIONS SUPPLEMENTAL FINANCIAL DATA | | | | | | |
| | Q1 | Q4 | Q3 | Q2 | Q1 | |
| | 2010 | 2009 | 2009 | 2009 | 2009 | |
| MEMBERSHIP | | | | | | |
| Managed Care: | | | | | | |
| Arizona | 19,000 | 18,100 | 17,400 | 16,200 | 15,500 | |
| Florida | 105,900 | 102,600 | 84,400 | 22,300 | 29,100 | |
| Georgia | 301,000 | 309,700 | 303,400 | 292,800 | 289,300 | |

| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| Indiana | 211,400 | 208,100 | 200,700 | 196,100 | 179,100 |
| Massachusetts | 26,900 | 27,800 | 500 | — | — |
| Ohio | 156,000 | 150,800 | 151,200 | 141,200 | 137,000 |
| South Carolina | 53,900 | 48,600 | 46,100 | 46,000 | 48,500 |
| Texas | 459,600 | 455,100 | 450,200 | 443,200 | 421,100 |
| Wisconsin | 134,900 | 134,800 | 132,500 | 131,200 | 127,700 |
| Total at-risk membership | 1,468,600 | 1,455,600 | 1,386,400 | 1,289,000 | 1,247,300 |
| Non-risk membership | 62,200 | 63,700 | 63,200 | 114,000 | 96,000 |
| TOTAL | 1,530,800 | 1,519,300 | 1,449,600 | 1,403,000 | 1,343,300 |
| Medicaid | 1,088,300 | 1,081,400 | 1,040,000 | 958,600 | 921,100 |
| CHIP & Foster Care | 266,300 | 263,600 | 263,400 | 261,400 | 256,900 |
| ABD & Medicare | 87,100 | 82,800 | 82,500 | 69,000 | 69,300 |
| Other State programs | 26,900 | 27,800 | 500 | — | — |
| Total at-risk membership | 1,468,600 | 1,455,600 | 1,386,400 | 1,289,000 | 1,247,300 |
| Non-risk membership | 62,200 | 63,700 | 63,200 | 114,000 | 96,000 |
| TOTAL | 1,530,800 | 1,519,300 | 1,449,600 | 1,403,000 | 1,343,300 |
| Specialty Services (a): | | | | | |
| Cenpatico Behavioral Health | | | | | |
| Arizona | 119,300 | 120,100 | 117,300 | 110,500 | 104,700 |
| Kansas | 39,800 | 41,400 | 41,000 | 41,100 | 40,600 |
| Bridgeway Health Solutions | | | | | |
| Long-term Care | 2,700 | 2,600 | 2,500 | 2,400 | 2,300 |
| TOTAL | 161,800 | 164,100 | 160,800 | 154,000 | 147,600 |
| (a) Includes external membership only. | | | | | |

| | | | | | | |
|---|-----------|-----|-----------|-----------|-----------|-----------|
| REVENUE PER MEMBER | | | | | | |
| PER MONTH (b) | \$ 215.95 | (c) | \$ 226.42 | \$ 222.77 | \$ 219.75 | \$ 220.29 |
| CLAIMS (b) | | | | | | |
| Period-end inventory | 341,400 | | 423,400 | 414,900 | 362,200 | 325,000 |
| Average inventory | 283,900 | | 279,000 | 227,100 | 234,500 | 267,600 |
| Period-end inventory per member | 0.23 | | 0.29 | 0.30 | 0.28 | 0.26 |
| (b) Revenue per member and claims information are presented for the Managed Care at-risk members. | | | | | | |
| (c) Reduction in revenue per member per month is a result of the pharmacy carve-outs in 2010. | | | | | | |

| | Q1 | Q4 | Q3 | Q2 | Q1 |
|--|------|------|------|------|------|
| | 2010 | 2009 | 2009 | 2009 | 2009 |
| DAYS IN CLAIMS PAYABLE | | | | | |
| Medical | 46.6 | 48.1 | 47.1 | 47.5 | 45.3 |
| Pharmacy | 1.1 | 2.0 | 1.8 | 1.5 | 1.8 |
| TOTAL | 47.7 | 50.1 | 48.9 | 49.0 | 47.1 |
| Days in Claims Payable is a calculation of Medical Claims Liabilities at the end of the period divided by average claims expense per calendar day for such period. | | | | | |

| | | | | | |
|------------------------|---------|---------|---------|---------|---------|
| Regulated | \$917.9 | \$949.9 | \$911.4 | \$825.8 | \$816.8 |
| Unregulated | 51.3 | 36.2 | 27.6 | 27.0 | 28.9 |
| TOTAL | \$969.2 | \$986.1 | \$939.0 | \$852.8 | \$845.7 |
| DEBT TO CAPITALIZATION | 23.7% | 33.2% | 31.9% | 33.0% | 34.6% |

Debt to Capitalization is calculated as follows: total debt divided by (total debt + total equity).

Operating Ratios:

Three Months Ended March 31,

2010 2009

Health Benefits Ratios:

| | | |
|--------------------|--------|--------|
| Medicaid and CHIP | 85.6 % | 84.8 % |
| ABD and Medicare | 80.3 | 81.4 |
| Specialty Services | 80.6 | 78.3 |
| Total | 84.0 | 83.5 |

General & Administrative Expense Ratios 13.3 13.5

MEDICAL CLAIMS LIABILITY (In thousands)

The changes in medical claims liability are summarized as follows:

Balance, March 31, 2009 \$ 387,242

Incurred related to:

Current period 3,313,053

Prior period (49,162)

Total incurred 3,263,891

Paid related to:

Current period 2,874,916

Prior period 331,391

Total paid 3,206,307

Balance, March 31, 2010 \$ 444,826

Centene's claims reserving process utilizes a consistent actuarial methodology to estimate Centene's ultimate liability. Any reduction in the "Incurred related to: Prior period" amount may be offset as Centene actuarially determines "Incurred related to: Current period." As such, only in the absence of a consistent reserving methodology would favorable development of prior period claims liability estimates reduce medical costs. Centene believes it has consistently applied its claims reserving methodology in each of the periods presented.

The amount of the "Incurred related to: Prior period" above includes the effects of reserving under moderately adverse conditions, new markets where we use a conservative approach in setting reserves during the initial periods of operations, increased receipts from other third party payors related to coordination of benefits and lower medical utilization and cost trends for dates of service prior to March 31, 2009.

SOURCE Centene Corporation