

Magellan Health Services Announces Reorganized, Rebranded Pharmacy Organization, Magellan Rx Management

Integrated pharmacy organization balances quality care with effective cost management

AVON, Conn.--(BUSINESS WIRE)-- Magellan Health Services (NASDAQ: MGLN) today announced its reorganized and rebranded pharmacy organization, Magellan Rx Management. Magellan Rx Management is the company's integrated pharmacy business incorporating the pharmacy benefits manager (PBM) formerly known as Partners Rx, specialty pharmacy spend manager ICORE Healthcare, and Magellan Medicaid Administration, experts in Medicaid drug benefits management. Magellan Rx Management is led by CEO Robert W. Field, who was previously the president and CEO of Partners Rx.

"In just a few short months, we've made great progress integrating our commercial, Medicaid and specialty pharmacy operations into one organization. This will allow us to leverage our collective scale and expertise in managing total drug spend, while ensuring a clear focus on the specific needs of each of our individual customers," said Field. "While integration is always a challenge, all three teams stepped up to begin 2014 as one organization. We've added several pharmacy executives with extensive expertise in network and manufacturer rebate negotiations and drug purchasing, and we've expanded and reorganized our sales force and account management personnel into teams to focus on employer, managed care, specialty and government markets.

"We approach the market with a unique vision of care that better manages costs with a customer-first culture and innovative tools to provide insightful solutions. Combining our industry-leading pharmacy benefits management with specialty, medical and more than 40 years of Medicaid experience results in effective cost management without sacrificing the quality of care for beneficiaries," Field added.

"Because of our foundation working with the highest-cost and most-complex aspects of health care, we are well positioned to understand and address our clients' and members' greatest needs and challenges," said Barry M. Smith, CEO of Magellan Health Services. "We expect Magellan Rx Management to show strong growth, as we continue to focus on the employer, managed care, specialty and government markets."

Magellan Rx Management offers a full-service platform, including customized formularies, claims processing, specialty pharmacy management, targeted clinical solutions and mail service. With more than 900 pharmacists, clinical case managers and customer service representatives, Magellan Rx Management is focused on the needs of its customers and members, and is able to provide 24/7 service. Magellan Rx Management, a primary growth engine for Magellan Health Services, serves state and commercial clients with approximately \$15 billion in drug spend. Magellan has stated that its goal is to grow its total pharmacy revenues to at least \$2.5 billion over the next four years.

About Magellan Health Services: Headquartered in Avon, Conn., [Magellan Health Services Inc.](http://www.MagellanHealth.com) is a leading specialty health care management organization with expertise in managing behavioral health, radiology, and pharmacy benefits programs, as well as integrated health care programs for special populations. Magellan delivers innovative solutions to improve quality outcomes and optimize the cost of care for those we serve. As of September 30, 2013, Magellan's customers include health plans, employers and government agencies, serving approximately 33.9 million members in our behavioral health business, 17.5 million members in our radiology benefits management segment, and approximately 9.2 million members in our medical pharmacy management product. In addition, the pharmacy solutions segment served 39 health plans and employers, 25 states and the District of Columbia, and several pharmaceutical manufacturers. For more information, visit www.MagellanHealth.com.

Cautionary Statement

This release contains forward-looking statements within the meaning of the Securities Exchange Act of 1934 and the Securities Act of 1933, as amended, which involve a number of risks and uncertainties. All statements, other than statements of historical information provided herein, may be deemed to be forward-looking statements including, without limitation, statements regarding future growth of Magellan Rx Management. These statements are based on management's analysis, judgment, belief and expectation only as of the date hereof, and are subject to uncertainty and changes in circumstances. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "may," "should," "could," "estimate," "intend" and other similar expressions are intended to identify forward-looking statements. Actual results could differ materially due to, among other things, the possible election of certain of the company's customers to manage the health care services of their members directly; changes in rates paid to and/or by the company by customers and/or providers; higher utilization of health care services by the company's risk members; delays, higher costs or inability to implement new business or other company initiatives; the impact of changes in the contracting model for Medicaid contracts; termination or non-renewal of customer contracts; the impact of new or amended laws or

regulations; governmental inquiries; litigation; competition; operational issues; health care reform; and general business conditions. Additional factors that could cause actual results to differ materially from those reflected in the forward-looking statements include, but are not limited to, the risks discussed in the "Risk Factors" section included within the company's Annual Report on Form 10-K for the year ended December 31, 2012, filed with the Securities and Exchange Commission on February 28, 2013, and the company's subsequent Quarterly Reports on Form 10-Q filed during 2013. Readers are cautioned not to place undue reliance on these forward-looking statements. The company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of this release.

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