

Magellan Health to Expand Capabilities Related to Long-Term Services and Supports

SCOTTSDALE, Ariz.--(BUSINESS WIRE)-- [Magellan Health, Inc.](#) (NASDAQ: MGLN) today announced that it has entered into an agreement to acquire The Management Group, LLC, (TMG) a company with 30 years of expertise in community-based long-term services and supports. Magellan Health plans to leverage the capabilities gained through this acquisition as it seeks to expand its footprint in managed long-term services and supports (MLTSS).

"These capabilities will broaden Magellan's scope and expertise in long-term services and supports, and provide Magellan with experienced leaders and a focus on self-directed care," said Barry M. Smith, chairman and chief executive officer of Magellan Health. "We look forward to working with TMG's leadership team as we seek to expand our long-term care capabilities across the country."

"With 26 states in various stages of implementation of regional or statewide MLTSS programs, and another eight states actively considering this option, it's clear that this is the direction in which many states are moving," said Sam Srivastava, chief executive officer of Magellan Healthcare. "Magellan has a long history of supporting and managing the care of special populations, and this acquisition will allow us to leverage TMG's capabilities, intellectual capital and expertise in this complex area."

"Given the complex needs and health concerns that many individuals within the MLTSS community have, the skills and expertise needed to effectively empower and support this population are not ones that can be learned quickly," said Amie Goldman, chief executive officer of TMG. "We look forward to providing our decades of experience and best practices to Magellan as they further expand into MLTSS across the country."

In addition, TMG owners Peter Tropman and Virginia Graves, who bring a long history of experience in government relations, consulting, MLTSS policy development and implementation, and thought leadership, will consult to Magellan, and chair the company's newly created MLTSS National Advisory Board. This group will include other MLTSS leaders and assist Magellan as it seeks to design and implement MLTSS programs elsewhere across the country.

TMG currently supports nearly 13,000 individuals in Wisconsin through the state's Include, Respect I Self-Direct (IRIS) program, which serves adults with physical disabilities, adults with developmental disabilities and frail elders with a special focus on self-directed long-term services.

The terms of the acquisition include an earnout for the owners based upon future success in winning MLTSS contracts in other states with the knowledge, expertise and experience provided by TMG.

About Magellan Health: Headquartered in Scottsdale, Ariz., [Magellan Health, Inc.](#) is a leader in managing the fastest growing, most complex areas of health, including special populations, complete pharmacy benefits and other specialty areas of healthcare. Magellan develops innovative solutions that combine advanced analytics, agile technology and clinical excellence to drive better decision making, positively impact health outcomes and optimize the cost of care for the members we serve — all within a customer-first culture. Magellan's customers include health plans and other managed care organizations, employers, labor unions, various military and governmental agencies and third-party administrators. For more information, visit [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 the expected completion of the acquisition of TMG, enhancement of long-term care capabilities, the future business and growth of TMG and Magellan Healthcare's business generally. 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, 2014, filed with the Securities and Exchange Commission on February 26, 2015.

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Magellan Health, Inc.

Media Contact:

Colleen Flanagan Johnson, 860-507-1923

cefjohnson@magellanhealth.com

or

Investor Contact:

Renie Shapiro Silver, 877-645-6464

rshapiro@magellanhealth.com

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