



SISTERS OF MERCY HEALTH SYSTEM

NEWS RELEASE

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COVENTRY HEALTH CARE TO ACQUIRE MERCY HEALTH PLANS

ST. LOUIS, MO – Coventry Health Care, Inc., (Coventry) has signed a definitive agreement with the Sisters of Mercy Health System (Mercy) to acquire ownership of Mercy Health Plans (MHP), a health insurance subsidiary with approximately 180,000 enrolled members in Missouri and Arkansas. The sale of MHP to Coventry is expected to be completed within the next 90 to 120 days, pending regulatory approvals.

MHP was established by Mercy in 1994 and has operations in several of the markets served by Mercy, with a strong presence in St. Louis and southwest Missouri.

“After giving thoughtful consideration to our future strategies as a healthcare organization, Mercy’s board and leadership have determined that our core mission is best served by focusing on providing healthcare services to our communities,” said Lynn Britton, Mercy president and CEO. “Likewise, MHP’s progress as a health insurance company will be strengthened by being aligned with an organization focused solely on serving the needs of health plan members.”

“I am pleased to announce this transaction which strengthens Coventry’s presence in the Missouri market while also expanding our relationship with a premier multi-state health system, Sisters of Mercy Health System,” said Allen F. Wise, chief executive officer of Coventry. “This acquisition reaffirms Coventry’s commitment to broadening its health plan footprint and is consistent with our focus on our seven core businesses. Mercy Health Plans’ businesses are ones that we understand well and we are confident that they will increase shareholder value over the long term.”

The majority of MHP’s approximately 420 co-workers will become employees of Coventry as part of the transaction. Coventry operates as Group Health Plan (GHP) for commercial and Medicare products and HCUSA for Medicaid products in the St. Louis area and as Coventry Health Care in other markets served by Mercy. Upon completion of the transaction, Coventry will serve more than 1.2 million members in a six-state Midwest region.

Health plan coverage for individuals and companies who are MHP members will not change through the duration of their current contract periods as a result of this transaction. Seniors covered by MHP’s Medicare Advantage plans will continue to be covered under these plans.

Financial terms were not disclosed.

About Coventry

Coventry Health Care (www.coventryhealthcare.com) is a diversified national managed healthcare company based in Bethesda, Maryland, operating health plans, insurance companies, network rental and workers' compensation services companies. Coventry provides a full range of risk and fee-based managed care products and services to a broad cross section of individuals, employer and government-funded groups, government agencies, and other insurance carriers and administrators.

About Mercy Health Plans

Mercy Health Plans, a subsidiary of the Sisters of Mercy Health System, offers customized health benefit solutions, administrative services and insurance coverage for employer groups, Medicare eligible members, and individuals and families. Headquartered in Chesterfield, Mo., Mercy Health Plans also provides a full spectrum of healthcare management services, including health and wellness and disease management programs.

About Sisters of Mercy Health System

The Sisters of Mercy Health System (Mercy) sponsors healthcare services in four states including Arkansas, Kansas, Missouri and Oklahoma. Members include 26 acute care hospitals with more than 4,000 licensed beds, three heart hospitals, a rehabilitation hospital, physician practices and a health plan. Care and services are provided by 36,000 co-workers and 4,600 physicians who are employed or practice at Mercy facilities. Mercy is the 8th largest Catholic healthcare system in the U.S. based on net patient service revenue. Mercy is sponsored by Mercy Health Ministry, an entity established by the Catholic Church to oversee the healing ministry and Catholic identity of Mercy.

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