



NEWS RELEASE

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MAGELLAN HEALTH SERVICES TO SUPPORT WHOLE HEALTH PROGRAMS FOR ADULTS AND CHILDREN FACING MENTAL HEALTH CHALLENGES

Magellan of Arizona to support programs that create integrated behavioral and physical health care teams focused on total wellness

PHOENIX - November 10, 2011 - Magellan Health Services (NASDAQ: MGLN) announced today that it is accepting community reinvestment funding applications for innovative programs in Maricopa County, Ariz., that will integrate physical healthcare services with general mental health services for adults, and behavioral health services for children, to provide a whole health approach to health care for those challenged with mental illness. While significant attention has been paid to the life-span disparity and poor health outcomes of adults with a Serious Mental Illness (SMI), integrated care is an important initiative across all behavioral health populations, and Magellan seeks to enhance coordination, improve outcomes and lower costs through these initiatives.

According to the U.S. Department of Health and Human Services, “more than one in four Americans have multiple (two or more) concurrent chronic conditions,” which can include physical conditions such as arthritis, asthma, diabetes and heart disease, as well as behavioral health challenges such as substance use and addiction disorders, mental illnesses, cognitive impairment disorders and developmental disabilities. Additionally, children need strong physical and mental health to lay the foundation for healthy lifestyles that will sustain them into adulthood. Immunizations, nutrition, exercise, having sufficient energy and stamina, and effective screening and treatment of any chronic health conditions are all strategies for prevention and early intervention which are critical for promoting children’s health.

The need to improve the overall health of individuals with mental illness, depression, anxiety, or substance use disorders is urgent. Behavioral and physical health conditions are often linked. For example, research has found that persons with anxiety disorders, such as post-traumatic stress disorder and panic disorder, have a higher likelihood of certain physical health conditions such as lung problems, gastrointestinal illness, arthritis, thyroid problems, and migraine headaches. In addition, total health care costs are significantly higher for those with both behavioral and physical health conditions than those with physical health conditions alone.

Through these community reinvestment awards, Magellan Health Services of Arizona aims to support local provider organizations with programs and models of care that strengthen the whole health of adults and children, with a focus on improving the prevention, early intervention and self-management of chronic conditions. Magellan is looking for innovative and creative proposals that incorporate the cornerstones of its health and wellness initiative: early and enhanced collaboration, shared governance and accountability, voice and participation, and prevention and early intervention.

“Working collaboratively with the provider organizations selected for these community reinvestment awards, Magellan intends to blaze a new trail within the mental health system that will significantly and positively impact the general mental health of adults and children in Maricopa County,” said Richard Clarke, Ph.D., Magellan Health Services of Arizona’s CEO. “By supporting and funding integrated health and wellness programs to meet the needs of the whole person, we will not only improve their physical health

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and positively impact their mental health recovery journey, but we will significantly impact the overall quality of their lives.”

As part of this community reinvestment initiative, Magellan will award \$3 million total, which will include four competitive awards of \$750,000 each. Three (3) awards will go to organizations serving adults receiving general mental health and/or substance abuse treatment services, and one (1) award will go to an organization serving children, adolescents or young adults ages five to 18.

Proposals will be reviewed for the ability to be sustained beyond the one-year funding period, as Magellan’s goal is to reinvest in sustainable programs that have long-term, positive and strategic impact to the system of care in Maricopa County. Additionally, proposals should include reliable and valid nationally-recognized tools for measurement and evaluation of behavioral health, physical health and the link between the two.

Applying for the Community Reinvestment Awards

Applications for the community reinvestment funding awards are available at www.MagellanofAZ.com/CommunityReinvestment. Eligible organizations include those in good standing within Magellan of Arizona’s network that serve adults receiving general mental health and/or substance abuse treatment services and those in good standing within Magellan of Arizona’s network that serve children, adolescents or young adults.

Section one (Intent) of the application is due to Magellan by 5 p.m., Friday, Nov. 18, 2011. A bidder’s conference will be held at 11 a.m. the same day at Magellan’s offices located at 4801 E. Washington St., Phoenix, to walk through the application process and answer questions. Full proposals are due to Magellan by close of business Friday, Dec. 9, 2011. The release of award notice will take place Tuesday, Jan. 10, 2012.

About Magellan Health Services of Arizona: Magellan Health Services of Arizona is the Regional Behavioral Health Authority for central Arizona, which includes all of Maricopa County and part of Pinal County. In this role, Magellan serves as a critical point of connection to the more than 80,000 individuals who have experienced life challenges as a result of mental illness and substance abuse. Magellan gives these individuals voice and choice to realize their desired outcomes and supports them with caring, unrivaled customer service that is sensitive to the diversity of our communities. For more information, visit www.MagellanofAZ.com or call Magellan of Arizona at (800) 564-5465, TTY (800) 424-9831. Information is available in English and Spanish.

About Magellan Health Services: Headquartered in Avon, Conn., Magellan Health Services Inc. is a leading specialty health care management organization with expertise in managing behavioral health, radiology and specialty pharmaceuticals, as well as public sector pharmacy benefits programs. Magellan delivers innovative solutions to improve quality outcomes and optimize the cost of care for those we serve. Magellan’s customers include health plans, employers and government agencies, serving approximately 31.2 million members in our behavioral health business, 16.3 million members in our radiology benefits management segment, and 5.5 million members in our medical pharmacy management product. In addition, the specialty pharmaceutical segment serves 41 health plans and several pharmaceutical manufacturers and state Medicaid programs. The company’s Medicaid Administration segment serves 25 states and the District of Columbia. For more information, visit www.MagellanHealth.com.

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