

Magellan and Performant Announce Strategic Relationship to Provide Payment Integrity Recovery Services for Specialty Pharmacy

AVON, Conn.--(BUSINESS WIRE)-- Today, Magellan Health Services Inc. (NASDAQ: MGLN) and Performant Financial Corporation (NASDAQ: PFMT) jointly announced a strategic relationship to offer payment integrity recovery services to Magellan's commercial specialty pharmacy customers through Magellan Pharmacy Solutions. Specialty pharmacy overpayment recovery consists of auditing customer claims data in order to identify inappropriate coding, billing and payment of specialty pharmacy claims. Magellan and Performant piloted the combined audit and recovery services in 2012 with select customers and will now expand this offering to all Magellan Pharmacy Solutions commercial customers.

Magellan Pharmacy Solutions' SVP of Strategy and Business Development Kjel Johnson said, "Magellan is continuing its innovative approach to the specialty pharmacy market by looking at new opportunities for additional cost savings for our customers through recovery solutions to further enhance the services we offer."

In 2011, the United States spent \$80 billion on specialty pharmaceuticals and healthcare consulting firms are predicting global revenues in the specialty sector will surpass \$160 billion in 2013. An industry report suggests that specialty pharmacy costs may account for 40 percent of total drug spending by 2020.

"Industry estimates place claim overpayments on specialty pharmaceuticals at three to ten percent annually, which potentially amounts to millions of dollars in savings for a plan sponsor each year, so we're excited about the potential implications for our customers," said Johnson.

Performant Financial's Chief Executive Officer Lisa Im said, "We're very enthusiastic about expanding our relationship with Magellan, a true leader in the industry, and serving the specialty pharmacy market. We have refined our recovery services over many years and in multiple industries, so meeting this unmet market demand is a natural fit with our strategy."

About Magellan Health Services

Headquartered in Avon, Conn., Magellan Health Services Inc. is a leading specialty health care management organization with expertise in managing behavioral health, radiology and pharmacy programs. Magellan delivers innovative solutions to improve quality outcomes and optimize the cost of care for those we serve. As of September 30, 2012, Magellan's customers include health plans, employers and government agencies, serving approximately 33.8 million members in our behavioral health business, 17.3 million members in our radiology benefits management segment, and 8 million members in our medical pharmacy management product. In addition, the specialty pharmaceutical segment served 40 health plans and several pharmaceutical manufacturers and state Medicaid Programs. The Company's Medicaid Administration segment served 24 states and the District of Columbia. For more information, visit www.MagellanHealth.com.

About Performant Financial Corporation

Performant Financial Corporation is a leading provider of technology-enabled recovery and related analytics services. The Company's services help identify and recover delinquent or defaulted assets and improper payments for various government, healthcare and financial services markets in the United States. The Company was founded in 1976 and is headquartered in Livermore, California. For more information, visit www.performantcorp.com.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the business opportunities available to Magellan Health Services and Performant in connection with the recovery of overpayments related to specialty pharmaceuticals. These forward-looking statements are based on current expectations, estimates, assumptions and projections that are subject to change and actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, those identified under the caption "Risk Factors" in the periodic reports that Magellan Health Services or Performant files with the SEC. The forward-looking statements are made as of the date of this press release and neither company undertakes to update any forward-looking statements to conform these statements to actual results or revised expectations.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/multimedia/home/20130206005921/en/>

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