UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 2, 2018

CENTENE CORPORATION
(Exact Name of Registrant as Specified in Charter)

Delaware	001-31826	42-1406317
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

7700 Forsyth Blvd., St. Louis, Missouri	63105
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (314) 725-4477

(Former Name or Former Address, if Changed Since Last Report): N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

INTRODUCTORY NOTE

On July 2, 2018, Centene Corporation ("Centene") announced that it completed the previously announced acquisition of substantially all of the assets of New York State Catholic Health Plan, Inc. d/b/a Fidelis Care New York ("Fidelis Care"). Pursuant to the terms of the previously disclosed Asset Purchase Agreement, dated September 12, 2017, as amended by that certain Amendment No. 1 to the Asset Purchase Agreement, dated June 18, 2018 (as so amended, the "Asset Purchase Agreement"), by and among Centene and Fidelis Care, following the receipt of all required regulatory approvals, Centene has completed its acquisition of substantially all of the assets of Fidelis Care (the "Acquisition").

Centene financed the Acquisition with available cash and the net proceeds from the previously disclosed equity offering and notes offering.

Item 1.01. Entry into a Material Definitive Agreement

As previously disclosed, on May 23, 2018, Centene Escrow I Corporation, a wholly owned subsidiary of Centene (the "Escrow Issuer"), entered into an Indenture, dated as of May 23, 2018 (the "Indenture"), by and between the Escrow Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee, pursuant to which the Escrow Issuer issued $1.8 billion aggregate principal amount of 5.375% Senior Notes due 2026 (the "Notes").

Upon issuance of the Notes, the gross proceeds of the offering, along with certain additional funds (the "Escrowed Funds") were deposited into an escrow account. In connection with the Acquisition, the Escrowed Funds were released from escrow and were used, together with the net proceeds of the previously disclosed equity offering, to fund the cash consideration for the Acquisition and to pay related fees and expenses.

In connection with the release of the Escrowed Funds from escrow, the Escrow Issuer merged with and into Centene, with Centene as the surviving entity in the merger, and by entry into a supplemental indenture to the Indenture (the "Supplemental Indenture"), Centene assumed all of the Escrow Issuer's obligations as the issuer under the Indenture and the Notes.

The foregoing description of the Supplemental Indenture does not purport to be complete and is qualified in its entirety by reference to the complete terms of the Supplemental Indenture, a copy of which is filed as Exhibit 4.2 hereto and is incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On July 2, 2018, Centene completed the previously announced Acquisition, effective as of July 1, 2018. Subject to the terms of the Asset Purchase Agreement, at the effective time of the Acquisition (the "Effective Time"), Fidelis Care sold, assigned, transferred, conveyed and delivered to Centene, and Centene purchased from Fidelis Care, all of its rights, title and interest in, to and under substantially all assets, properties, rights and claims of Fidelis Care, which are used or held for use by Fidelis Care in the operation of its health care plan.

The Asset Purchase Agreement contains representations, warranties and covenants by each of the parties thereto which were made only for purposes of the Asset Purchase Agreement and:

- were made as of specific dates;
- were made solely for the benefit of the parties to the Asset Purchase Agreement;
- may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Asset Purchase Agreement instead of establishing these matters as facts; and
- may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors.

Accordingly, investors should not rely on the representations, warranties or covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Centene, Fidelis Care or any of their respective subsidiaries or affiliates. Investors are not entitled to rely on the representations and warranties, which are only for the benefit of the parties to the Asset Purchase Agreement. Moreover, information concerning the subject matter of the representations, warranties and covenants may change, or may have changed, after the date of the Asset Purchase Agreement, which subsequent information may or may not be fully reflected in Centene's public disclosures. The Asset Purchase Agreement should not be read alone, but should instead be read in conjunction with the other information regarding the Asset Purchase Agreement, the Acquisition, Centene, Fidelis Care and their respective affiliates and businesses, which is contained in or incorporated by reference into the documents that Centene has publicly filed or will file in reports and statements with the U.S. Securities and Exchange Commission (the "SEC").

In connection with the Asset Purchase Agreement, Centene and Fidelis Care entered into certain ancillary agreements at the Effective Time, including, among others, a transition services agreement, certain assignment agreements and certain reinsurance agreements with respect to Fidelis Care's Medicare and Qualified Health Plan businesses.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the complete terms of the Asset Purchase Agreement, a copy of which is incorporated herein by reference as Exhibit 2.1.

Item 2.03. Creation of a Direct Financing Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure required by this item is included in Item 1.01 and is incorporated herein by reference.

Item 8.01. Other Events

On July 2, 2018, Centene issued a press release announcing the completion of the Acquisition. A copy of the press release announcing the completion of the Acquisition is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(a) Financial statements of businesses acquired.

The audited consolidated financial statements of Fidelis Care as of and for the years ended December 31, 2017 and 2016 are incorporated herein by reference as Exhibit 99.2. The unaudited consolidated financial statements of Fidelis Care as of March 31, 2018 and for the three months ended March 31, 2018 and 2017 are incorporated herein by reference as Exhibit 99.3.

(b) Pro forma financial information.

Centene's unaudited pro forma condensed combined financial information and explanatory notes for the year ended December 31, 2017 and as of and for the three months ended March 31, 2018, are attached as Exhibit 99.4 hereto and incorporated by reference herein.

(d) Exhibits.

Exhibit Number	Description
2.1	Asset Purchase Agreement, dated September 12, 2017, between Centene and Fidelis Care (incorporated by reference to Exhibit 2.1 of Centene's Current Report on Form 8-K filed with the SEC on September 12, 2017)
4.1	Indenture, dated as of May 23, 2018, by and between Centene Escrow I Corporation, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 of Centene's Current Report on Form 8-K filed with the SEC on May 23, 2018)
4.2	First Supplemental Indenture, dated as of July 1, 2018, by and between Centene and The Bank of New York Mellon Trust Company, N.A., as trustee
99.1	Press Release of Centene announcing completion of the Acquisition, dated July 2, 2018
99.2	Audited consolidated financial statements of Fidelis Care as of and for the years ended December 31, 2017 and 2016 (incorporated by reference to Exhibit 99.1 of Centene's Current Report on Form 8-K filed with the SEC on March 26, 2018)
99.3	Unaudited consolidated financial statements of Fidelis Care as of March 31, 2018 and for the three months ended March 31, 2018 and 2017 (incorporated by reference to Exhibit 99.1 of Centene's Current Report on Form 8-K filed with the SEC on April 30, 2018)
99.4	Unaudited pro forma condensed combined financial information and explanatory notes for the year ended December 31, 2017 and as of and for the three months ended March 31, 2018

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTENE CORPORATION

Dated: July 2, 2018

By: /s/ Jeffrey A. Schwaneke
Name: Jeffrey A. Schwaneke
Title: Executive Vice President & Chief Financial Officer

Exhibit 4.2

FIRST SUPPLEMENTAL INDENTURE (this "First Supplemental Indenture"), dated as of July 1, 2018, by and between Centene Corporation, a Delaware corporation (the "Company"), and The Bank of New York Mellon Trust Company, N.A., as Trustee under the Indenture referred to below.

W I T N E S S E T H:

WHEREAS, Centene Escrow I Corporation (the "Escrow Issuer") has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of May 23, 2018, providing for the issuance of 5.375% Senior Notes due 2026 (the "Notes");

WHEREAS, Section 5.03 of the Indenture requires the Company to execute this First Supplemental Indenture upon consummation of the Assumption (as defined in the Indenture) on the Assumption Date (as defined in the Indenture); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Company and the Trustee are each authorized to execute and deliver this First Supplemental Indenture;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company and the Trustee mutually covenant and agree for the benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this First Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this First Supplemental Indenture refer to this First Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND

SECTION 2.1. Agreement to be Bound. The Company hereby assumes the Escrow Issuer's obligations for the due and punctual payment of the principal of and interest and any Applicable Premium, if applicable, on all Notes issued pursuant to the Indenture and the performance and observance of each other obligation and covenant set forth in the Indenture to be performed or observed on the part of the Escrow Issuer. The Company is hereby substituted for, and may exercise every right and power of, the Escrow Issuer under the Indenture with the same effect as if the Company had been named as the Issuer in the Indenture, and the Company is a successor corporation under the Indenture.

ARTICLE III

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications by the Company or the Trustee to each other shall be given as provided in the Indenture.

SECTION 3.2. Governing Law. **THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

SECTION 3.3. Severability. In case any provision in this First Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This First Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.5. The Trustee. The Trustee makes no representation or warranty as to the validity or sufficiency of this First Supplemental Indenture. The recitals herein are deemed to be those of the Company and not of the Trustee.

SECTION 3.6. Counterparts. The parties hereto may sign any number of copies of this First Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 3.7. Headings. The headings of the Articles and the Sections in this First Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed as of the date first written above.

CENTENE CORPORATION

By: /s/ Jeffrey A. Schwaneke
Name: Jeffrey A. Schwaneke
Title: Executive Vice President and Chief Financial Officer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

By: /s/ R. Tarnas
Name: R. Tarnas
Title: Vice President

Exhibit 99.1

N E W S   R E L E A S E

Contacts:	Media	Investors
	Marcela Manjarrez-Hawn	Edmund E. Kroll, Jr.
	(314) 445-0790	(212) 759-0382
	mediainquiries@centene.com	investors@centene.com

FOR IMMEDIATE RELEASE

Centene Completes Transaction with Fidelis Care

Fidelis Care Becomes Centene's Health Plan in New York State

Expands Centene's National Leadership in Government Sponsored Healthcare

ST. LOUIS (July 2, 2018) – Centene Corporation (NYSE: CNC) ("Centene" or "the Company") announced today that, following the receipt of all required regulatory approvals, Centene has completed its acquisition of substantially all of the assets of Fidelis Care in a transaction valued at $3.75 billion, making Fidelis Care Centene's health plan in New York State.

The addition of Fidelis Care, the leading government health plan in New York State, expands Centene's national leadership in government sponsored healthcare. With the transaction now complete and effective as of July 1, 2018, Centene enters New York, the country's second largest managed care state by membership, giving Centene a leadership position in the country's four largest managed care states by membership, which also include California, Florida and Texas.

"We are pleased to have completed our transaction with Fidelis Care on schedule and to enter the New York market by joining with a company with which we are closely aligned on many levels," said Michael F. Neidorff, Chairman and CEO of Centene. "By bringing together two leaders in high quality, affordable healthcare with a shared mission of promoting accessible care and services for all, this transaction creates opportunities for us to further transform the health of the communities we serve, one person at a time."

Mr. Neidorff continued, "I would like to officially welcome the Fidelis Care team to the Centene family. We look forward to working with Fidelis Care's network of New York health professionals to support the next generation in government sponsored healthcare programs in the state."

Rev. Patrick J. Frawley, CEO of Fidelis Care, added, "The integration planning process reaffirmed the alignment between our two companies, and I look forward to what we will be able to accomplish as part of Centene, including through their comprehensive, state of the art technology and medical management, wellness and care management systems. We look forward to hitting the ground running so we can continue to create opportunities and benefits for all of our stakeholders as part of Centene."

Leadership and Integration Update

As previously announced, Rev. Patrick J. Frawley will continue to lead Fidelis Care as its Chief Executive Officer. Fidelis Care will continue to be headquartered in Queens with operations throughout the state, including, Albany, Buffalo, Rochester and Syracuse.

To ensure a seamless transition, Centene and Fidelis Care have worked together over the past nine months to develop an integration plan that will allow for the combined company to efficiently and effectively leverage resources and talent. Centene looks forward to welcoming Fidelis Care's approximately 4,000 dedicated team members to the Centene family.

# # #

About Centene Corporation Centene Corporation, a Fortune 100 company, is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Many receive benefits provided under Medicaid, including the State Children's Health Insurance Program (CHIP), as well as Aged, Blind or Disabled (ABD), Foster Care and Long-Term Services and Supports (LTSS), in addition to other state-sponsored programs, Medicare (including the Medicare prescription drug benefit commonly known as "Part D"), dual eligible programs and programs with the U.S. Department of Defense and U.S. Department of Veterans Affairs. Centene also provides healthcare services to groups and individuals delivered through commercial health plans. Centene operates local health plans and offers a range of health insurance solutions. It also contracts with other healthcare and commercial organizations to provide specialty services including behavioral health management, care management software, correctional healthcare services, dental benefits management, commercial programs, home-based primary care services, life and health management, vision benefits management, pharmacy benefits management, specialty pharmacy and telehealth services.

Centene uses its investor relations website to publish important information about the Company, including information that may be deemed material to investors. Financial and other information about Centene is routinely posted and is accessible on Centene's investor relations website, http://www.centene.com/investors.

Forward-Looking Statements

The company and its representatives may from time to time make written and oral forward-looking statements within the meaning of the Private Securities Litigation Reform Act ("PSLRA") of 1995, including statements in this and other press releases, in presentations, filings with the Securities and Exchange Commission ("SEC"), reports to stockholders and in meetings with investors and analysts. In particular, the information provided in this press release may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Centene and certain plans and objectives of Centene with respect thereto, including but not limited to the expected benefits of the acquisition ("Health Net Acquisition") of

Health Net, Inc. (“Health Net”) and the acquisition of New York State Catholic Health Plan, Inc., d/b/a Fidelis Care New York (“Fidelis Care”) (“Fidelis Acquisition” or “Fidelis Care Transaction”). These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Without limiting the foregoing, forward-looking statements often use words such as “anticipate”, “seek”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aim”, “continue”, “will”, “may”, “can”, “would”, “could” or “should” or other words of similar meaning or the negative thereof. We intend such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in PSLRA. A number of factors, variables or events could cause actual plans and results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, Centene’s ability to accurately predict and effectively manage health benefits and other operating expenses and reserves; competition; membership and revenue declines or unexpected trends; changes in healthcare practices, new technologies and advances in medicine; increased healthcare costs; changes in economic, political or market conditions; changes in federal or state laws or regulations, including changes with respect to income tax reform or government healthcare programs as well as changes with respect to the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act and any regulations enacted thereunder that may result from changing political conditions; rate cuts or other payment reductions or delays by governmental payors and other risks and uncertainties affecting Centene’s government businesses; Centene’s ability to adequately price products on federally facilitated and state based Health Insurance Marketplaces; tax matters; disasters or major epidemics; the outcome of legal and regulatory proceedings; changes in expected contract start dates; provider, state, federal and other contract changes and timing of regulatory approval of contracts; the expiration, suspension or termination of Centene or Fidelis Care’s contracts with federal or state governments (including but not limited to Medicaid, Medicare, TRICARE or other customers); the difficulty of predicting the timing or outcome of pending or future litigation or government investigations; challenges to Centene or Fidelis Care’s contract awards; cyber-attacks or other privacy or data security incidents; the possibility that the expected synergies and value creation from acquired businesses, including, without limitation, the Health Net Acquisition and the Fidelis Acquisition, will not be realized, or will not be realized within the expected time period, including, but not limited to, as a result of any failure to obtain any regulatory, governmental or third party consents or approvals in connection with the Fidelis Acquisition or any conditions, terms, obligations or restrictions imposed in connection with the receipt of such consents or approvals; the exertion of management’s time and Centene’s resources, and other expenses incurred and business changes required in connection with complying with the undertakings in connection with any regulatory, governmental or third party consents or approvals for the Health Net Acquisition or the Fidelis Acquisition; disruption caused by significant completed and pending acquisitions, including the Health Net Acquisition and the Fidelis Acquisition, making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred in connection with the completion and/or integration of acquisition transactions, including among others, the Health Net Acquisition and the Fidelis Acquisition; changes in expected closing dates, estimated purchase price and accretion for acquisitions; the risk that acquired businesses and pending acquisitions, including Health Net and Fidelis Care, will not be integrated successfully; the risk that the conditions to the completion of the Fidelis Acquisition may not be satisfied or completed on a timely basis, or at all; failure to obtain or receive any *required regulatory approvals, consents or clearances for the Fidelis Acquisition, and the risk that, even if so obtained or received, regulatory authorities impose conditions on the completion of the transaction that could require the exertion of management's time and Centene's resources, or otherwise have an adverse effect on Centene or the completion of the Fidelis Acquisition; business uncertainties and contractual restrictions while the Fidelis Acquisition is pending, which could adversely affect Centene's business and operations; change of control provisions or other provisions in certain agreements to which Fidelis Care is a party, which may be triggered by the completion of the Fidelis Acquisition; loss of management personnel and other key employees due to uncertainties associated with the Fidelis Acquisition; the risk that, following completion of the Fidelis Acquisition, the combined company may not be able to effectively manage its expanded operations; restrictions and limitations that may stem from the financing arrangements that the combined company will enter into in connection with the Fidelis Acquisition; Centene's ability to achieve improvement in the Centers for Medicare and Medicaid Services ("CMS") Star ratings and maintain or achieve improvement in other quality scores in each case that can impact revenue and future growth; availability of debt and equity financing, on terms that are favorable to Centene; inflation; foreign currency fluctuations; and risks and uncertainties discussed in the reports that Centene has filed with the SEC. These forward-looking statements reflect Centene's current views with respect to future events and are based on numerous assumptions and assessments made by Centene in light of its experience and perception of historical trends, current conditions, business strategies, operating environments, future developments and other factors it believes appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties and are subject to change because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this press release could cause Centene's plans with respect to the Health Net Acquisition, actual results, performance or achievements, industry results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is currently believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and persons reading this press release are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this press release. Centene does not assume any obligation to update the information contained in this press release (whether as a result of new information, future events or otherwise), except as required by applicable law. This list of important factors is not intended to be exhaustive. We discuss certain of these matters more fully, as well as certain other risk factors that may affect Centene's business operations, financial condition and results of operations, in Centene's filings with the SEC, including the annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.*

Exhibit 99.4

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION OF

CENTENE AND FIDELIS CARE

The unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2018, and for the year ended December 31, 2017, combine the historical consolidated statements of operations of Centene Corporation ("Centene" or the "Company") and New York State Catholic Health Plan, Inc. (d/b/a Fidelis Care New York) ("Fidelis Care"), giving effect to the Fidelis Acquisition (as defined in Note 1) and the financing of the Fidelis Acquisition (the "Acquisition Financing") as if they each had occurred on January 1, 2017. The unaudited pro forma condensed combined balance sheet as of March 31, 2018, combines the historical consolidated balance sheets of the Company and Fidelis Care, giving effect to the Acquisition Financing and the Fidelis Acquisition, as more fully described in Note 7 and Note 1, respectively, as if they each had occurred on March 31, 2018. The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (i) directly attributable to the Fidelis Acquisition, (ii) factually supportable and (iii) with respect to the statements of operations, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the unaudited pro forma condensed combined financial information was derived from and should be read in conjunction with the following historical consolidated financial statements and accompanying notes:

- separate historical unaudited interim financial statements of the Company as of and for the three months ended, March 31, 2018, and the related notes included in the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2018;
- separate historical unaudited interim financial statements of Fidelis Care as of and for the three months ended, March 31, 2018, and the related notes, included in the Company's Current Report on Form 8-K filed on April 30, 2018;
- separate historical audited financial statements of the Company as of and for the year ended, December 31, 2017, and the related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017; and
- separate historical audited financial statements of Fidelis Care as of and for the year ended, December 31, 2017, and the related notes, included in the Company's Current Report on Form 8-K filed on March 26, 2018.

The unaudited pro forma condensed combined financial information has been prepared by us using the acquisition method of accounting in accordance with GAAP. We have been treated as the acquirer in the Fidelis Acquisition for accounting purposes. The acquisition accounting is dependent upon certain valuation and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. In addition, under certain relevant laws and regulations, before completion of the Fidelis Acquisition, there were certain limitations regarding what we could learn about Fidelis Care prior to closing. Due to the recent completion of the Fidelis Acquisition, we have not yet reviewed all relevant information. The assets and liabilities of Fidelis Care have been measured based on various preliminary estimates using assumptions that we believe are reasonable based on information that is currently available. Differences between these preliminary estimates and the final acquisition accounting may occur, and those differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company's future results of operations and financial position. The pro forma adjustments are preliminary and have been made solely for informational purposes.

We intend to commence the necessary valuation and other studies required to complete the acquisition accounting promptly and will finalize the acquisition accounting as soon as practicable within the required measurement period in accordance with ASC 805, but in no event later than one year following completion of the Fidelis Acquisition.

The unaudited pro forma adjustments are based upon available information and certain assumptions that our management believes are reasonable. The unaudited pro forma condensed combined financial information has been presented for informational purposes only and is based on assumptions and estimates considered appropriate by our management; however, it is not necessarily indicative of our financial position or results of operations that would have been achieved had the pro forma events taken place on the dates indicated, or of the future consolidated results of operations or of the financial position of the combined company. You should not place undue reliance on the unaudited pro forma condensed combined financial information in making investment decisions.

Management expects that the strategic and financial benefits of the Fidelis Acquisition will result in certain cost savings opportunities. However, given the preliminary nature of those cost savings, they have not been reflected in the accompanying unaudited pro forma condensed combined statements of operations. For a discussion of risks related to anticipated cost savings, see "Risk Factors—Factors that may affect Future Results and the Trading Price of Our Common Stock—The combined company may be unable to successfully integrate our business with the assets acquired in the Proposed Fidelis Acquisition and realize the anticipated benefits of the Proposed Fidelis Acquisition" in Item 1A. of Part II of our Quarterly Report on Form 10-Q for the three months ended March 31, 2018.

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Three Months Ended March 31, 2018
(In millions, except per share data in dollars and shares in thousands)

	Centene	Fidelis Care	Pro Forma Adjustments (Note 6)		Pro Forma Combined
Revenues:					
Premium	$ 11,903	$2,618	$ 6	(a)	$ 14,527
Service	653	—	—		653
Premium and service revenues	12,556	2,618	6		15,180
Premium tax and health insurer fee	638	—	92	(a),(b)	730
Total revenues	13,194	2,618	98		15,910
Expenses:					
Medical costs	10,039	2,362	—		12,401
Cost of services	543	—	—		543
Selling, general and administrative expenses	1,316	164	—		1,480
Amortization of acquired intangible assets	39	—	19	(c)	58
Premium tax expense	546	—	45	(a)	591
Health insurer fee expense	171	—	41	(b)	212
Total operating expenses	12,654	2,526	105		15,285
Earnings from operations	540	92	(7)		625
Other income (expense):					
Investment and other income	41	2	—	(d)	43
Interest expense	(68)	(1)	(25)	(e)	(94)
Earnings from operations, before income tax expense	513	93	(32)		574
Income tax expense	175	—	24	(f)	199
Net earnings	338	93	(56)		375
Loss attributable to noncontrolling interests	2	—	—		2
Net earnings attributable to common stockholders	$ 340	$ 93	$ (56)		$ 377
Net earnings per common share attributable to Centene Corporation:					
Basic earnings per common share	$ 1.95				$ 1.88
Diluted earnings per common share	$ 1.91				$ 1.85
Weighted average number of common shares outstanding:					
Basic	173,921		26,604	(g)	200,525
Diluted	177,690		26,604	(g)	204,294

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of this statement. The pro forma adjustments are explained in Note 6. *Income Statement Pro Forma Adjustments*, beginning on page 9.

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2017
(In millions, except per share data in dollars and shares in thousands)

	Centene	Fidelis Care	Pro Forma Adjustments (Note 6)		Pro Forma Combined
Revenues:					
Premium	$ 43,353	$9,718	$ 18	(a)	$ 53,089
Service	2,267	—	—		2,267
Premium and service revenues	45,620	9,718	18		55,356
Premium tax	2,762	—	157	(a)	2,919
Total revenues	48,382	9,718	175		58,275
Expenses:					
Medical costs	37,851	8,878	—		46,729
Cost of services	1,847	—	—		1,847
Selling, general and administrative expenses	4,446	576	—		5,022
Amortization of acquired intangible assets	156	—	77	(c)	233
Premium tax expense	2,883	—	175	(a)	3,058
Total operating expenses	47,183	9,454	252		56,889
Earnings from operations	1,199	264	(77)		1,386
Other income (expense):					
Investment and other income	190	90	(20)	(d)	260
Interest expense	(255)	(2)	(100)	(e)	(357)
Earnings from operations before income tax expense	1,134	352	(197)		1,289
Income tax expense	326	—	57	(f)	383
Net earnings	808	352	(254)		906
Loss attributable to noncontrolling interests	20	—	—		20
Net earnings attributable to common stockholders	$ 828	$ 352	$ (254)		$ 926
Net earnings per common share attributable to Centene Corporation:					
Basic earnings per common share	$ 4.80				$ 4.65
Diluted earnings per common share	$ 4.69				$ 4.55
Weighted average number of common shares outstanding:					
Basic	172,427		26,604	(g)	199,031
Diluted	176,702		26,604	(g)	203,306

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of this statement. The pro forma adjustments are explained in Note 6. *Income Statement Pro Forma Adjustments*, beginning on page 9.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of March 31, 2018
(In millions, except shares in thousands)

	Centene	Fidelis Care	Pro Forma Adjustments (Note 7)		Pro Forma Combined
ASSETS					
Current assets:					
Cash and cash equivalents	$ 5,668	$ 2,824	$ (523)	(a),(e)	$ 7,969
Premium and trade receivables	3,648	221	—		3,869
Short-term investments	507	776	(115)	(a)	1,168
Other current assets	1,153	231	92	(f)	1,476
Total current assets	10,976	4,052	(546)		14,482
Long-term investments	5,535	—	—		5,535
Restricted deposits	140	492	—		632
Property, software and equipment, net	1,250	207	(139)	(a)	1,318
Goodwill	5,295	16	1,392	(b)	6,703
Intangible assets, net	1,519	—	1,000	(c)	2,519
Other long-term assets	455	—	—		455
Total assets	$ 25,170	$ 4,767	$ 1,707		$ 31,644
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS, STOCKHOLDERS' EQUITY AND NET ASSETS					
Current liabilities:					
Medical claims liability	$ 4,771	$ 1,353	$ —		$ 6,124
Accounts payable and accrued expenses	4,962	1,003	443	(a),(c),(f)	6,408
Return of premium payable	515	—	—		515
Unearned revenue	638	114	—		752
Current portion of long-term debt	4	14	(14)	(a)	4
Total current liabilities	10,890	2,484	429		13,803
Long-term debt	5,172	68	1,033	(a),(d),(e)	6,273
Other long-term liabilities	1,520	—	—		1,520
Total liabilities	17,582	2,552	1,462		21,596
Commitments and contingencies					
Redeemable noncontrolling interests	8	—	—		8
Stockholders' equity:					
Preferred stock	—	—	—		—
Common stock (1)	—	—	—		—
Additional paid-in capital	4,592	—	2,778	(e)	7,370
Accumulated other comprehensive (loss)	(54)	—	—		(54)
Retained earnings	3,104	—	(318)	(f)	2,786
Treasury stock, at cost	(139)	—	—		(139)
Total stockholders' equity attributable to common stockholders	7,503	—	2,460		9,963
Noncontrolling interest	77	—	—		77
Total stockholders' equity	7,580	—	2,460		10,040
Net assets		$ 2,215	$ (2,215)	(g)	
Total liabilities, redeemable noncontrolling interests, stockholders' equity and net assets	$ 25,170	$ 4,767	$ 1,707		$ 31,644

(1) On a historical basis, share information of the Company is as follows: 400,000 shares authorized; 180,643 shares issued and outstanding. On a pro forma combined basis, share information is as follows: 400,000 shares authorized; 207,247 shares issued and outstanding.

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of this statement. The pro forma adjustments are explained in Note 7. *Balance Sheet Pro Forma Adjustments*, beginning on page 10.

NOTES TO THE PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS, EXCEPT SHARE DATA)
(UNAUDITED)

1. Description of Transaction

Effective on July 1, 2018, pursuant to the Asset Purchase Agreement, between the Company and Fidelis Care, dated as of September 12, 2017, Centene acquired substantially all of the assets and assumed certain liabilities of Fidelis Care for $3.75 billion in cash, reduced by a $375.0 million escrow which will be used to satisfy any post-closing indemnification claims, subject to a working capital adjustment (the “Fidelis Acquisition”).

2. Basis of Presentation

The unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting and was based on the historical financial statements of the Company and Fidelis Care. The acquisition method of accounting is based on ASC 805 and uses the fair value concepts defined in ASC 820, Fair Value Measurements.

ASC 805 requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. In addition, ASC 805 requires that the consideration transferred be measured at the date the Fidelis Acquisition is completed at the then-current market price.

ASC 820 defines the term “fair value” and sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined in ASC 820 as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers in the principal (or the most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result of these standards, the Company may be required to record the fair value of assets which are not intended to be used or sold and/or to value assets at fair value measures that do not reflect the Company’s intended use of those assets. Many of these fair value measurements can be highly subjective, and it is possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Under the acquisition method of accounting, the assets acquired and liabilities assumed will be recorded, as of completion of the Fidelis Acquisition, primarily at their respective fair values and added to those of the Company. Financial statements and reported results of operations of the Company issued after completion of the Fidelis Acquisition will reflect these values, but will not be retroactively restated to reflect the historical financial position or results of operations of Fidelis Care.

Under ASC 805, acquisition-related transaction costs (e.g., advisory, legal, accounting, valuation and other professional fees) are not included as a component of consideration transferred but are accounted for as expenses in the periods in which the costs are incurred. Total acquisition-related transaction costs expected to be incurred by the Company are estimated to be approximately $410 million, of which $15 million had been incurred as of March 31, 2018. Acquisition-related transaction costs expected to be incurred by the Company include fees related to a bridge financing commitment agreement and other advisory fees associated with the transaction as well as certain anticipated undertakings with the New York State Department of Health. Those costs are reflected in the unaudited pro forma condensed combined balance sheet as an increase to accrued expenses and other current liabilities, with the related tax benefits reflected as an increase in other current assets and the after tax impact presented as a decrease to retained earnings.

The unaudited pro forma condensed combined financial statements do not reflect the projected realization of any anticipated cost savings following completion of the Fidelis Acquisition. These potential cost savings opportunities are expected to arise from network and medical management savings, as well as administrative cost savings. The unaudited pro forma condensed combined financial statements do not reflect projected pretax restructuring and integration charges associated with the projected cost savings.

3. Accounting Policies

The Company is in the process of reviewing Fidelis Care's accounting policies to determine if differences in accounting policies require restatement or reclassification of results of operations or reclassification of assets or liabilities to conform to the Company's accounting policies and classifications. As a result of that review, the Company may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements. At this time, the Company is not aware of any differences that would have a material impact on the combined financial statements. The unaudited pro forma condensed combined financial statements assume there are no material differences in accounting policies.

4. Consideration Transferred

The following is a summary of consideration transferred to effect the acquisition of Fidelis Care:

		Estimated Fair Value
Consideration Transferred:		
Cash	$	3,750
Centene Common Stock		—
Total Consideration Transferred	$	3,750

5. Estimate of Assets Acquired and Liabilities Assumed

The following is a preliminary estimate of the assets acquired and the liabilities assumed by the Company in the Fidelis Acquisition, reconciled to the total consideration transferred:

		As of March 31, 2018
Assets Acquired and Liabilities Assumed:		
Net book value of net assets acquired	$	1,358
Less: historical goodwill		(16)
Adjusted book value of net assets acquired	**$**	**1,342**
Goodwill (a)		1,408
Identified intangible assets (b)		1,000
Adjustment to Property and equipment (c)		—
Consideration transferred	**$**	**3,750**

(a) Goodwill is calculated as the difference between the acquisition date fair value of the total consideration transferred and the aggregate values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized.

(b) As of completion of the Fidelis Acquisition, identifiable intangible assets are required to be measured at fair value, and these acquired assets could include assets that are not intended to be used or sold or that are intended to be used in a manner other than their highest and best use. For purposes of these unaudited pro forma condensed combined financial statements and consistent with the ASC 820 requirements for fair value measurements, it is assumed that all assets will be used, and that all assets will be used in a manner that represents the highest and best use of those assets, but it is not assumed that any market participant synergies will be achieved.

The fair value of identifiable intangible assets is determined primarily using variations of the "income approach," which is based on the present value of the future after-tax cash flows attributable to each identified intangible asset. Other valuation methods, including the market approach and cost approach, are also considered in estimating the fair value. Under the Hart-Scott-Rodino Antitrust Improvements Act and other relevant laws and regulations, there were significant limitations on the Company's ability to obtain specific information about the Fidelis Care intangible assets prior to completion of the Fidelis Acquisition. Due to the recent completion of the Fidelis Acquisition, the Company has not yet reviewed all such relevant information.

At this time, the Company has not yet sufficiently reviewed relevant information as to the amount, timing and risk of cash flows of all of Fidelis Care's identifiable intangible assets to determine their fair value. Some of the more significant assumptions inherent in the development of intangible asset values, from the perspective of a market participant, include: the amount and timing of projected future cash flows (including revenue and profitability); the discount rate selected to measure the risks inherent in the future cash flows; and the assessment of the asset's life cycle and the competitive trends impacting the asset. However, for purposes of these unaudited pro forma condensed combined financial statements and using publicly available information, such as historical revenues, Fidelis Care's cost structure, industry information for comparable intangible assets and certain other high-level assumptions, the fair value of Fidelis Care's identifiable intangible assets and their weighted-average useful lives have been estimated as follows:

	Estimated Fair Value	Estimated Useful Life (Years)
State and Federal Contracts	$ 800	
Trademarks / trade names	120	
Provider networks	80	
Total	$ 1,000	13

These preliminary estimates of fair value and weighted-average useful life will likely be different from the final acquisition accounting, and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements. Once the Company has sufficiently reviewed information about Fidelis Care's intangible assets, additional insight will be gained that could impact (i) the estimated total value assigned to intangible assets, (ii) the estimated allocation of value between finite-lived and indefinite-lived intangible assets and/or (iii) the estimated useful lives of intangible assets. The estimated intangible asset values and their useful lives could be impacted by a variety of factors that may become known to the Company only upon sufficient review of additional information and/or by changes in such factors. These factors include, but are not limited to, changes in the regulatory, legislative, legal, technological and competitive environments. Increased knowledge about these and/or other elements could result in a change to the estimated fair value of the identifiable Fidelis Care intangible assets and/or to the estimated weighted-average useful lives from what the Company has assumed in these unaudited pro forma condensed combined financial statements. The combined effect of any such changes could then also result in a significant increase or decrease to the Company's estimate of associated amortization expense.

(c) As of completion of the Fidelis Acquisition, property and equipment is required to be measured at fair value, unless those assets are classified as held-for-sale on the acquisition date. The acquired assets can include assets that are not intended to be used or sold, or that are intended to be used in a manner other than their highest and best use. The Company does not have sufficient information at this time as to the specific nature, age, condition or location of Fidelis Care's property and equipment, and the Company does not know the appropriate valuation premise, in-use or in-exchange, as the valuation premise requires a certain level of knowledge about the assets being evaluated as well as a profile of the associated market participants. All of these elements can cause differences between fair value and net book value. Accordingly, for the purposes of these unaudited pro forma condensed combined financial statements, the Company has assumed that the current Fidelis Care book values represent the best estimate of fair value. This estimate is preliminary and subject to change and could vary materially from the actual value.

6. Income Statement Pro Forma Adjustments

This note should be read in conjunction with Note 1. *Description of Transaction*; Note 2. *Basis of Presentation*; Note 4. *Consideration Transferred*; and Note 5. *Estimate of Assets Acquired and Liabilities Assumed*. Adjustments included in the column under the heading "Pro Forma Adjustments" represent the following:

(a) Prior to the Fidelis Acquisition, Fidelis Care was a not-for-profit entity, not subject to premium tax expense. The Company's estimates of premium revenue, premium tax revenue and premium tax expense are as follows:

	Three Months Ended March 31, 2018	Year Ended December 31, 2017
Premium revenue	$ 6	$ 18
Premium tax revenue	39	157
Premium tax expense	45	175

(b) The Company estimates certain Fidelis Care revenues will be subject to the Health Insurer fee following the first year of the closing of the Fidelis Acquisition. The Company's estimates of health insurer fee revenue and health insurer fee expense are as follows:

	Three Months Ended March 31, 2018
Health insurer fee revenue	53
Health insurer fee expense	41

(c) To record intangible amortization expense, as follows:

	Three Months Ended March 31, 2018	Year Ended December 31, 2017
Estimated intangible asset amortization expense (*)	$ 19	$ 77

(*) Assumes an estimated $1.0 billion of finite-lived intangibles and a weighted average amortization period of 13 years (Refer to Note 5. *Estimate of Assets Acquired and Liabilities Assumed*).

(d) The Company estimates reduced investment income to reflect lower investment balances associated with the acquired assets. The estimated reduction is as follows:

	Three Months Ended March 31, 2018	Year Ended December 31, 2017
Estimated investment income reduction	$ —	$ (20)

(e) The Company estimates the following adjustments to interest expense associated with debt incurred to finance the Fidelis Acquisition:

- Additional interest expense of approximately $24 million in the three months ended March 31, 2018 and $97 million in the year ended December 31, 2017, based on $1.8 billion of long term fixed-rate indebtedness the Company incurred to finance a portion of the cash consideration payable in connection with the Fidelis Acquisition and to pay related fees and expenses. The calculation of interest expense on the long-term indebtedness is based on an annual interest rate of 5.375%.
- Additional interest expense of approximately $1 million for the three months ended March 31, 2018 and $3 million for the year ended December 31, 2017, related to the amortization of debt issuance costs associated with the $1.8 billion of long-term indebtedness the Company incurred to finance a portion of the cash consideration payable in connection with the Fidelis Acquisition and to pay related fees and expenses. Issuance costs related to such long-term indebtedness will be amortized over a term of eight years.

(f) The Company assumed blended tax rates of 38% and 37% for 2018 and 2017, respectively, when estimating the tax impact of the acquisition, representing the federal and state tax rates. The effective tax rate of the combined company could be significantly different depending upon post-acquisition activities of the combined company.

(g) Basic and diluted shares outstanding have been adjusted to reflect the shares issued by Centene in connection with the acquisition as follows: an increase of 26,604 thousand for the three months ended March 31, 2018 and for the year ended December 31, 2017, related to equity issued to finance the Fidelis Acquisition, based on approximately $2.86 billion issued at the public offering price of $107.50 per share.

7. Balance Sheet Pro Forma Adjustments

This note should be read in conjunction with Note 1. *Description of Transaction*; Note 2. *Basis of Presentation*; Note 4. *Consideration Transferred*; and Note 5. *Estimate of Assets Acquired and Liabilities Assumed*. Adjustments included in the column under the heading "Pro Forma Adjustments" represent the following:

(a) To eliminate assets not acquired and liabilities not assumed, as follows:

Assets	
Cash and cash equivalents	$(652)
Short term investments	(115)
Property, software and equipment	(139)
Liabilities	
Accounts payable and accrued expenses	(1)
Short-term debt	(14)
Long-term debt	(68)
Total, net	$(823)

(b) To adjust goodwill to an estimate of acquisition-date goodwill, as follows:

Eliminate Fidelis Care's historical goodwill	$ (16)
Estimated transaction goodwill	1,408
Total	$1,392

(c) To record intangible assets to an estimate of fair value of $1.0 billion and to record an employee benefit liability at an estimated fair value of $34 million.

(d) The Company incurred $1.8 billion of long-term indebtedness to finance a portion of the cash consideration payable in connection with the Fidelis Acquisition and to pay related fees and expenses and incurred debt issuance costs of approximately $24 million.

(e) The Company issued the $2.86 billion of equity to finance a portion of the cash consideration payable in connection with the Fidelis Acquisition, and excess funds are used as follows: to pay down the remaining $675 million revolving credit facility balance, to pay related fees and expenses, and incur equity issuance costs of $82 million. The Company expects to have remaining excess cash on hand of $129 million.

(f) To record estimated acquisition-related transaction costs:

- Total acquisition-related transaction costs estimated to be incurred by the Company are approximately $410 million and are recorded as an increase to accrued liabilities. These acquisition-related transaction costs are not included in the pro forma condensed combined statements of operations.
- Estimated current tax asset for acquisition-related transaction costs of $92 million.
- Retained earnings adjustment for the after-tax transaction costs incurred of $318 million.

(g) To eliminate Fidelis Care’s historical net assets of $2.2 billion.