

Magellan Health Services And Southwest Network Reach Agreement On Transfer Of Five Behavioral Direct Care Clinics

PHOENIX – August 20, 2008 – Magellan Health Services, Inc. and Southwest Network, Inc. have reached agreement on the transfer of five of the behavioral direct care clinics that Magellan of Arizona operates in its role as the Maricopa County Regional Behavioral Health Authority (RBHA). The divestiture of the clinics to adult provider network organizations in the community is a key step in the system transformation envisioned by the Arizona Department of Health Services (ADHS) in its 2007 procurement for the Maricopa County contract.

Effective Saturday, August 23, the Garden Lakes clinic will transition to Southwest Network, followed by the Alma School clinic on September 13. The Glendale and Osborn clinics will transition in October and the Highland clinic will transition in November. Consumers served by the Garden Lakes and Alma School clinics have been notified of the change in ownership. There will be no change in the way care is provided or in the clinical and medical staff serving consumers as a result of these transitions.

“We at the Department of Health Services are very pleased that Magellan and Southwest Network have reached this agreement and that the clinics will begin to transition to providers in the community,” said Acting Deputy Director of Behavioral Health Services Dr. Laura K. Nelson. “We are confident that continued transformation will be evident within Maricopa County.”

Russell C. Petrella, Ph.D., president of behavioral health for Magellan Health Services, said, “Southwest Network shares Magellan’s commitment to clinical excellence, compassion and providing high quality service for the consumers and families served through the Maricopa County RBHA. From the start, we have embraced the State’s vision for a transformation of the public mental health system in Maricopa County. We are pleased to be making this critical first step and we continue to work toward the realization of a community-driven model that is focused on recovery and resiliency and is accountable for superior clinical and program outcomes.”

Amy Henning, CEO of Southwest Network, added, “Southwest Network is committed to providing the utmost quality of care at all five of our clinic locations and thrilled to be the first adult provider network organization in the Maricopa County RBHA. We are proud that our partnership with Magellan marks the first step toward transforming the county’s system of care and carries on Southwest Network’s strong tradition of providing superior services to recipients and families alike.”

Under Magellan’s contract with the Arizona Department of Health Services, the company’s 23 direct care clinics and urgent psychiatric center, which it acquired last year from the previous managed care contractor in the course of assuming management of the program, will be transitioned to community provider network organizations by October 2009.

About Magellan:

Magellan Health Services manages public sector behavioral health care programs covering nearly two million individuals through direct contracts with government agencies in Florida, Iowa, Nebraska, Pennsylvania and Tennessee. It also manages behavioral health care as a subcontractor to leading health plans serving Medicaid programs in Georgia, Indiana, Nevada, Ohio and Texas. Headquartered in Avon, Conn., Magellan is a leading specialty health care management organization. In addition to behavioral health care, the company manages diagnostic imaging and specialty pharmaceuticals. Its customers include health plans, corporations and government agencies.

About Southwest Network:

Southwest Network is a non-profit organization that provides public sector behavioral health services for children and adults residing in Maricopa County, Arizona. Southwest Network is the largest Provider Network Organization in Maricopa County, providing services for more than 9,000 individuals either directly or through subcontracts with more than 35 provider agencies.

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