

## MATERIAL CHANGE NOTICE SUBMISSION DETAILS

MCN Number	2026-01-31-1476
OHCA Review Start Date	March 19, 2026
Anticipated date (unless tolled per regulation) by which OHCA could waive cost and market impact review	May 4, 2026
Anticipated date (unless tolled per regulation) by which OHCA could determine cost and market impact review required	May 18, 2026

## SUBMITTER

### HEALTH CARE ENTITY CONTACT FOR PUBLIC INQUIRY

Title	Outside Counsel
First Name	Megan
Last Name	Beaver
Email Address	mbeaver@crowell.com
Street Address	3 Embarcadero Center, 26th Floor
City	San Francisco
State	California
Postal Code	94111

### GENERAL

Business Name	Magellan Health Services of California, Inc. – Employer Services (“MHSC”)
Website	<a href="https://www.magellanhealthcare.com/">https://www.magellanhealthcare.com/</a>
Ownership Type	Corporation
Tax Status	For-profit
Federal Tax ID	95-2868243
Description of Submitting Organization	MHSC is a California corporation and a direct, wholly-owned subsidiary of Magellan Pharmacy Services, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of Magellan Health, Inc. (Magellan). Centene Corporation (Centene) is the ultimate parent company of MHSC. MHSC is a licensed specialized health care service plan in California, providing employee assistance plans throughout California. As noted in the Section 3 Attachment, MHSC also has three affiliates that are health care entities that operate in California: Magellan Federal Inc., Magellan Healthcare Provider Group, Inc., and Magellan Life Insurance Company. MHSC is submitting this application on their behalf as well. Details regarding these entities is in the Section 3 Attachment.
Health Care Provider	No
For Payers: Enrollees per county	As of September 30, 2025, MHSC had a total of approximately 700,633 enrollees. Please see the attachment submitted herewith to Section 3 Description of Submitting Organization for the breakdown by county.

## LOCATIONS

Counties	All Counties
California licenses and numbers	MHSC is a specialized health care service plan licensed by the California Department of Managed Health Care (“DMHC”) pursuant to the Knox-Keene Health Care Service Plan Act of 1975, MHSC’s license number is 933 1002.
Other States Served	None
Other state(s) licenses and numbers	N/A
Primary Languages used when providing services	English; Arabic; Armenian; Cambodian; Chinese; Farsi; Hindi; Hmong; Japanese; Korean; Laotian; Mien; Punjabi; Russian; Spanish; Tagalog; Thai; Ukrainian; Vietnamese; Other

## MATERIAL CHANGE

### ADDITIONAL ENTITIES

Business Name	Description of the Organization	Ownership Type	Additional MCN Submission
Madison Health Group	Madison was formed for the specific purpose of the transaction and does not have business segments at this time.	Corporation	No
Centene Corporation	Centene is a managed healthcare company primarily providing Medicaid, Medicare, and commercial insurance plans through its subsidiary health plans.	Corporation	No
Magellan Federal, Inc.	Magellan Federal partners with federal agencies to offer EAP programs for the federal workforce, providing counseling, well-being coaching, work-life resources, and digital emotional support. These services are offered throughout California. Magellan Federal does not receive membership information from the U.S. government by location at the state or county level.	Corporation	No
Magellan Healthcare Provider Group, Inc.	MHPG serves as a management services organization for a telehealth provider group in California (Magellan Provider Services of CA).	Corporation	No

Magellan Life Insurance Company:	Magellan Life Insurance Company has no active business in California. Its sole California contract was with Blue Shield of California, and Blue Shield terminated this contract effective January 1, 2026. As of January 1, 2026, Magellan Life Insurance Company has no enrollees in California.	Corporation	No
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### CRITERIA

A health care entity with annual revenue, as defined in <a href="#">section 97435(d)</a> , of at least \$25 million or that owns or controls California assets of at least \$25 million, or;	Yes
A health care entity with annual revenue, as defined in <a href="#">section 97435(d)</a> , of at least \$10 million or that owns or controls California assets of at least \$10 million and is a party to a transaction with any health care entity satisfying subsection (b)(1), or	No
A health care entity located in a designated primary care health professional shortage area in California, as defined in Part 5 of Subchapter A of Chapter 1 of Title 42 of the Code of Federal Regulations (commencing with section 5.1), available at <a href="http://data.hrsa.gov">data.hrsa.gov</a> . To determine if you are located in a primary health care professional shortage area, please visit <a href="#">here</a>	No

### CIRCUMSTANCES FOR FILING

The transaction involves a transfer or change in control, responsibility or governance of the Submitter. A transaction will directly or indirectly transfer control, responsibility, or governance in whole or in part of a material amount of the assets or operations of a health care entity to one or more entities if: (1) The transaction would result in the transfer of 25% or more of the voting power of the members of the governing body of a health care entity, such as by adding one or more members, substituting one or more members, or through any other type of arrangement, written or oral; or (2) The transaction would vest voting rights significant enough to constitute a change in control such as supermajority rights, veto rights, and similar provisions even if ownership shares or representation on a governing body are less than 25%;	Yes
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### TRANSACTION DETAILS

Anticipated Date of Transaction Closure	6/1/2026
Description of the Transaction	Please see the attachment submitted herewith.

Submitted to US Department of Justice or Federal Trade Commission?	No
Submitted to Other Agency?	Yes
Date of Submission	12/23/2025
To Whom Submitted	Department of Managed Health Care
Description of Submission (Include Agency name(s) and State(s))	Notice of Material Modification. Please see Section 7 of the attachment for additional submissions.
Subject to court proceeding	No
Description of current services provided and expected post-transaction impacts on health care services	<p>MHSC is a licensed specialized health care service plan in California which provides employee assistance programs (EAPs) throughout California. An EAP is a short-term support program designed to help employees and their eligible family members manage personal and work-related challenges. Core services typically include access to licensed counselors for issue-focused counseling (such as stress, anxiety, and grief) via phone, video or online platforms. EAP services are currently offered to 700,633 enrollees, and MHSC does not anticipate any changes to the EAP services post-close.</p> <p>Magellan Federal Inc. partners with federal agencies to offer EAP programs for the federal workforce, providing counseling, well-being coaching, work-life resources, and digital emotional support. These services are offered throughout California.</p> <p>Magellan Healthcare Provider Group, Inc. is a management services organization that provides management and administrative services for one telehealth provider group in California. These services are provided in all counties.</p> <p>Magellan Life Insurance Company is licensed by the California Department of Insurance as a disability-only admitted foreign insurer. This entity has no membership in California as of January 1, 2026.</p> <p>None of these entities involve Medi-Cal or Medicare patients/members. Further, none of the entities have applicable community needs assessments, charity care, and community benefit programs.</p>

<p>Prior mergers or acquisitions that: (A) involved the same or related health care services; (B) involved at least one of the entities, or their parents, subsidiaries, predecessors, or successors, in the proposed transaction; and (C) were closed in the last ten years.</p>	<p>Centene acquired Magellan in January 2021, including MHSC, Magellan Federal Inc., Magellan Healthcare Provider Group, Inc., and Magellan Life Insurance Company. Centene is now divesting Magellan to Madison.</p>
<p>Description of Potential Post Transaction Changes</p>	<p>Following the close of the transaction, Madison will directly own 100% of the issues and outstanding shares of capital stock of Magellan, and thereby indirectly own 100% of the issues and outstanding shares of MHSC, Magellan Federal, Inc. Magellan Healthcare Provider Group, Inc., and Magellan Life Insurance Company. The transaction will not alter the license, legal entity, or governance of these entities. The organizational changes are limited to upstream ownership, and the entities will maintain their separate corporate existence as indirect, wholly-owned subsidiaries of Madison.</p> <p>There will be no changes to employee staffing levels, job security, retention policies, wages, benefits, working conditions, or employment protections. Provider contracts, enrollee benefits and rates, claims adjudication process, appeals and grievances systems, and day-to-day operations will remain in place and under existing management control.</p> <p>MHG confirms that there are no planned post-transaction changes to MHSC’s retraining policies. Should any modifications be considered in the future, appropriate notice and justifications will be provided in compliance with OHCA requirements.</p>
<p>Description of the nature, scope, and dates of any pending or planned material changes occurring between the Submitter and any other entity, within the 12 months following the date of the notice</p>	<p>None.</p>

### Section 3: Description of the Submitter

Magellan Health Services of California, Inc. – Employer Services is submitting this Notice of Material Change Transaction on behalf of itself and three affiliates that are health care entities subject to the proposed transaction: Magellan Federal Inc., Magellan Healthcare Provider Group, Inc., and Magellan Life Insurance Company. These health care entities are not submitting separate notices.

The two parties to the transaction are Centene Corporation and Madison Health Group.

**Centene Corporation (“Centene”):** Centene, a Delaware Corporation, is the ultimate parent of several “health care entities” as that term is defined by statute, that are subject to this transaction. Those health care entities are listed below.

- 1. Magellan Health Services of California, Inc. – Employer Services (“MHSC”):** MHSC is the submitter of this notice. MHSC is a California corporation and a direct, wholly-owned subsidiary of Magellan Pharmacy Services, Inc. (“Magellan Pharmacy”), a Delaware corporation, which is, in turn, a direct, wholly-owned subsidiary of Magellan Health, Inc. (“Magellan Health”). Magellan Health is a direct, wholly-owned subsidiary of Centene. MHSC is a licensed specialized health care service plan which provides employee assistant program (“EAP”) throughout California.

MHSC’s annual California-derived revenue for the three most recent fiscal years was as follows:

2023	2024	2025
\$11,969,285	\$10,291,752	\$9,912,071

MHSC enrollment by county is as follows:

County	# of Enrollees
Alameda	2,030
Butte	4,940
Contra Costa	22,937
Del Norte	713
Fresno	1,136
Imperial	1,807
Inyo	397
Kern	1,538
Lassen	5,817
Los Angeles	239,573
Marin	547
Mendocino	2,922
Monterey	7,964
Napa	3,951

Orange	9,165
Placer	599
Sacramento	237,527
San Bernardino	19,901
San Diego	78,865
San Francisco	26,662
San Joaquin	226
San Luis Obispo	62
San Mateo	1,300
Santa Barbara	2,579
Santa Clara	4,764
Solano	7,206
Sonoma	2,613
Stanislaus	2,071
Tehama	1,041
Ventura	8,483
Yolo	1,296

2. **Magellan Federal, Inc. (“Magellan Federal”)**: Magellan Federal is a Virginia corporation and a direct, wholly-owned subsidiary of Magellan Healthcare, Inc., a Delaware corporation (“Magellan Healthcare”), which is, in turn, a direct, wholly-owned subsidiary of Magellan Health. Magellan Health is a direct, wholly-owned subsidiary of Centene. Magellan Federal partners with federal agencies to offer EAP programs for the federal workforce, providing counseling, well-being coaching, work-life resources, and digital emotional support. These services are offered throughout California.

**Mailing Address:** 2800 S Shirlington Rd, Ste 350, Arlington, VA 22206

**Website:** <https://www.magellanfederal.com/>

**Enrollees by County:** Magellan Federal does not receive membership information from the U.S. government by location at the state or county level.

**Primary Languages:** English, Arabic, Armenian, Cambodian, Chinese, Farsi, Hindi, Hmong, Japanese, Korean, Laotian, Mien, Punjabi, Russian, Spanish, Tagalog, Thai, Ukrainian, Vietnamese, and Other

**Current California health care-related licenses:** None

**Other states where health care-related licenses are held:** None

**Annual California-derived revenue for the three most recent fiscal years:**

	2023	2024	2025
\$	██████████	██████████	██████████

3. **Magellan Healthcare Provider Group, Inc. (“MHPG”)**: MHPG is a Maryland corporation and a direct, wholly-owned subsidiary of Magellan Healthcare, which is, in turn, a direct, wholly-owned subsidiary of Magellan Health. Magellan Health is a direct, wholly-owned

subsidiary of Centene. MHPG serves as a management services organization for a telehealth provider group in California (Magellan Provider Services of CA).

**Mailing Address:** 13500 Riverport Drive, Suite 110, Maryland Heights, MO 63043.

**Website:** N/A.

**Enrollees by County:** N/A. This entity does not have enrollees.

**Primary Languages:** N/A. This entity does not provide health care services to the public.

**Current California health care-related licenses:** None.

**Other states where health care-related licenses are held:** None

**Annual California-derived revenue for the three most recent fiscal years:** MHPG receives administrative fees from the California telehealth provider group as follows:

2023	2024	2025
██████	██████	██████

- 4. Magellan Life Insurance Company:** Magellan Life Insurance Company is a Delaware corporation and a direct, wholly-owned subsidiary of Magellan Healthcare, which is, in turn, a direct, wholly-owned subsidiary of Magellan Health. Magellan Health is a direct, wholly-owned subsidiary of Centene. Magellan Life Insurance Company has no active business in California. Its sole California contract was with Blue Shield of California, and Blue Shield terminated this contract effective January 1, 2026. As of January 1, 2026, Magellan Life Insurance Company has no enrollees in California.

**Mailing Address:** 13500 Riverport Drive, Suite 110, Maryland Heights, MO 63043.

**Website:** N/A.

**Enrollees by County:** This entity currently has no enrollees in California.

**Primary Languages:** English, Arabic, Armenian, Cambodian, Chinese, Farsi, Hindi, Hmong, Japanese, Korean, Laotian, Mien, Punjabi, Russian, Spanish, Tagalog, Thai, Ukrainian, Vietnamese, and Other

**Current California health care-related licenses:** Magellan Life Insurance Company is licensed with the California Department of Insurance (CDI) as a disability-only admitted foreign insurer (License Number 6024-4).

**Other states where health care-related licenses are held:** Please see below for the company's active licenses.

State	COA/License Type	COA/License #
Delaware	Section 902: Life, Including Variable Annuities, Variable Life and Credit Life/Section 903: Health including Credit Health	6871P
Hawaii	Accident, Health, or Sickness	430271
New Mexico	Accident and Health/Life and Annuities	4135
South Dakota	Life and Health	None

Utah	Accident & Health – Life; Annuity-Life, Life, Variable Contract – Life	14931
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**Annual California-derived revenue for the three most recent fiscal years:**

2023	2024	2025
\$2,023,422	\$1,947,360	\$1,422,851

Please note that Centene, while being the parent corporation to payers, is not a “health care entity.” It does not act on behalf of a payer in California.

**Madison Health Group (“Madison”):** Madison is a corporation that was formed for the specific purpose of the transaction and does not have business segments at this time. Madison is a “noticing entity” under Assembly Bill 1415 effective January 1, 2026, and is required to provide notice to OHCA of this transaction. Following communications with OHCA, this notice will serve as notice for Madison, as well as the health care entities listed above.

**Mailing Address:** 1521 Concord Pike, Suite 201, Wilmington, County of New Castle, DE 19803

**Website:** <https://www.madisonhealthgroup.com/>

**Enrollees by County:** N/A. This entity has no enrollees in California or any state.

**List of Primary Languages:** N/A. This entity does not provide health care services.

**List of current California health care-related licenses:** None.

**Other states where health care-related licenses are held:** None.

**Annual California-derived revenue for the three most recent fiscal years:** None.

**Section 6 of Material Change Transaction Notice**  
***Description of the Transaction***

**Please address all of the following: (1) the goals of the transaction; (2) summary of the terms of the transaction; (3) statement of why the transaction is necessary or desirable; (4) general public impact or benefits of the transaction, including quality and equity measures and impacts; (5) narrative description of the expected competitive impacts of the transaction; and (6) description of any actions or activities to mitigate any potential adverse impacts of the transaction on the public.**

Magellan Health Services of California, Inc. – Employer Services (“MHSC”) is submitting this Material Change Transaction Notice in connection with a proposed transaction pursuant to a Stock Purchase Agreement (the “Purchase Agreement”), dated as of December 2, 2025, by and among Madison Health Group (“Madison”) and Centene Corporation (“Centene”). MHSC filed this proposed transaction with the Department of Managed Health Care (“DMHC”) on December 23, 2025, who in turn requested that the MHSC file with the Office of Healthcare Affordability (“OHCA”). MHSC is submitting this Notice of Material Change Transaction on behalf of itself and three affiliates that are health care entities subject to the proposed transaction: Magellan Federal, MHPG, and Magellan Life Insurance Company. These health care entities are not submitting separate notices.

**1. Goals of the Transaction**

The primary goals of this transaction are:

- To transition ownership of Magellan Health, Inc. (“Magellan”) and its health care entity subsidiaries, including MHSC, Magellan Federal, Inc., MPHG, and Magellan Life Insurance Company, from Centene to Madison.
- Enhance market diversity by bringing in a new, independent organization (Madison) as an ultimate parent company to these California health care entities.
- Enable technological innovation and modernization in behavioral health and related services, supporting improved access, integration, and efficiency.

**2. Summary of Terms**

The transaction consists of the acquisition of all issued and outstanding shares of Magellan by Madison from Centene. At closing, Madison indirectly own 100% of MHSC, Magellan Federal, MHPG, and Magellan Life Insurance Company (subject to prior or pending regulatory approvals). Prior to the closing of the transaction, Centene will transfer the ownership of MHSC’s licensed specialized health care service plan affiliate, Human Affairs International of California to sit directly under Centene, such that such entity shall continue to be owned by Centene. Note that the initial move of Human Affairs International of California is not a “material change transaction” under Cal. Code of Regs. tit. 22 § 97431(j), as it is a corporate restructuring only involving entities under Centene’s control and the entity will remain in Centene’s control; the transaction at issue here is the sale of the remaining shares of Magellan. Effective upon the consummation of the transaction, the name of the surviving corporation will remain “Magellan Health, Inc.”

### **3. Statement on Necessity or Desirability**

This transaction is necessary and desirable to:

- Ensure the long-term market viability, competitive strength, and independence of the Magellan organizations, including those offering specialized programs to federal agencies, telehealth services, and life/disability products.
- Provide flexibility and resources under new ownership to respond to evolving market, regulatory, and technological landscapes, including the freedom to pursue technological modernization initiatives and advancement of technology-enabled behavioral health solutions.
- Divest Centene of a licensed health care service plan and several health care entities (including MHSC, Magellan Federal, MHPG, and Magellan Life Insurance Company), enabling these organizations to operate under a new, independent parent company.

### **4. General Public Impact or Benefits**

No disruption in services or enrollee coverage is expected. MHSC will continue to provide employee assistance plan (“EAP”) services throughout California. Magellan Federal will also continue to provide EAP services and well-being resources to California-based federal employees. MHPG will continue to provide management services to its telehealth provider group. Magellan Life Insurance Company does not provide services to any enrollees today, and therefore no enrollees or services would be impacted by the proposed transaction. Further, by introducing a new, independent competitor in the California health care market, the transaction promotes innovation, broadens consumer choice, and stimulates competitive improvements in plan design or service delivery.

Magellan Health Services of California, Inc. (“MHSC”) has a long-standing history of providing quality clinical programs that put customer quality at the center of care. Madison Health Group (“MHG”) has no plans to change MHSC's products or service offerings. The transaction generally benefits the public by continuing MHSC operations, an established California insurer. Thus, providing customers with a quality care option. MHSC will also benefit from having a new parent that is narrowly focused on providing health insurance solutions. MHG will be able to implement new strategies and be closely involved in investment decisions that are responsive to customer needs. This flexibility and integration will enhance products and services offered.

### **5. Expected Competitive Impacts**

At the closing of the transaction, Magellan will be the only independent, national specialty benefits manager focused exclusively on behavioral healthcare and the integration of behavioral healthcare clinical programs and management into traditionally physical healthcare environments. After the transaction, Magellan will (i) focus on expanding the reach of its clinical programs and services into new markets and populations so it can meet the rising demand for behavioral healthcare and improve access to care; (ii) invest in operations and technology that will enable it to accelerate modernizing core capabilities, supporting the next generation of clinical programs, and deepening impact across markets; and (iii) continue trusted clinical programs, including

services for foster children, crisis services, autism care, behavioral health prescribing, complex and high-acuity behavioral health management, and services to active-duty military and federal agencies.

In sum, the transaction will not result in dominance of a market segment, substantially lessen competition, or create a monopoly in any line of business. The transaction will enhance competition and diversify the California health plan market. Madison is not currently operating in California, and its entry introduces a new, independent operator. No existing market share is consolidated, and the transaction increases the number of active market participants.

## **6. Mitigation of Potential Adverse Public Impacts**

As noted, MHSC has submitted the proposed transaction for review by the Department of Managed Health Care. MHSC is committed to maintaining all obligations as licensed health care entities post-closing. Magellan Life Insurance Company is not currently providing services in California and therefore does not anticipate any adverse public interest. MHPG only provides management services to a telehealth provider group in California and does not anticipate any negative impacts to the group. Magellan Federal will continue to provide EAP services and does not anticipate an impact to those services. In the event any unforeseen adverse impacts or service disruptions arise, Madison and the Magellan entities will implement robust compliance monitoring and regular reporting, and deliver timely, clear communications to enrollees, clients, and stakeholders. These measures will support continued regulatory compliance, service continuity, and transparency throughout the transition and beyond.

## **Section 7: Submission to Other Agencies**

1. Magellan Life Insurance Company, Form A, California Department of Insurance, Submitted on January 9, 2026
2. Magellan Life Insurance Company, Form A, Delaware Department of Insurance, Submitted on January 10, 2026