



Magellan Health 2016 Community Impact Report

BUILDING ON OUR FOUNDATION



A Letter from Chairman & CEO, Barry Smith



Leading humanity to healthy, vibrant lives. It's what we do every day at Magellan. Not only through our professional work, but through our efforts in the communities in which we live and work. We touch the lives of countless people every year.

Our employees participate in fundraising events such as community walks; they serve on non-profit boards; they provide support after a natural or man-made disaster, such as the horrendous flooding in the state of Louisiana. "Magellan Cares" is not simply a slogan. It's a mantra we—as a company—incorporate into everything we do. It's our purpose, and it's massive.

To further our impact in the communities in which we serve, we created the Magellan Cares Foundation in 2015 and began accepting grant applications in 2016. To say this was a perfect fit for us is an understatement. Our teams have been in our communities doing so much, for so many, for so long, that establishing a Foundation was a natural next step. We've been doing great things already. Why not take it a step further?

“ It's because of our employees, and their spirit of caring and doing good that we have the ability to do more, and give back more. ”

And, that's just what we did. It's because of our employees, and their spirit of caring and doing good that we have the ability to do more, and give back more. Thank you, all!

As you take a moment to read through this report, I hope you will see the energy and enthusiasm that our employees display, day in and day out. It is what makes Magellan unique and allows us to guide individuals to make better decisions, and live healthier and more fulfilling lives.

Best,

Barry M. Smith, Chairman & CEO, Magellan Health, Inc.
Chairman, Board of Directors, Magellan Cares Foundation

A Letter from Executive Director, Lee Ellen Meiss



Employee-driven volunteerism is something that is close to my heart. Over my 20-year career at Magellan, I have been personally involved with multiple organizations. Volunteering my time and talents to helping local nonprofits succeed in my community is how I give back, and I know that thousands of my coworkers share the same passion.

I'm proud to work for a company that supports these efforts. So many of my teammates explain that they joined Magellan because of our service excellence – both at work and in our communities. Our purpose is to lead humanity to healthy, vibrant lives, and it's exciting watching our teams get out there and do just that by helping their communities thrive.

In 2015, I was honored to be chosen to launch the Magellan Cares Foundation for our company, which began its official programs in 2016. I thought I could not be more proud of the community spirit that lives within Magellan, but as I've watched the past year unfold, the phrase "bursting with pride" became a non-cliché statement to me.

I've been amazed at the work our Magellan Cares Foundation Board has taken on this year reviewing and approving grants, sponsorships and

matching requests for so many worthy causes. We've provided nearly \$400,000 to hundreds of organizations throughout the country whose missions align with ours. Employees have stepped up to act as Magellan Cares site leads in their respective offices and have become champions of our community outreach efforts. From participating in community walks to building houses – from collecting toys for children at the holidays to serving on gala organizing committees – to mentoring at-risk teens to supporting our country's finest who are giving so much to us – there are hundreds of examples of our employees giving back.

Thank you for your support of our community outreach initiatives. Together, we make a difference every day. I am excited to see what's in store for 2017 and distributing more funds to organizations that align with the Foundation's goals. It is one more way we can build healthier and brighter futures for those we serve.

Sincerely,

Lee Ellen Meiss, SVP, Magellan Healthcare
Executive Director, Magellan Cares Foundation

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Chairman and CEO Barry Smith has been active in providing enhanced educational and health resources for residents of Haiti, through Healing Hands for Haiti, a non-profit organization.



Lee Ellen Meiss has volunteered at the Indiana University Health's North Hospital Newborn Intensive Care Unit for more than seven years.

Background of Foundation

In 2015, we announced our plan to further our community outreach efforts by launching a philanthropic organization called the Magellan Cares Foundation.

At Magellan, caring for our communities and doing what we can to support philanthropic efforts are extremely important to us, and it's instilled in all of us through our purpose to lead humanity to healthy, vibrant lives. Doing good and helping others can make a positive, lasting impact in our communities.

Our foundation provides opportunities to evolve our current corporate and social responsibility efforts with a greater focus on significantly impacting healthcare quality and access for those with the greatest needs. We guide individuals to make better decisions, and live healthier and more fulfilling lives, by improving the overall quality and affordability of healthcare. Our foundation is truly a natural extension of this purpose.



“ Business must be run at a profit, else it will die. But when anyone tries to run a business solely for profit, then also the business must die, for it no longer has a reason for existence. ”

- Henry Ford

THE FOUNDATION'S FOCUS INCLUDES:

- National or large-scale health access and quality improvement initiatives.
- Efforts that help to improve the social supports around a quality healthcare system, such as access to housing, food, clothing or self-improvement opportunities.
- Employee interest in community improvement.
- Supporting America's military service members, veterans and wounded warriors.

Foundation of Work

Overseen by a Board of Directors made up of Magellan senior leaders who manage the program operations, the Magellan Cares Foundation began accepting grant and sponsorship applications in 2016. Since then, we have made a tremendous impact in our communities by supporting numerous organizations, including the following:

- [Quell Foundation](#), whose mission is to educate communities about issues and concerns surrounding mental health, promoting open, judgment-free dialogue.
- [Camp Rising Sun](#), where kids who have faced the diagnosis of cancer may grow and learn from their experiences to become the best they can be.
- [For Unity Community Outreach Corporation](#), a non-profit geared towards spreading love, peace and unity throughout the Hartford, CT community through recreational activities and events.
- [Gary Sinise Foundation](#), which honors defenders, veterans, first responders and their families by creating and supporting unique programs designed to entertain, educate, inspire, strengthen and build communities.



Magellan Cares Foundation Board member Michael McQuillen (right) presents a \$5,000 donation to Will Thomas, who – along with five other high school baseball pitchers – launched the Operation STRIKE FORCE initiative in 2011. Each strikeout the pitchers recorded resulted in donations to Gold Star Teen Adventures (G TSA), a leading non-profit organization that provides adventure camp opportunities for teenagers of fallen service members.

August, 2016 Baltimore, Maryland

Our Employee Outreach Stretches Far and Wide

VOLUNTEER TIME OFF (VTO)

Employees were given the ability to take paid volunteer time off. In four months' time:



MATCHING GIFTS

Through the Magellan Cares Foundation, Magellan matched employees' financial donations to eligible charities up to \$250, in effect doubling the impact! Over a four-month period, more than 150 employees participated in matching grants.

MAGELLAN CARES WEEK

Magellan employees throughout the country participated in Magellan Cares Week—a week-long event where employees organized charitable events, donation drives and hands-on activities. Here is a small sample of the activities employees undertook:



Avon, CT employees purchased, cooked and served lunch to 136 individuals in need at a soup kitchen in downtown Hartford.



With a team of 23 and countless buckets of paint, the Magellan of Virginia team employed their superior skills to paint a 1,600 square foot house in a single day.



St. Louis, MO employees participated in a canned food drive, a personal cell phone collection and a book drive.



Columbia, MD employees spent an evening packing food in support of the Maryland Food Bank.

Embracing Colleagues in Need

During 2012, a number of Magellan employees experienced extreme life events that left many of them feeling hopeless. Their colleagues responded, and the eMbrace Employee Assistance Program was born.

THE GOAL OF EMBRACE

is to provide short-term, emergency support to employees or eligible dependents who are facing serious financial hardship as a result of certain unforeseen and unpreventable circumstances, including natural disasters, serious illness or injury, a death or a catastrophic or extreme circumstance such as fire, robbery or assault. In the event of a tragedy, disaster or other extreme life event, employees in need of help, both part- and full-time, can apply for financial assistance to cover basic living expenses while they work to recover and rebuild, as necessary.

THE EMBRACE FUND

was initially seeded by some Magellan corporate dollars, but it is sustained by Magellan employees who have demonstrated that the "culture of caring" begins at home. Since the fund's inception, employees have donated more than \$460,000 through payroll deductions and local site/department fundraisers. As a result, eMbrace has been able to issue grants to assist 467 employees and their family members at some of the most difficult times in their lives.

“ Thank you so much for offering this program to your employees. I was in a real bind and not sure how to help myself when I heard about the eMbrace program. I am so thankful for this program and realize how blessed I am to have an employer and employees that are willing to help when times get hard. I will definitely donate to eMbrace in the future. ”



MY LIFE and NAMI Walks

MY LIFE

By sharing their experiences with each other, the public and local officials, Magellan Youth Leaders Inspiring Future Empowerment (MY LIFE) youth influence programs and services, gain a voice in their community and provide inspiration to others who face similar challenges. Through grassroots efforts by the members themselves, MY LIFE has founded chapters in Arizona, Pennsylvania, Nebraska, Louisiana and Florida. In all, the groups have held over 400 meetings involving more than 2,500 different youth.

MY FEST Celebration

Each year, many of the MY LIFE chapters hold a signature event, the Magellan Youth Festival, or MY Fest. These day-long community events are organized by MY LIFE youth to raise awareness of and reduce stigma surrounding mental health, substance abuse and foster care issues faced by youth. The festivals feature live music, dance performances and art exhibits, and provide a space for youth to find resources available to them and their families.

Youth Day At The Capitol

Another way MY LIFE youth have an impact is through an annual "Youth Day at the Capitol." These events give youth an opportunity to meet key government leaders and elected officials in their states, with whom they can share their concerns and perspectives on issues affecting them and their families.

NAMI WALKS

NAMI, the nation's largest grassroots mental health organization, has local chapters across the country that hold annual fundraising events known as NAMIWalks. Magellan employees turn out for NAMIWalks in a big way each year.

In 2016 alone, dozens of Magellan staff members in Columbia, Maryland; St. Louis, Missouri; Avon, Connecticut; Sacramento, California; and San Diego, California participated in NAMIWalks, raising money for their local NAMI chapters.



Our Avon, CT team members and their families came out in full force to support NAMI.

May, 2016 | Hartford, CT

Magellan's Toll-Free Hotline

In times of need, Magellan will always do the right thing. In response to tragedies and detrimental weather events, Magellan sets up a 24-hour toll-free hotline for individuals to access, regardless of whether or not they are Magellan members. Recent events included:

- Hurricane Matthew
- Flooding in Louisiana
- Tragic shootings in Baton Rouge, LA
- Mass shooting at Orlando night club

The hotline is staffed by behavioral health professionals offering resource materials and counseling services to help people deal with the feelings of fear, sadness, anger and hopelessness that can occur related to natural or man-made disasters.

In addition, Magellan provides tip sheets with resources specific to the event.



STANLEY ALMODOVAR III, 23 • AMANDA ALVEAR, 25 • OSCAR A ARACENA-MONTERO, 26 • RODOLFO AYALA-AYALA, 33 • ANTONIO DAVON BROWN, 29 • DARRYL ROMAN BURT II, 29 • ANGEL L. CANDELARIO-PADRO, 28 • JUAN CHEVEZ-MARTINEZ, 25 • LUIS DANIEL CONDE, 39 • CORY JAMES CONNELL, 21 • TEVIN EUGENE CROSBY, 25 • DEONKA DEIDRA DRAYTON, 32 • SIMON ADRIAN CARRILLO FERNANDEZ, 31 • LEROY VALENTIN FERNANDEZ, 25 • MERCEDEZ MARISOL FLORES, 26 • PETER O. GONZALEZ-CRUZ, 22 • JUAN RAMON GUERRERO, 22 • PAUL TERRELL HENRY, 41 • FRANK HERNANDEZ, 27 • MIGUEL ANGEL HONORATO, 30 • JAVIER JORGE-REYES, 40 • JASON BEN JAMIN JOSAPHAT, 19 • EDDIE JAMOLDROY JUSTICE, 30 • ANTHONY LUIS LAUREANODISLA, 25 • CHRISTOPHER ANDREW LEINONEN, 32 •

LOVE DEFEATS HATE,
LIGHT DEFEATS THE DARKNESS #OrlandoUnited

ALEJANDRO BARRIOS MARTINEZ, 21 • BRENDA LEE MARQUEZ MCCOOL, 49 • GILBERTO RAMON SILVA MENENDEZ, 25 • KIMBERLY MORRIS, 37 • AKYRA MONET MURRAY, 18 • LUIS OMAR OCASIO-CAPO, 20 • GERALDO A. ORTIZ-JIMENEZ, 25 • ERIC IVAN ORTIZ-RIVERA, 36 • JOEL RAYON PANIAGUA, 32 • JEAN CARLOS MENDEZ PEREZ, 35 • ENRIQUE L. RIOS, JR., 25 • JEAN C. NIVES RODRIGUEZ, 27 • XAVIER EMMANUEL SERRANO ROSADO, 35 • CHRISTOPHER JOSEPH SANFELIZ, 24 • YILMARY RODRIGUEZ SOLIVAN, 24 • EDWARD SOTOMAYOR JR., 34 • SHANE EVAN TOMLINSON, 33 • MARTIN BENITEZ TORRES, 33 • JONATHAN ANTONIO CAMUY VEGA, 24 • JUAN P. RIVERA VELAZQUEZ, 37 • LUIS S. VIELMA, 22 • FRANKY JIMMY DEJESUS VELAZQUEZ, 50 • LUIS DANIEL WILSON-LEON, 37 • JERALD ARTHUR WRIGHT, 31

Magellan Supported Customers and Communities Following the Orlando Attack on June 12, 2016.

“ We have a deep connection to the Orlando community. We felt it was vitally important to show our support to the community in this time of need. ”

- Sam Srivastava
CEO, Magellan Healthcare

Awards and Scholarships

CEO AWARDS

As one small way to recognize the efforts of the many individuals and teams who are working every day to serve our customers, we launched a quarterly employee recognition program.

This program is designed to recognize Healthcare and Magellan Rx employees and teams who demonstrate exemplary performance in different categories—one being community impact. Our employees are continually making significant contributions through consistently high-



Kim Urwiler, COO of our New Mexico office, accepts the Healthcare CEO Award from Sam Srivastava, CEO, Magellan Healthcare. March, 2017 | Albuquerque, NM

quality work, volunteer work and improvements to the community, so this recognition has been an easy one to reward.

SCHOLARSHIPS

What better way to give back to our communities than by providing financial support to our future leaders? Magellan has established two scholarship programs to help students pursue their passions in diverse fields of study. It is an honor to help them turn their career aspirations into obtainable goals by providing funds to lessen the financial burden of higher education.

René Lerer Scholarship

The \$5,000 René Lerer Community Spirit Scholarship recognizes a high school senior who is the dependent child of a Magellan Health employee and exemplifies community spirit through outstanding leadership and exemplary contributions, and demonstrates a commitment to enriching the lives of others in the community.

Magellan scholarships

In support of Magellan Health's values of integrity, accountability, knowledge, collaboration, caring, creativity and results, the company has established a scholarship program to assist employees' dependent children who plan to continue their education in college or vocational school programs. Up to 10 scholarships are offered each year for full-time undergraduate study at an accredited institution of the student's choice.

Caring For Our Communities

At our core, Magellan exists to build healthier and brighter futures for our members. That spirit of caring and compassion does not stop when our employees leave the office—they carry it with them wherever they go.

BATON ROUGE, LA

Supporting Our Team in Louisiana

In August 2016, Louisiana was hit hard with a torrential downpour of rain which resulted in devastating flooding in many areas of the state, including our office in Baton Rouge where a number of our own employees lost their homes, cars and many other irreplaceable possessions.

As is the norm for our team, colleagues near and far jumped in to offer their support, creating a special earmarked eMbrace account specifically intended to assist Louisiana-based employees who were impacted, holding clothing drives, performing clean-up and demolition work, as well as creating a "Magellan Marketplace" in a local office which was filled with donations from those unaffected by the flood and included clothes, toys, shoes, cleaning supplies and toiletries.

SAN DIEGO, CA

Giving the Gift of Life

On June 15, 2016, members of the Magellan Cares team of San Diego hosted a Red Cross Blood Drive. 32 employees were successfully able to make donations. One donation can ultimately benefit up to three different lives. As a result of the team's collective efforts, these donations will help to save 96 lives in the community at large.

NEW MEXICO

Helping the Homeless in New Mexico

The Magellan Cares team in New Mexico collected items that many take for granted: soap, shampoo, toothbrushes, toothpaste, deodorant, hats and backpacks. Claudia Stanley, who coordinated the event with Healthcare for Homeless said, "Housing is perhaps the most essential need we face, as without housing, it's almost impossible to address problems such as substance abuse, mental and physical illness and unemployment."



Caring For Our Communities (cont'd)

GLEN ALLEN, VA

Neighbors Helping Neighbors

On February 24, tornadoes touched down near Glen Allen, Va. and our Glen Allen-based employees knew there was no question—they had to assist their community. Colleagues immediately came together and began collecting bottled water, non-perishable food items, cleaning supplies, household items and more. In all they raised more than \$5,200 in monetary and gift card donations.

"It is heartwarming to see how our employees always pull together and donate to the local communities where we work and live," said Kimberly Goodman, senior project manager, Magellan Rx Management.

PHOENIX, AZ

Magellan Cares for Phoenix Families in Need

On June 17, members of the Phoenix Magellan Cares volunteer team cooked dinner for a nearby Ronald McDonald House. These houses help families with sick children who are fighting illness, and serve as a safety net to aid families with expenses or housing difficulties.

Ten volunteers from the team helped prep, cook and clean up after a meal at the house and were also able to tour the facility. Laura Fruster, pharmacy program specialist, stated, "The best part of all was getting to meet those families dealing with such a difficult time. They were so joyful to return from the hospital to a hot, home-cooked meal."

ST. LOUIS, MO

American Heart Walk

St. Louis-based employees raised \$16,963 for the 2016 American Heart Walk, in addition to a \$10,000 corporate sponsorship from Magellan Health.

"Promoting healthy heart habits, as well as teamwork and camaraderie, are important to Magellan Health, particularly when we can support a local charity at the same time," said Sheri Tonioli-Gross, senior director of program and project management at Magellan Health and the 2016 walk leader. "We hope to continue our efforts in the future."

TROY, MI

Magellan Rx Management team members across the country conducted a year-long bottled water drive to help the families affected by the Flint Water Crisis in Flint, Mich. Team members based in Troy, Mich. extended their outreach to include the children in that area. The team launched a Toys for Tots drive and raised more than \$500 to purchase toys for children ages newborn through teens. The generosity of the employees enabled them to donate nearly 200 toys, which were delivered to Hurley Children's Hospital in Flint where doctors treated many patients who have illnesses related to the unclean water.



Meet the MRx team in Troy, Mich. behind the successful toy drive. Front row (l-r): Sharoon Khan, Stephanie Clark and Mark Douglas. Middle row: Debbie Kelly. Back row: Michelle Sitko.