

CENTENE CORP
 Form 424B2
 June 10, 2016
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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-196037

CALCULATION OF REGISTRATION FEE(1)

Title of each class of securities to be registered	Amount to be registered	Maximum offering price per unit	Maximum aggregate offering price	Amount of registration fee(2)
4.75% Senior Notes due 2022	\$500,000,000	101.75%	\$508,750,000	\$51,231.13

- (1) The information in this Calculation of Registration Fee Table updates, with respect to the securities offered hereby, the information set forth in the Calculation of Registration Fee Table included in the Registrant's Registration Statement on Form S-3 (Registration No. 333-196037), originally filed with the Commission on May 16, 2014.
- (2) The registration fee is calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended, and shall be paid on a deferred basis in accordance with Rule 456(b) under the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated May 16, 2014)

\$500,000,000

Centene Corporation

4.75% Senior Notes due 2022

This is an offering by Centene Corporation of an aggregate principal amount of \$500,000,000 of 4.75% senior notes due 2022, which we refer to herein as the new notes. The new notes are being offered as additional notes under an indenture pursuant to which we previously issued \$500,000,000 aggregate principal amount of 4.75% senior notes due 2022 (such as previously issued notes, the existing notes). As used herein, the term notes refers to both the new notes and the existing notes. The new notes will be treated as a single series with the existing notes under the indenture governing the notes and will have the same terms and CUSIP number as the existing notes. The new notes and the existing notes will vote as one class under the indenture governing the notes. Immediately after giving effect to the issuance of the new notes offered hereby, we will have \$1,000,000,000 aggregate principal amount of our 4.75% senior notes due 2022 outstanding. We will pay interest on the notes on May 15 and November 15 of each year, commencing, with respect to the new notes, on November 15, 2016. The notes will mature on May 15, 2022.

At any time on or after May 15, 2019 we may redeem the notes at the prices set forth in this prospectus supplement. We may redeem the notes at any time prior to May 15, 2019, in whole or in part, at a price equal to 100% of the principal amount of the notes redeemed plus any accrued and unpaid interest thereon and a make-whole premium. If we undergo a change of control under certain circumstances, we may be required to offer to purchase the notes from holders at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest.

The notes are our senior unsecured obligations and rank equally in right of payment with all of our existing and future senior debt and will be senior in right of payment to all of our existing and future subordinated debt. The notes are not guaranteed by any of our subsidiaries and are only required to be guaranteed by any of our subsidiaries in limited circumstances in the future. As a result, the notes are structurally subordinated to any obligations of our subsidiaries, including medical claims liability, accounts payable and accrued expenses, unearned revenue and other long term liabilities. In addition, the notes are effectively junior to all of our existing and future secured obligations to the extent of the value of the assets securing such obligations.

Investing in the new notes involves risks. See Risk Factors beginning on page S-10. Before investing in the new notes, you should also consider the risks described under Risk Factors in our quarterly report on Form 10-Q for the quarter ended March 31, 2016.

	Per New Note	Total
Price to the public(1)	101.75%	\$ 508,750,000
Underwriting discounts and commissions	1.25%	\$ 6,250,000
Proceeds to us (before expenses)(2)	100.50%	\$ 502,500,000

(1) Plus accrued interest from May 15, 2016.

(2) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See Underwriting (Conflicts of Interest).

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Citigroup Global Markets Inc., on behalf of the underwriters, expects to deliver the new notes offered hereby to purchasers in book-entry form on or about June 14, 2016.

Joint Book-Running Managers

Citigroup Barclays SunTrust Robinson Humphrey Wells Fargo Securities

Co-Managers

**Morgan Stanley
Regions Securities LLC**

Evercore ISI

**Fifth Third Securities
US Bancorp**

Prospectus Supplement dated June 9, 2016

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You should read this document together with additional information described under the heading **Where You Can Find More Information**. You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer or sale is not permitted. You should not assume that the information we have included in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date of this prospectus supplement or the accompanying prospectus or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. If the information varies between this prospectus supplement and the accompanying prospectus, the information in this prospectus supplement supersedes the information in the accompanying prospectus. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process. Under this shelf registration process, we may sell the securities described in the accompanying prospectus from time to time. In this prospectus supplement, we provide you with specific information about the notes we are selling in this offering and about the offering itself. Both this prospectus supplement and the accompanying prospectus include or incorporate by reference important information about us and other information you should know before investing in the new notes. This prospectus supplement also adds, updates and changes information contained or incorporated by reference in the accompanying prospectus. To the extent that any statement we make in this prospectus supplement is inconsistent with the statements made in the accompanying prospectus, the statements made in the accompanying prospectus are deemed modified or superseded by the statements made in this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus, as well as the additional information in the documents described below under the heading Incorporation By Reference, before investing in the new notes.

Unless the context otherwise requires, the terms the Company, we, us, our or similar terms and Centene refer to Centene Corporation, together with its consolidated subsidiaries.

PRESENTATION OF FINANCIAL INFORMATION

The body of generally accepted accounting principles in the United States is referred to as GAAP. A non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows but excludes or includes amounts that would not be so adjusted in the most comparable GAAP measure.

This prospectus supplement contains information relating to a non-GAAP measure, which we call Adjusted EBITDA. Our measurement of Adjusted EBITDA may not be comparable to those of other companies. Management believes that Adjusted EBITDA provides information that is useful to investors in understanding period-over-period operating results and enhances the ability of investors to analyze Centene's business trends and to understand Centene's performance. This non-GAAP financial measure should not be considered in isolation, or as a substitute for the corresponding GAAP financial measure and may not be comparable to similar measures used by other companies. A reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated in accordance with GAAP is presented under Summary Summary Historical Consolidated Financial Information.

INDUSTRY AND MARKET DATA

Throughout this prospectus supplement and the documents incorporated by reference herein, we rely on and refer to information and statistics regarding the healthcare industry. We obtained this information and these statistics from various third-party sources, discussions with state regulators and our own internal estimates. We believe that these sources and estimates are reliable, but we have not independently verified them and cannot guarantee their accuracy or completeness.

WHERE YOU CAN FIND MORE INFORMATION

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We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on their public reference room. Our SEC filings are also available to the public at the SEC's website at <http://www.sec.gov>. Our common stock is listed under the symbol "CNC" and traded on the New York Stock Exchange (the "NYSE"). You may also

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inspect the information we file with the SEC at the NYSE's offices at 20 Broad Street, New York, New York 10005. Information about us, including our SEC filings, is also available at our Internet site at <http://www.centene.com>. However, the information on our Internet site is not a part of this prospectus supplement or the accompanying prospectus.

This prospectus supplement does not contain all of the information set forth in the registration statement or in the exhibits and schedules thereto, in accordance with the rules and regulations of the SEC, and we refer you to that omitted information. The statements made in this prospectus supplement pertaining to the content of any contract, agreement or other document that is an exhibit to the registration statement or the documents incorporated by reference in this prospectus supplement necessarily are summaries of their material provisions and we qualify those statements in their entirety by reference to those definitive agreements and those exhibits for complete statements of their provisions. The documents incorporated by reference in this prospectus supplement and the registration statement and its exhibits and schedules are available at the SEC's public reference room or through its website.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus supplement. This means we can disclose important information to you by referring you to another document filed separately with the SEC. The information we incorporate by reference is an important part of this prospectus supplement, and information we subsequently file with the SEC will automatically update and supersede that information. We incorporate by reference the documents listed below and any filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (other than the portions provided pursuant to Item 2.02 or Item 7.01 of Form 8-K or other information furnished to the SEC) on or after the date of this prospectus supplement and before the termination of the offering of the notes pursuant to this prospectus supplement (SEC File No. 001-31826). The documents we incorporate by reference are:

our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 22, 2016;

our Quarterly Report on Form 10-Q for the period ended March 31, 2016, filed with the SEC on April 26, 2016;

our Current Reports on Form 8-K filed with the SEC on January 25, 2016, January 26, 2016 (second filing related to certain financial information with respect to Health Net, Inc. and third filing related to the offering of certain senior notes in a transaction exempt from the SEC's registration requirements), January 28, 2016, February 10, 2016, February 11, 2016, March 1, 2016, March 23, 2016, March 24, 2016 (as amended on May 10, 2016 and as further amended on June 9, 2016) and April 29, 2016; and

our Definitive Proxy Statement on Schedule 14A filed with the SEC on March 11, 2016.

We encourage you to read our SEC reports, as they provide additional information about us which prudent investors find important. For example, we filed the audited financial statements of Health Net, Inc. (Health Net) and its subsidiaries as of December 31, 2015 and 2014, and for each of the three years in the three-year period ended December 31, 2015, incorporated by reference herein from our Current Report on Form 8-K, with the SEC on March 24, 2016 (as amended). We will provide to each person, including any beneficial owner, to whom a prospectus supplement is delivered, a copy of any or all of the information that has been incorporated by reference in the prospectus supplement but not delivered with the prospectus supplement, at no charge upon written or oral request by contacting us at Centene Corporation, Attn: Corporate Secretary, 7700 Forsyth Boulevard, St. Louis, Missouri 63105, telephone (314) 725-4477.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

All statements, other than statements of current or historical fact, included or incorporated by reference in this prospectus supplement are forward-looking statements. We have attempted to identify these statements by terminology including believe, anticipate, plan, expect, estimate, intend, seek, target, goal, may, will, would, could, should, can, continue and other similar words or expressions in connection with things, any discussion of future operating or financial performance. In particular, these statements include statements about our market opportunity, our growth strategy, competition, expected activities and future acquisitions, investments and the adequacy of our available cash resources. We caution you that matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, regulatory, competitive and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions.

All forward-looking statements included or incorporated by reference in this prospectus supplement are based on information available to us on the date of this prospectus supplement and we undertake no obligation to update or revise the forward-looking statements included or incorporated by reference in this prospectus supplement, whether as a result of new information, future events or otherwise, after the date of this prospectus supplement, except as required by law. Actual results may differ from projections or estimates due to a variety of important factors, including but not limited to:

our ability to accurately predict and effectively manage health benefits and other operating expenses and reserves;

competition;

membership and revenue projections;

timing of regulatory contract approval;

changes in healthcare practices;

changes in federal or state laws or regulations, including the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act and any regulations enacted thereunder;

changes in expected contract start dates;

changes in expected closing date, estimated purchase price and accretion for acquisitions;

inflation;

foreign currency fluctuations;

provider and state contract changes;

new technologies;

advances in medicine;

reduction in provider payments by governmental payors;

major epidemics;

disasters and numerous other factors affecting the delivery and cost of healthcare;

the expiration, cancellation or suspension of our managed care contracts with federal or state governments (including but not limited to contracts under Medicaid, Medicare, and TRICARE programs);

the outcome of our pending legal proceedings;

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availability of debt and equity financing, on terms that are favorable to us;

our ability to adequately price products on federally facilitated and state based Health Insurance Marketplaces;

changes in economic, political and market conditions;

the possibility that the expected synergies and value creation from acquired businesses, including, without limitation, the acquisition of Health Net, will not be realized, or will not be realized within the expected time period; and

the risk that acquired businesses will not be integrated successfully.

This list of important factors is not intended to be exhaustive. Before investing in the new notes, you should also consider the risks described under **Risk Factors** in our quarterly report on Form 10-Q for the quarter ended March 31, 2016.

The risk factors included or incorporated by reference in the section titled **Risk Factors** contain a further discussion of these and other important factors that could cause actual results to differ from expectations. We disclaim any current intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Due to these important factors and risks, we cannot give assurances with respect to our future performance, including premium levels or our ability to control our future medical costs.

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SUMMARY

This summary highlights information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference. Because it is a summary, it does not contain all of the information that you should consider before investing in the new notes. You should read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein carefully, including the sections titled Risk Factors and Description of Notes and the financial statements and related notes thereto included or incorporated by reference in this prospectus supplement and the accompanying prospectus in their entirety before making an investment decision.

Centene Corporation

We are a diversified, multi-national healthcare enterprise that provides programs and services to government sponsored healthcare programs, focusing on under-insured and uninsured individuals. We provide member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. We also provide education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. We believe our local approach, including member and provider services, enables us to provide accessible, quality, culturally-sensitive healthcare coverage to our communities. Our health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. We combine our decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

On March 24, 2016, we acquired all of the issued and outstanding shares of Health Net for approximately \$6.0 billion in cash and stock, including the assumption of debt (the Health Net Merger). This strategic acquisition broadens our current service offerings, expanding our Medicaid and Medicare programs. This acquisition also further diversifies our markets and products through the addition of government-sponsored care under federal contracts with the U.S. Department of Defense and the U.S. Department of Veterans Affairs, as well as Medicare Advantage products in new geographies. Our consolidated financial statements as of and for the three months ended March 31, 2016 reflect eight days of Health Net operations, and the consolidated financial statements of Health Net for each of the three years in the period ended December 31, 2015 are incorporated by reference into this prospectus supplement.

We operate in two segments: Managed Care and Specialty Services. Our Managed Care segment provides health plan coverage to individuals through government subsidized programs, including Medicaid, the State Children's Health Insurance Program (CHIP), Long Term Care (LTC), Foster Care, dual-eligible individuals (Duals), the Supplemental Security Income Program, also known as the Aged, Blind or Disabled Program, or collectively ABD and Medicare (including the Medicare prescription drug benefit commonly known as Part D). Beginning in 2014, our Managed Care segment also provides health plan coverage to individuals covered through federally-facilitated and state-based Health Insurance Marketplaces (HIM). Our Specialty Services segment consists of our specialty companies offering diversified healthcare services and products to state programs, correctional facilities, healthcare organizations, employer groups and other commercial organizations, as well as to our own subsidiaries. Our Specialty Services segment also includes programs with the U.S. Department of Defense and U.S. Department of Veterans Affairs. For the year ended December 31, 2015, our Managed Care and Specialty Services segments accounted for approximately 90% and 10%, respectively, of our total external premium and service revenues. For the quarter ended March 31, 2016, our Managed Care and Specialty Services segments accounted for approximately 91% and 9%, respectively, of our total external revenues.

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Our managed care membership totaled 11.5 million as of March 31, 2016. For the year ended December 31, 2015, our total revenues and net earnings from continuing operations attributable to Centene were \$22.8 billion and \$356 million, respectively, and our total cash flow from operations was \$658 million. For the three months ended March 31, 2016, our total revenues and net loss from continuing operations attributable to Centene were \$7.0 billion and \$16 million, respectively, and our total cash flow from operations was \$195 million.

Our initial health plan commenced operations in Wisconsin in 1984. We were organized in Wisconsin in 1993 as a holding company for our initial health plan and reincorporated in Delaware in 2001. Our corporate office is located at 7700 Forsyth Boulevard, St. Louis, Missouri 63105, and our telephone number is (314) 725-4477. Our common stock is publicly traded on the New York Stock Exchange under the ticker symbol CNC.

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The Offering

*The following summary describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. See *Description of Notes* in this prospectus supplement and *Description of Debt Securities* in the accompanying prospectus for a more detailed description of the terms and conditions of the notes. In this section *The Offering*, *the Company*, *we*, *our*, or *us* refers only to Centene Corporation and not any of its subsidiaries.*

Issuer	Centene Corporation.
Securities Offered	<p>\$500,000,000 aggregate principal amount of 4.75% senior notes due 2022.</p> <p>The new notes are being offered as additional notes under the indenture pursuant to which we previously issued the existing notes. The new notes will be treated as a single series with the existing notes under the indenture and will have the same terms and CUSIP number as the existing notes. The new notes and the existing notes will vote as one class under the indenture governing the notes.</p>
Maturity Date	The notes will mature on May 15, 2022.
Interest Rate	The notes will bear interest at a rate equal to 4.75% per annum. Interest on the new notes will be deemed to have accrued from May 15, 2016.
Interest Payment Dates	Interest on the notes will be payable semi-annually on May 15 and November 15 of each year, beginning, with respect to the new notes, on November 15, 2016.
Ranking	<p>The notes are our senior unsecured obligations and:</p> <p>rank equally in right of payment with all of our existing and future senior debt, including our 5.75% senior notes due 2017, our 5.625% senior notes due 2021, our 6.125% senior notes due 2024 and our revolving credit facility (our Revolving Credit Facility);</p> <p>rank senior in right of payment to any of our existing and future obligations that are by their terms expressly subordinated or junior in right of payment to the notes;</p> <p>rank structurally subordinate to our subsidiaries' liabilities, including Health Net's 6.375% senior notes due 2017; and</p> <p>rank effectively subordinate in right of payment to any existing or future secured obligations to the extent of the value of the assets securing such obligations.</p>

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As of March 31, 2016, after giving effect to this offering and the application of the proceeds thereof, we had \$3,836 million of senior debt outstanding and approximately \$105 million of issued and undrawn letters of credit, and our subsidiaries had \$9,297 million of

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indebtedness and other liabilities outstanding, including medical claims liability, accounts payable and accrued expenses, unearned revenue and other long term liabilities (excluding intercompany liabilities). In addition, as of March 31, 2016, after giving effect to this offering and the application of the proceeds thereof, we had \$937 million of available and undrawn borrowings under our Revolving Credit Facility (with an uncommitted option to increase our Revolving Credit Facility by up to \$250 million). Of the outstanding letters of credit referenced above, \$52 million are issued under our Revolving Credit Facility.

Optional Redemption

At any time on or after May 15, 2019 we may redeem the notes, in whole or in part, at the prices set forth in this prospectus supplement.

At any time prior to May 15, 2019 we may redeem the notes, in whole or in part, at a price equal to 100% of the principal amount of the notes redeemed plus any accrued and unpaid interest thereon and a make-whole premium.

See Description of Notes Optional Redemption.

Change of Control

If we experience specific kinds of changes of control, we will make an offer to purchase all of the notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase. See Description of Notes Repurchase at the Option of Holders Change of Control.

Asset Sale Proceeds

Upon certain asset sales we may be required to offer to purchase some of the notes with certain of the proceeds of such sale at a price equal to 100% of their principal amount, plus any accrued and unpaid interest to the date of purchase. See Description of Notes Repurchase at the Option of Holders Asset Sales.

Certain Covenants

The indenture that governs the notes contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

incur additional indebtedness and issue preferred stock;

pay dividends or make other distributions;

make other restricted payments and investments;

sell assets, including capital stock of restricted subsidiaries;

create certain liens;

incur restrictions on the ability of restricted subsidiaries to pay dividends or make other payments, and, in the case of our subsidiaries, guarantee indebtedness;

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engage in transactions with affiliates;

create unrestricted subsidiaries; and

merge or consolidate with other entities.

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These covenants are subject to important exceptions and qualifications, that are described under the headings *Description of Notes – Certain Covenants* and *Description of Notes – Repurchase at the Option of Holders* in this prospectus supplement. In addition, following the first day the notes have an investment grade rating from either Standard & Poor's Global Ratings (*S&P*) or Moody's Investors Service, Inc. (*Moody's*), subject to certain conditions, we and our restricted subsidiaries will no longer be subject to certain of these covenants. See *Description of Notes – Certain Covenants – Covenant Termination*.

Form and Denomination

The new notes will be issued only in fully registered form, without coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will be issued in book-entry form and will be represented by global certificates deposited with, or on behalf of, The Depository Trust Company, or DTC, and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee; and these interests may not be exchanged for certificated notes, except in limited circumstances.

Use of Proceeds

We intend to use the net proceeds of this offering to repay amounts outstanding under our Revolving Credit Facility. See *Use of Proceeds*.

Conflicts of Interest

Affiliates of each of the underwriters other than Evercore Group L.L.C. will receive 5% or more of the net proceeds of this offering by reason of the repayment of the outstanding indebtedness under our Revolving Credit Facility, as described under *Use of Proceeds*. Accordingly, each of the underwriters other than Evercore Group L.L.C. will be deemed to have a conflict of interest within the meaning of Rule 5121 of the Financial Industry Regulatory Authority, Inc. (*FINRA*) and this offering will be conducted pursuant to the requirements of that rule. Rule 5121 requires that a qualified independent underwriter as defined in Rule 5121(f)(12) participate in the preparation of this prospectus supplement and exercise its usual standard of due diligence with respect thereto. Evercore Group L.L.C. has agreed to act as qualified independent underwriter for this offering and will not receive any additional fees for serving in that capacity. We have agreed to indemnify Evercore Group L.L.C. for certain liabilities, including liabilities under the Securities Act of 1933, as amended (the *Securities Act*). Pursuant to Rule 5121(c), none of the underwriters, other than Evercore Group L.L.C., is permitted to confirm sales to any account over which they exercise discretionary authority without the specific written approval of the accountholder. See *Underwriting (Conflicts of Interest)*.

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Risk Factors

Investing in the new notes involves substantial risks. You should carefully consider the risks described under the heading **Risk Factors** in addition to the other information contained in this prospectus supplement and the documents incorporated by reference herein before making an investment in the new notes.

Trustee

The Bank of New York Mellon Trust Company, N.A.

For additional information regarding the notes, see the **Description of Notes** section of this prospectus supplement.

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The following sets forth our summary historical consolidated financial information for the periods presented. The following information is only a summary and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, and the consolidated financial statements and the related notes, which appear in our Annual Report on Form 10-K for the year ended December 31, 2015, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, which have been incorporated herein by reference. The assets, liabilities and results of operations of Kentucky Spirit Health Plan have been classified as discontinued operations for all periods presented. We have derived the statement of operations data for the 2013, 2014 and 2015 fiscal years and the balance sheet data as of December 31, 2013, 2014 and 2015, from our audited financial statements, which (other than the balance sheet data as of December 31, 2013) are incorporated by reference into this prospectus supplement. We have derived the statement of operations data for the three months ended March 31, 2015 and March 31, 2016, and the balance sheet data as of March 31, 2016, from our unaudited interim financial statements, which are incorporated herein by reference. Our statement of operations data for the three months ended March 31, 2016, and our other financial data from continuing operations derived therefrom and presented below (including Adjusted EBITDA) for the three months ended March 31, 2016 and the twelve months ended December 31, 2015, reflects eight days of Health Net operations. Our unaudited interim financial statements were prepared on the same basis as the audited annual financial statements, and, in the opinion of management, include all adjustments, consisting only of normal, recurring adjustments necessary for a fair presentation of the information set forth therein. Interim results are not necessarily indicative of the results to be expected for an entire year, and our historical results for any prior period are not necessarily indicative of results to be expected for any future period.

	Year Ended December 31,			Three Months Ended	
	2013	2014	2015	2015	2016
	(in millions)				
Statement of Operations Data:					
Revenues:					
Premium	\$ 10,153	\$ 14,198	\$ 19,389	\$ 4,299	\$ 5,986
Service	373	1,469	1,876	462	425
Premium and service revenues	10,526	15,667	21,265	4,761	6,411
Premium tax and health insurer fee	337	893	1,495	370	542
Total revenues	10,863	16,560	22,760	5,131	6,953
Expenses:					
Medical costs	8,995	12,678	17,242	3,861	5,311
Cost of services	327	1,280	1,621	402	367
General and administrative expenses	925	1,298	1,802	396	722
Amortization of acquired intangible assets	6	16	24	7	9
Premium tax expense	333	698	1,151	281	450
Health insurer fee expense		126	215	55	74
Total operating expenses	10,586	16,096	22,055	5,002	6,933
Earnings from operations	277	464	705	129	20
Other income (expense):					
Investment and other income	19	28	35	9	15
Interest expense	(27)	(35)	(43)	(10)	(33)
Earnings from continuing operations, before income tax expense	269	457	697	128	2
Income tax expense	107	196	339	63	17
Earnings (loss) from continuing operations, net of income tax expense	162	261	358	65	(15)

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	Year Ended December 31,			Three Months Ended	
	2013	2014	2015	2015	2016
	(in millions)				
Discontinued operations, net of income tax (benefit) expense of \$2, \$1, \$(1), \$0 and \$0, respectively	4	3	(1)	(1)	(1)
Net earnings (loss)	166	264	357	64	(16)
Noncontrolling interest	(1)	7	(2)	(1)	(1)
Net earnings (loss) attributable to Centene Corporation	\$ 165	\$ 271	\$ 355	\$ 63	\$ (17)
Amounts attributable to Centene Corporation common shareholders					
Earnings from continuing operations, net of income tax expense	\$ 161	\$ 268	\$ 356	\$ 64	\$ (16)
Discontinued operations, net of income tax expense (benefit)	4	3	(1)	(1)	(1)
Net earnings	\$ 165	\$ 271	\$ 355	\$ 63	\$ (17)

	As of December 31,			As of
	2013	2014	2015	March 31,
	(in millions)			
Consolidated Balance Sheet Data:				2016
Cash and cash equivalents	\$ 1,038	\$ 1,610	\$ 1,760	\$ 3,436
Investments and restricted deposits(1)	941	1,557	2,218	4,835
Total assets	3,529	5,824	7,339	18,652
Medical claims liability(1)	1,112	1,723	2,298	3,863
Long term debt(1)	666	874	1,216	4,276
Total stockholders' equity	1,243	1,743	2,168	5,309

(1) From continuing operations.

	Year Ending December 31,					Three
	2011	2012	2013	2014	2015	Months
						Ended
						March 31,
						2016
Ratio of earnings to fixed charges(1)	7.8	5.7	8.2	10.3	11.7	1.0

(1) As adjusted to give effect to the issuance of the notes in this offering and the application of the net proceeds therefrom as described in Use of Proceeds in this prospectus supplement, and assuming the offering had been completed on (i) January 1, 2016, the ratio of earnings to fixed charges would have been 0.9 for the three months ended March 31, 2016 and (ii) January 1, 2015, the ratio of earnings to fixed charges would have been 9.4 for the year ended December 31, 2015. The pro forma ratio of earnings to fixed charges does not necessarily represent what the actual ratio of earnings to fixed charges would have been had those transactions occurred on the date assumed.

Table of Contents**Other Financial Data from Continuing Operations:**

	Year Ending December 31,			Three Months Ended March 31,		Twelve Months Ended
	2013	2014	2015	2015 (in millions)	2016	March 31, 2016
Adjusted EBITDA(1)	\$ 398	\$ 636	\$ 948	\$ 181	\$ 279	\$ 1,046

- (1) Adjusted EBITDA is defined as net earnings from continuing operations attributable to Centene before income tax expense, interest expense, depreciation and amortization, adjusted to exclude non-cash stock compensation expense and certain other non-cash items that we believe are not indicative of future performance.

Management believes that Adjusted EBITDA, a non-GAAP financial measure, provides information that is useful to investors in understanding period-over-period operating results and enhances the ability of investors to analyze Centene's business trends and to understand Centene's performance. This non-GAAP financial measure should not be considered in isolation, or as a substitute for the corresponding GAAP financial measure and may not be comparable to similar measures used by other companies. A reconciliation of this non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP follows (Unaudited):

	Year Ending December 31,			Three Months Ended March 31,		Twelve Months Ended
	2013	2014	2015	2015 (in millions)	2016	March 31, 2016
Net earnings from continuing operations attributable to Centene Corporation	\$ 161	\$ 268	\$ 356	\$ 64	\$ (16)	\$ 276
Income tax expense	107	196	339	63	17	293
Interest expense	27	35	43	10	33	66
Depreciation and amortization	67	89	112	28	36	120
Non-cash stock compensation from continuing operations	36	48	71	16	20	75
Health Net merger related expenses			27		189	216
Adjusted EBITDA	\$ 398	\$ 636	\$ 948	\$ 181	\$ 279	\$ 1,046

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RISK FACTORS

Investing in the new notes involves substantial risks. Before investing in the new notes, you should carefully consider the following risk factors and the information discussed in Risk Factors in our quarterly report on Form 10-Q for the quarter ended March 31, 2016, which is incorporated by reference into this prospectus supplement and the accompanying prospectus, as well as the other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, before making an investment decision. The following is not intended as, and should not be construed as, an exhaustive list of relevant risk factors. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

Risks Related to the Notes

We and our subsidiaries may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our and our subsidiaries' financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, competitive, legislative, regulatory and other factors beyond our control. As a result, we may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness. In addition, because we conduct a significant portion of our operations through our subsidiaries, repayment of our indebtedness is also dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us by dividend, debt repayment or otherwise. Our subsidiaries are distinct legal entities and they do not have any obligation to pay amounts due on the notes or to make funds available for that purpose or for other obligations. Pursuant to applicable state limited liability company laws and other laws and regulations, our subsidiaries may not be able to, or may not be permitted to, make distributions to us in order to enable us to make payments in respect of the notes. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness.

We cannot assure you that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us under our Revolving Credit Facility in an amount sufficient to enable us to pay our indebtedness, including these notes, or to fund our other liquidity needs. We have \$825 million of senior debt maturities in 2017. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including the notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the indenture governing the notes may restrict us from adopting some of these alternatives.

The restrictive covenants in our debt instruments may limit our operating flexibility. Our failure to comply with these covenants could result in defaults under the indenture governing the notes and our other existing and future debt instruments even though we may be able to meet our debt service obligations.

The instruments governing our indebtedness, including the indentures governing the notes, the 5.75% senior notes due 2017, the 5.625% senior notes due 2021 and the 6.125% senior notes due 2024 and the credit agreement governing our Revolving Credit Facility, impose significant operating and financial restrictions on us. These restrictions significantly limit, among other things, our ability to incur additional indebtedness,

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pay dividends, repay junior indebtedness, sell assets, make investments, engage in transactions with affiliates, create liens and engage in certain types of mergers or acquisitions. Our future debt instruments may have similar or

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more restrictive covenants. These restrictions could limit our ability to obtain future financings, make capital expenditures, withstand a future downturn in our business or the economy in general, or otherwise take advantage of business opportunities that may arise. If we fail to comply with these restrictions, the note holders or lenders under any debt instrument could declare a default under the terms of the relevant indebtedness even though we are able to meet debt service obligations and, because our indebtedness has cross-default and cross-acceleration provisions, could cause all or a substantial portion of our debt to become immediately due and payable.

We cannot assure you that we would have sufficient funds available, or that we would have access to sufficient capital from other sources, to repay any accelerated debt. Even if we could obtain additional financing, we cannot assure you that the terms would be favorable to us. If we default on any future secured debt, the secured creditors could foreclose on their liens. As a result, any event of default could have a material adverse effect on our business and financial condition, and could prevent us from paying amounts due under the notes.

Despite current indebtedness levels, we may still be able to incur substantially more debt, including secured debt, which could further exacerbate the risks we face.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, including secured indebtedness. The terms of the indentures governing the notes, the 5.75% senior notes due 2017, the 5.625% senior notes due 2021, the 6.125% senior notes due 2024 and the Health Net 6.375% senior notes due 2017, as well as the credit agreement governing our Revolving Credit Facility, do not fully prohibit us or our subsidiaries from incurring additional indebtedness. As of March 31, 2016, as adjusted after giving effect to this offering and the use of proceeds therefrom, we had \$937 million of available and undrawn borrowings under our Revolving Credit Facility (with an uncommitted option to increase our Revolving Credit Facility by up to \$250 million). If new debt is added to our current debt levels, the related risks that we now face would increase. In addition, the indentures governing the notes, the 5.75% senior notes due 2017, the 5.625% senior notes due 2021, the 6.125% senior notes due 2024 and the Health Net 6.375% senior notes due 2017, as well as the credit agreement governing our Revolving Credit Facility, do not prevent us or our subsidiaries from incurring obligations that do not constitute indebtedness under the applicable agreement. A substantial amount of debt we incur in the future could be secured. To the extent we were to secure debt we incur in the future under any credit facility or other debt, your ability to receive payments under the notes will be effectively subordinated to the secured debt, which will have a prior claim on any assets securing the debt, to the extent of the value of those assets, and it is possible that there will be insufficient assets remaining from which claims of the holders of the notes can be satisfied. As of the date of this prospectus supplement, we do not have significant amounts of secured indebtedness.

Because we are a holding company and depend entirely on cash flow from our subsidiaries to meet our obligations, your right to receive payment on the notes will be effectively subordinated to our subsidiaries' obligations.

The notes will be obligations exclusively of Centene Corporation. Our cash flow and our ability to service our debt, including the notes, depends on the earnings of our subsidiaries and on the distribution of earnings, loans or other payments to us by our subsidiaries.

Our subsidiaries are separate and distinct legal entities with no obligations to pay any amounts due on the notes or to provide us with funds for our payment obligations, whether by dividend, distribution, loan or other payments. In addition, the ability of our subsidiaries to make any dividend, distribution, loan or other payment to us is subject to statutory restrictions, regulatory capital requirements and contractual restrictions, including under the 5.75% senior notes due 2017, the 5.625% senior notes due 2021, the 6.125% senior notes due 2024 and our Revolving Credit Facility. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings and their business considerations.

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Our right to receive any assets of our subsidiaries upon their bankruptcy, liquidation, dissolution, reorganization or similar proceeding, and therefore your right to participate in those assets, will be structurally subordinated to the claims of those subsidiaries' creditors, including trade creditors. In addition, even if we were a creditor of one or more of our subsidiaries, our rights as a creditor would be subordinated to any security interest in the assets of those subsidiaries and any debt of our subsidiaries senior to that held by us. As a result, the notes will be effectively subordinated to all liabilities, including medical claims liability, accounts payable and accrued expenses, unearned revenue and other long term liabilities, of our current or future subsidiaries. Because we depend on the cash flow of our subsidiaries to meet our own obligations, including with respect to the notes, these types of restrictions could impair our ability to make scheduled interest payments on the notes and to pay the principal at maturity. As of March 31, 2016, as adjusted after giving effect to this offering and the use of proceeds therefrom, the notes would have been structurally subordinated to \$9,297 million of liabilities outstanding of our subsidiaries, including the Health Net 6.375% senior notes due 2017, medical claims liability, accounts payable and accrued expenses, unearned revenue and other long term liabilities (excluding intercompany liabilities).

In addition, our regulated subsidiaries have historically generated substantially all of our revenues. Our regulated subsidiaries are subject to various state government statutory and regulatory restrictions applicable to insurance companies generally, that limit the amount of dividends, loans and advances and other payments they can make to us. Additionally, if insurance regulators at any time determine that payment of a dividend or any other payment to us would be detrimental to an insurance subsidiary's policyholders or creditors, because of the financial condition of the insurance subsidiary or otherwise, the regulators may block dividends or other payments to us that would otherwise be permitted without prior approval. Furthermore, if one or more of our regulated subsidiaries becomes insolvent, the regulators may seize its assets to cover its obligations under healthcare policies, which could result in our remaining assets generating insufficient revenue to pay the notes in full or at all.

The indenture governing the notes permits us to sell a substantial amount of our assets without any requirement that the proceeds be used to offer to repurchase the notes.

The indenture governing the notes permits us at any time and from time to time to sell up to 10% of our consolidated total assets without any requirement that we repay or reduce commitments of other debt, that we reinvest the proceeds from any such sale in other assets or that we offer to repurchase the notes. As a result, unless we (i) sell more than 10% of our consolidated total assets in one transaction or series of related transactions or (ii) our aggregate sales result in a sale of all or substantially all of the properties or assets of Centene and its restricted subsidiaries, taken as a whole, in a transaction that constitutes a change of control, we will not be required to offer to repurchase the notes as a result of such asset sale or sales. See Description of Notes Repurchase at the Option of Holders Asset Sales and Description of Notes Repurchase at the Option of Holders Change of Control.

We may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture.

Upon a change of control, we will be required to offer to repurchase all outstanding notes at 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase. However, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of notes or that the restrictions in our Revolving Credit Facility or any other future indebtedness will not allow such repurchases. In order to satisfy our obligations, we could seek to refinance the notes and any other indebtedness then required to be repurchased, or obtain a waiver from the holders of the notes and other affected indebtedness. However, we may not be able to obtain a waiver or effect a refinancing on terms acceptable to us, if at all. Our failure to purchase, or give notice of an offer to purchase, the notes would be a default under the indenture governing the notes. See Description of Notes Repurchase at Option of Holders Change of Control.

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In addition, certain important corporate events, such as leveraged recapitalizations, may not, under the indenture governing the notes, constitute a change of control that would require us to repurchase the notes, notwithstanding the fact that such corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See Description of Notes Repurchase at the Option of Holders Change of Control.

The change of control put right might not be enforceable.

The Chancery Court of Delaware has raised the possibility that a change of control put right occurring as a result of a failure to have continuing directors comprising a majority of a board of directors may be unenforceable on public policy grounds. Therefore, in certain circumstances involving a significant change in the composition of our Board of Directors, holders of the notes may not be entitled a change of control put right. See Description of Notes Repurchase at the Option of Holders Change of Control.

If the notes are rated investment grade at any time by either S&P or Moody's, certain covenants contained in the indenture will be terminated, and the holders of the notes will lose the protection of these covenants.

The indenture governing the notes contains certain covenants that will be terminated and cease to have any effect from and after the first date when the notes are rated investment grade by either S&P or Moody's. See Description of Notes Certain Covenants Covenant Termination. These covenants restrict, among other things, our ability to pay dividends or make other restricted payments, incur additional debt and to enter into certain types of transactions. Because these restrictions would not apply to the notes at any time after the notes have achieved an investment grade rating (even if such notes are subsequently rated below investment grade), the holders of the notes would not be able to prevent us from incurring substantial additional debt, paying dividends or making other restricted payments or entering into certain types of transactions.

No assurance can be given as to the maintenance or liquidity of any trading market for the notes.

We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system. Although we expect the new notes offered hereby will be fungible with the existing notes, for which a trading market currently exists, we cannot guarantee:

that such trading market will be maintained;

the liquidity of any trading market for the notes;

your ability to sell the notes at any time or at all; or

the price at which you would be able to sell the notes.

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The liquidity of the trading market, if any, and future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors.

The unaudited pro forma condensed combined financial information incorporated by reference in this prospectus supplement is presented for illustrative purposes only and may not be reflective of the operating results and financial condition of the combined company following completion of the Health Net Merger.

The unaudited pro forma condensed combined financial information incorporated by reference in this prospectus supplement is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the Health Net Merger been completed on the dates indicated. Further, the combined company's actual results and financial position after the Health Net Merger may differ materially and adversely from the unaudited pro forma condensed combined financial data that is incorporated by reference in this prospectus supplement. The

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unaudited pro forma condensed combined financial information reflects adjustments based upon preliminary estimates of the fair value of assets to be acquired and liabilities assumed by us. The final acquisition accounting will be based upon the actual purchase price and the fair value of the assets and liabilities of Health Net as of March 24, 2016. In addition, there will continue to be further refinements of the acquisition accounting as information continues to be reviewed. Accordingly, the final acquisition accounting may differ materially from the pro forma condensed combined financial information incorporated by reference in this prospectus supplement. See Unaudited Pro Forma Condensed Financial Statements included in our Current Report on Form 8-K dated January 26, 2016, as updated by our Current Report on Form 8-K/A dated May 10, 2016, each incorporated by reference in this prospectus supplement, for more information.

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USE OF PROCEEDS

We estimate that the net proceeds of this offering will be approximately \$504 million, after deducting underwriting discounts and commissions and estimated expenses of the offering, but including interest accrued from May 15, 2016. We intend to use the net proceeds from this offering to repay approximately \$504 million aggregate principal amount of outstanding borrowings under our Revolving Credit Facility.

At our option, borrowings under our Revolving Credit Facility bear interest at LIBOR, EURIBOR, CDOR or base rates plus, in each case, an applicable margin. Applicable margins for LIBOR, EURIBOR and CDOR range from 100 to 187.5 basis points and applicable margins for base rate loans range from 0 to 87.5 basis points, in each case, determined based on our total debt-to-EBITDA ratio. Our weighted average interest rate on outstanding borrowings under our Revolving Credit Facility at March 31, 2016 was 4.25%. Our Revolving Credit Facility will mature in March 2021. Affiliates of each underwriter of this offering other than Evercore Group L.L.C. are lenders under our Revolving Credit Facility and will receive a portion of the offering proceeds pursuant to repayments being made under our Revolving Credit Facility.

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The following table sets forth our consolidated cash and cash equivalents and capitalization as of March 31, 2016, (1) on an actual basis and (2) on an as adjusted basis, after giving effect to the issuance and sale of the notes offered hereby and the application of the net proceeds therefrom as described under Use of Proceeds.

You should read this table in conjunction with Use of Proceeds and the financial statements incorporated by reference in this prospectus supplement.

	March 31, 2016	
	Actual	As Adjusted
	(in millions)	
Unregulated cash, investments and restricted deposits	\$ 139	\$ 139
Regulated cash, investments and restricted deposits	7,682	7,682
Total cash, investments and restricted deposits	\$ 7,821	\$ 7,821
Revolving Credit Facility(1)	\$ 515	\$ 11
5.75% senior notes due 2017	425	425
Health Net 6.375% senior notes due 2017	400	400
5.625% senior notes due 2021	1,400	1,400
4.75% senior notes due 2022(2)	500	1,000
6.125% senior notes due 2024	1,000	1,000
Unamortized premium on senior notes	20	29
Interest rate swaps	12	12
Mortgage notes payable	66	66
Capital leases and other	5	5
Debt issuance costs	(63)	(70)
Total debt	\$ 4,280	\$ 4,278
Stockholders' equity	5,309	5,309
Total capitalization	\$ 9,589	\$ 9,587

(1) Subsequent to March 31, 2016 but prior to this offering, we borrowed \$65 million under our Revolving Credit Facility, and as of June 7, 2016, the amount outstanding under our Revolving Credit Facility was \$580 million. In addition, as of June 7, 2016, we had approximately \$93 million of issued and outstanding undrawn letters of credit, of which \$52 million are issued under our Revolving Credit Facility. As of June 7, 2016, after giving effect to this offering and the application of the net proceeds therefrom, there will be \$872 million of available and undrawn borrowings under our Revolving Credit Facility (with an uncommitted option to increase our Revolving Credit Facility by up to \$250 million) and all of the issued undrawn letters of credit will remain outstanding.

(2) As Adjusted column includes the new notes offered hereby.

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DESCRIPTION OF OTHER INDEBTEDNESS

Revolving Credit Facility

On March 24, 2016, we entered into a new credit agreement (the *Credit Agreement*) by and among us, Wells Fargo Bank, National Association, as administrative agent, and the lenders and other parties thereto, providing for a \$1 billion unsecured multi-currency revolving credit facility (the *Revolving Credit Facility*), with a \$300 million sub-limit for letters of credit and a \$100 million sub-limit for swingline loans. The *Credit Agreement* allows for an additional \$250 million of incremental loans by way of a new term loan facility or an increase in the revolving commitments, subject to satisfaction of certain conditions.

At our option, borrowings under the *Credit Agreement* bear interest at LIBOR, EURIBOR, CDOR or base rates plus, in each case, an applicable margin. Applicable margins for LIBOR, EURIBOR and CDOR range from 100 to 187.5 basis points and applicable margins for base rate loans range from 0 to 87.5 basis points, in each case, determined based on our total debt-to-EBITDA ratio. Additionally, there is a facility fee ranging from 25 to 37.5 basis points on the commitments of the lenders and a letter of credit fee ranging from 100 to 187.5 basis points on letters of credit issued, in each case, determined based on our total debt-to-EBITDA ratio. Our *Revolving Credit Facility* will mature on March 24, 2021.

The *Credit Agreement* contains financial covenants, including a minimum fixed charge coverage ratio and a maximum total debt-to-EBITDA ratio. The *Credit Agreement* also contains customary covenants that restrict us and our subsidiaries in respect of, among other things, mergers and consolidations, sales of all or substantially all of our assets, the incurrence of debt and liens, change in the nature of our business, transactions with affiliates and the making of certain investments and restricted payments. The *Credit Agreement* is subject to acceleration upon the occurrence of an event of default, which includes, among others things, cross-default with regard to indebtedness of Centene or its subsidiaries in excess of \$100 million in the aggregate; cross-default with regard to Centene's outstanding notes; the occurrence of a change of control (as defined in the *Credit Agreement*); entry of judgment or order to pay of \$100 million or more which is not stayed; the occurrence of certain bankruptcy events; failure to make payments under the *Credit Agreement* when due; breach of representations and warranties or covenants under the *Credit Agreement*; and invalidity of loan documents.

Health Net 6.375% Senior Notes due 2017

In connection with the closing of the Health Net acquisition, we assumed the aggregate principal amount of Health Net's \$400 million 6.375% Senior Notes due 2017 (the *Health Net notes*), recorded at acquisition date fair value of \$418 million.

The indenture governing the *Health Net notes* contains non-financial covenants of Health Net, Inc. Interest is paid semi-annually in June and December.

5.75% Senior Notes due 2017

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In May 2011, we issued \$250 million non-callable 5.75% senior notes due 2017 (the 5.75% notes) at a discount to yield 6%. In connection with the May 2011 issuance, we entered into an interest rate swap for a notional amount of \$250 million.

In November 2012, we issued an additional \$175 million non-callable 5.75% senior notes due 2017 (the 2017 add-on notes) at a premium to yield 4.29%. The indenture governing the 5.75% notes and the 2017 add-on notes contains non-financial and financial covenants, including requirements of a minimum fixed charge coverage ratio that, subject to certain exceptions, must be satisfied before additional indebtedness may be incurred. Interest is paid semi-annually in June and December. At March 31, 2016, including the total net unamortized debt premium, the carrying value of the 5.75% notes and 2017 add-on notes was \$427 million.

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5.625% Senior Notes due 2021

In February 2016, Centene Escrow Corporation (the Escrow Issuer), our wholly owned subsidiary, issued \$1.4 billion aggregate principal amount of 5.625% senior notes due 2021 (the 2021 notes). The 2021 notes were sold to qualified institutional buyers in reliance on Rule 144A and outside the United States to non-U.S. persons in reliance on Regulation S. In connection with the Health Net acquisition, the Escrow Issuer merged with and into Centene, with Centene as the surviving entity, and by entry into a supplemental indenture, Centene assumed all of the Escrow Issuer's obligations as the issuer under the 2021 notes and the related indenture. Centene also entered into a counterpart to the registration rights agreement between the Escrow Issuer and the initial purchasers of the 2021 notes, pursuant to which Centene became a party to the registration rights agreement. On May 23, 2016, we filed a Registration Statement on Form S-4 with the SEC related to the exchange of the 2021 notes for new notes whose form and terms will be identical in all material respects to the 2021 notes but will not contain the transfer restrictions or registration rights applicable to the 2021 notes.

The indenture governing the 2021 notes contains non-financial and financial covenants, including requirements of a minimum fixed charge coverage ratio that, subject to certain exceptions, must be satisfied before additional indebtedness may be incurred. Interest is paid semi-annually in February and August. At March 31, 2016, including the total net unamortized debt premium, the carrying value of the 2021 notes was \$1,400 million.

6.125% Senior Notes due 2024

In February 2016, the Escrow Issuer, our wholly-owned subsidiary, issued \$1.0 billion aggregate principal amount of 6.125% senior notes due 2024 (the 2024 notes). The 2024 notes were sold to qualified institutional buyers in reliance on Rule 144A and outside the United States to non-U.S. persons in reliance on Regulation S. In connection with the Health Net acquisition, the Escrow Issuer merged with and into Centene, with Centene as the surviving entity, and by entry into a supplemental indenture, Centene assumed all of the Escrow Issuer's obligations as the issuer under the 2024 notes and the related indenture. Centene also entered into a counterpart to the registration rights agreement between the Escrow Issuer and the initial purchasers of the 2024 notes, pursuant to which Centene became a party to the registration rights agreement. On May 23, 2016, we filed a Registration Statement on Form S-4 with the SEC related to the exchange of the 2024 notes for new notes whose form and terms will be identical in all material respects to the 2024 notes but will not contain the transfer restrictions or registration rights applicable to the 2024 notes.

The indenture governing the 2024 notes contains non-financial and financial covenants, including requirements of a minimum fixed charge coverage ratio that, subject to certain exceptions, must be satisfied before additional indebtedness may be incurred. Interest is paid semi-annually in February and August. At March 31, 2016, including the total net unamortized debt premium, the carrying value of the 2024 notes was \$1,000 million.

Letters of Credit & Surety Bonds

We had outstanding letters of credit of \$53 million as of March 31, 2016, which were not issued under our Revolving Credit Facility. The Company also had letters of credit for \$52 million (valued at the March 31, 2016 conversion rate), or 46 million, representing the Company's proportional share of the letters of credit issued to support the outstanding debt of Ribera Salud S.A., a Spanish health management group of which the Company is a non-controlling shareholder, and which are issued under our Revolving Credit Facility. Collectively, the letters of credit bore interest at 1.51% as of March 31, 2016. We had outstanding surety bonds of \$386 million as of March 31, 2016.

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DESCRIPTION OF NOTES

The 4.75% senior notes due 2022 offered hereby, which are referred to herein as the new notes, are an additional issuance of 4.75% senior notes due 2022. The new notes offered hereby will be treated as a single series with and will have the same terms and CUSIP number as the \$300,000,000 aggregate principal amount of 4.75% senior notes due 2022, originally issued on April 29, 2014, and the \$200,000,000 aggregate principal amount of 4.75% senior notes due 2022, originally issued on January 14, 2015, which are referred to collectively herein as the existing notes, pursuant to the indenture (the indenture), dated April 29, 2014, between Centene and The Bank of New York Mellon Trust Company, N.A., as Trustee. Centene will issue the new notes under the indenture, and the new notes and the existing notes will vote as one class under the indenture. As used herein, the term notes refers to both the new notes and the existing notes. This description supplements and, to the extent inconsistent therewith, replaces the descriptions of the general terms and provisions contained in Description of Debt Securities in the accompanying prospectus.

You can find the definitions of certain terms used in this Description of Notes under the subheading Certain Definitions. In this Description of Notes, references to Centene, we, us and our refer only to Centene Corporation and not to any of its subsidiaries.

The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended (the Trust Indenture Act).

This Description of Notes and the Description of Debt Securities in the accompanying prospectus are a summary of the material provisions of the indenture. It does not restate that agreement in its entirety. We urge you to read the indenture because it, and not this description or the Description of Debt Securities in the accompanying prospectus, defines your rights as holders of the notes. Copies of the indenture are available upon request to Centene at the address indicated under Where You Can Find More Information elsewhere in this prospectus supplement. Certain defined terms used in this Description of Notes but not defined below under Certain Definitions have the meanings assigned to them in the indenture.

The registered holder of a note will be treated as the owner of it for all purposes. Only registered holders will have rights under the indenture.

Brief Description of the Notes

The Notes

The notes:

will be senior unsecured obligations of Centene;

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will be equal in right of payment to all existing and future senior Indebtedness of Centene, including Centene's obligations under the 2017 Notes, the 2021 Notes, the 2024 Notes and the Credit Agreement;

will be effectively subordinate in right of payment to any existing or future secured Indebtedness of Centene to the extent of the value of the assets securing such Indebtedness; and

will be senior in right of payment to any future subordinated Obligations of Centene.

None of Centene's subsidiaries will guarantee the notes. As a result, the notes will be structurally subordinated to all Indebtedness and other liabilities (including medical claims liability, accounts payable and accrued expenses, unearned revenue and other long term liabilities) of Centene's subsidiaries, including the Health Net Notes. Any right of Centene to receive assets of any of its subsidiaries upon the subsidiary's liquidation or reorganization (and the consequent right of the holders of the notes to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors, except to the extent that Centene is

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itself recognized as a creditor of the subsidiary, in which case the claims of Centene would still be effectively subordinated to any secured indebtedness of such subsidiary to the extent of the value of the assets securing such indebtedness and subordinate in right of payment to any indebtedness of the subsidiary senior to that held by Centene.

All of Centene's operations are conducted through its subsidiaries. Therefore, Centene's ability to service its Indebtedness, including the notes, is dependent upon the earnings of its subsidiaries and their ability to distribute those earnings as dividends, loans or other payments to Centene. Certain of Centene's subsidiaries are restricted by statute, regulatory capital requirements and certain contractual obligations in their ability to make distributions to Centene. As a result, we may not be able to cause such subsidiaries to distribute sufficient funds to enable us to meet our obligations under the notes. See Risk Factors Risks Related to the Notes Because we are a holding company and depend entirely on cash flow from our subsidiaries to meet our obligations, your right to receive payment on the notes will be effectively subordinated to our subsidiaries obligations.

As of March 31, 2016, as adjusted to give effect to this offering and the use of proceeds therefrom, Centene had approximately \$3,836 million of Senior Debt outstanding and approximately \$105 million of issued and undrawn letters of credit, and Centene's subsidiaries had approximately \$9,297 million of indebtedness and other liabilities outstanding, including medical claims liability, accounts payable and accrued expenses, unearned revenue and other long term liabilities (excluding intercompany liabilities). In addition, as of March 31, 2016, as adjusted to give effect to this offering and the use of proceeds therefrom, Centene had \$937 million of available and undrawn borrowings under the Revolving Credit Facility (with an uncommitted option to increase the Revolving Credit Facility by up to \$250 million). Of the outstanding letters of credit referenced above, \$52 million are issued under the Revolving Credit Facility.

As of the date hereof, all of our direct and indirect subsidiaries are Restricted Subsidiaries. However, under the circumstances described below under the subheading Certain Covenants Designation of Restricted and Unrestricted Subsidiaries, we will be permitted to designate certain of our subsidiaries as Unrestricted Subsidiaries. Our Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the indenture.

Principal, Maturity and Interest

This offering of \$500 million aggregate principal amount of new notes will constitute an additional issuance of the notes. The new notes offered hereby constitute Additional Notes under the indenture. The existing notes, the new notes offered hereby and any Additional Notes subsequently issued under the indenture will be treated as a single class for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions, and offers to purchase. Centene will issue new notes in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The notes will mature on May 15, 2022. Interest on the notes accrues at the rate of 4.75% per annum and is payable semi-annually in arrears on May 15 and November 15 to the holders of record on the immediately preceding May 1 and November 1. Interest payments on the new notes will be paid commencing on November 15, 2016.

Interest on the new notes will be deemed to have accrued from May 15, 2016. After November 15, 2016, interest will accrue from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of Receiving Payments on the Notes

All payments on the notes will be made at the office or agency of the paying agent and registrar within the City and State of New York unless Centene elects to make interest payments by check mailed to the holders at their address set forth in the register of holders.

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Table of Contents**Paying Agent and Registrar for the Notes**

The Trustee is currently acting as the paying agent and registrar. Centene may change the paying agent or registrar without prior notice to the holders of the notes, and Centene or any of its Restricted Subsidiaries may act as paying agent or registrar.

Transfer and Exchange

A holder may transfer or exchange notes in accordance with the provisions of the indenture. The registrar and the Trustee may require a holder to furnish appropriate endorsements and transfer documents in connection with a transfer of notes. Holders will be required to pay all taxes due on transfer. Centene is not required to transfer or exchange any note selected for redemption. Also, Centene is not required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed.

Optional Redemption

Except as set forth below, the notes are not redeemable at Centene's option prior to May 15, 2019. At any time prior to May 15, 2019, Centene may redeem all or any portion of the notes, at once or over time, upon notice as described below under the caption "Selection and Notice," at a redemption price equal to 100% of the principal amount of notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of the notes of record on the relevant record date to receive interest due on an interest payment date falling prior to the redemption date).

On or after May 15, 2019, Centene may redeem all or any portion of the notes, at once or over time, upon notice as described below under the caption "Selection and Notice." The notes may be redeemed at the redemption prices set forth below, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of the notes of record on the relevant record date to receive interest due on an interest payment date falling prior to the redemption date). The following prices are for notes redeemed during the 12-month period commencing on May 15 of the years set forth below, and are expressed as percentages of principal amount.

Year	Redemption Price
2019	102.375%
2020	101.188%
2021 and thereafter	100.000%

Any redemption of the notes may, at Centene's discretion, be subject to one or more conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in Centene's discretion, the redemption date may be delayed until such time as any or all of such conditions shall be satisfied (or waived by Centene in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by Centene in its sole discretion) by the redemption date, or by the redemption date so delayed.

Selection and Notice

If less than all of the notes are to be redeemed at any time, such notes to be redeemed shall be selected in accordance with the operating procedures of The Depository Trust Company (DTC).

No notes of \$2,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the notes or a satisfaction and discharge of the indenture.

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If any note is to be redeemed in part only, the notice of redemption that relates to that note will state the portion of the principal amount of that note that is to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued in the name of the holder of notes upon cancellation of the original note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest will cease to accrue on notes or portions of them called for redemption.

The Trustee shall not be responsible for any actions taken or not taken by DTC.

Mandatory Redemption

Centene is not required to make mandatory redemption or sinking fund payments with respect to the notes. However, under certain circumstances, Centene may be required to offer to purchase notes as described below under the captions Repurchase at the Option of Holders Change of Control and Repurchase at the Option of Holders Asset Sales. Centene may at any time and from time to time purchase notes in the open market or otherwise.

Repurchase at the Option of Holders

Change of Control

Upon the occurrence of a Change of Control, each holder of notes will have the right to require Centene to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that holder's notes pursuant to the offer described below (the Change of Control Offer) on the terms set forth in the indenture. In the Change of Control Offer, Centene will offer a payment in cash (the Change of Control Payment) equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date falling prior to the date of purchase).

Within 30 days following the date upon which the Change of Control occurred Centene will mail a notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase notes on the date specified in the notice (the Change of Control Payment Date), which date will be no earlier than 30 days and no later than 60 days from the date of such Change of Control, pursuant to the procedures required by the indenture and described in such notice. Centene will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the change of control provisions of the indenture, Centene will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the change of control provisions of the indenture by virtue of such compliance. On the Change of Control Payment Date, Centene will, to the extent lawful:

(1) accept for payment all notes or portions of notes properly tendered and not withdrawn pursuant to the Change of Control Offer;

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(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered and not withdrawn; and

(3) deliver or cause to be delivered to the Trustee the notes properly accepted together with an officers certificate stating the aggregate principal amount of notes or portions of notes being purchased by Centene.

The paying agent will promptly mail to each holder of notes properly tendered the Change of Control Payment for such notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new note equal in principal amount to the unpurchased portion of the notes surrendered, if any; *provided* that each new note will be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

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Centene will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

Under clause (4) of the definition of Change of Control, a Change of Control will occur when a majority of Centene's Board of Directors are not Continuing Directors. In a decision in connection with a proxy contest, the Delaware Court of Chancery has held that the occurrence of a change of control under a similar indenture provision may nevertheless be avoided if the existing directors were to approve the slate of new director nominees (who would constitute a majority of the new board) as continuing directors, provided the incumbent directors give their approval in the good faith exercise of their fiduciary duties owed to the corporation and its stockholders. Therefore, in certain circumstances involving a significant change in the composition of Centene's Board of Directors, including in connection with a proxy contest where Centene's Board of Directors does not endorse a dissident slate of directors but approves them as Continuing Directors, holders of the notes may not be entitled to require Centene to make a Change of Control Offer.

The Credit Agreement, the 2017 Indenture, the 2021 Indenture and the 2024 Indenture provide that certain change of control events with respect to Centene will constitute a default thereunder. Any future credit agreements or other agreements to which Centene becomes a party may contain similar restrictions and provisions. The occurrence of a Change of Control may result in a default under other Indebtedness of Centene and its Subsidiaries, giving the lenders thereunder the right to require Centene to repay obligations outstanding thereunder. Centene's ability to repurchase notes following a Change of Control also may be limited by Centene's then existing resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. Centene's failure to repurchase notes in connection with a Change of Control would result in a Default under the indenture. Such a Default would, in turn, constitute a default under existing debt of Centene and may constitute a default under future debt as well. Centene's obligation to make an offer to repurchase the notes as a result of a Change of Control may be waived or modified at any time prior to the occurrence of such Change of Control with the written consent of the holders of a majority in principal amount of the notes. See Amendment, Supplement and Waiver.

The provisions of the indenture would not necessarily afford holders of the notes protection in the event of a highly leveraged transaction, reorganization, restructuring, merger or similar transaction involving Centene that may adversely affect the holders.

Centene will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by Centene and purchases all notes properly tendered and not withdrawn under the Change of Control Offer. A Change of Control Offer may be made in advance of a Change of Control and may be conditional upon the occurrence of a Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of Centene and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require Centene to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Centene and its Subsidiaries taken as a whole to another Person or group may be uncertain.

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Asset Sales

Centene will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) Centene (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets sold, leased, transferred, conveyed or otherwise disposed of or Equity Interests of any Restricted Subsidiary of Centene issued, sold, transferred, conveyed or otherwise disposed of as determined in good faith by Centene's management;

(2) at least 75% of the consideration received in the Asset Sale by Centene or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this clause (2), each of the following will be deemed to be cash:

(a) any liabilities, as shown on Centene's or such Restricted Subsidiary's most recent balance sheet prepared in accordance with GAAP, of Centene or any of its Restricted Subsidiaries (other than contingent liabilities and liabilities that are by their terms subordinated to the notes) that are assumed by the transferee (or a third party on behalf of the transferee) of any such assets whereby Centene or such Restricted Subsidiary is released from further liability whether specifically agreed by such transferee or third party or by operation of law;

(b) any securities, notes or other obligations received by Centene or any such Restricted Subsidiary from such transferee that are converted by Centene or such Restricted Subsidiary into cash or Cash Equivalents within 180 days, to the extent of the cash or Cash Equivalents received in that conversion; and

(c) any Designated Non-cash Consideration received by Centene or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) not to exceed 5.0% of the Consolidated Total Assets as of the end of the most recently ended fiscal quarter for which internal financial statements are available prior to the date on which such Designated Non-cash Consideration is received (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value) shall be deemed to be cash for purposes of this paragraph and for no other purpose; and

(3) Centene delivers an officers' certificate to the Trustee certifying that such Asset Sale complies with the foregoing clauses (1) and (2).

To the extent that the Fair Market Value of any Asset Sale exceeds 10% of Consolidated Total Assets as of the end of the most recently ended fiscal quarter for which internal financial statements are available prior to the date on which such Net Proceeds are received (with the Fair Market Value of each Asset Sale being measured at the time of such Asset Sale), then within 365 days after the receipt of any Net Proceeds from any such Asset Sale, Centene or such Restricted Subsidiary may apply those Net Proceeds (but shall only be required to apply that portion of the Net Proceeds from such Asset Sale that exceeds 10% of Consolidated Total Assets) at its option (or any portion thereof):

(1) to permanently repay Senior Debt of Centene (other than Indebtedness owed to Centene or any Affiliate of Centene) and, if the Senior Debt repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(2) to acquire all or substantially all of the assets of, or all of the Capital Stock of, another Person engaged in a Permitted Business; or

(3) to acquire other long-term assets or property that are used in a Permitted Business;

provided that a binding commitment to apply Net Proceeds as set forth in clauses (1), (2) and (3) above shall be treated as a permitted application of the Net Proceeds from the date of such commitment so long as Centene or such Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Proceeds

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will be applied to satisfy such commitment within 180 days of such commitment (an *Acceptable Commitment*) and, in the event any *Acceptable Commitment* is later cancelled or terminated for any reason before the *Net Proceeds* are applied in connection therewith, then Centene or such *Restricted Subsidiary* shall be permitted to apply the *Net Proceeds* in any manner set forth in clauses (1), (2) and (3) above before the expiration of such 180-day period and, in the event Centene or such *Restricted Subsidiary* fails to do so, then such *Net Proceeds* shall constitute *Excess Proceeds* (as defined below). Pending the final application of any *Net Proceeds*, Centene may temporarily reduce revolving credit borrowings or otherwise invest the *Net Proceeds* in any manner that is not prohibited by the indenture.

Any *Net Proceeds* from *Asset Sales* that were required to be applied in accordance with the first sentence of the immediately preceding paragraph and that are not so applied or invested as provided in the preceding paragraph will constitute *Excess Proceeds*. When the aggregate amount of *Excess Proceeds* exceeds \$40.0 million, within 30 calendar days thereof, Centene will make an offer (an *Asset Sale Offer*) to all holders of notes to purchase the maximum principal amount of notes and, if Centene is required to do so under the terms of any other *Indebtedness* that is *pari passu* with the notes, such other *Indebtedness* on a *pro rata* basis with the notes that may be purchased out of the *Excess Proceeds*. The offer price in any *Asset Sale Offer* will be equal to 100% of principal amount plus accrued and unpaid interest, if any, to the date of purchase, and will be payable in cash. If any *Excess Proceeds* remain after consummation of the purchase of all properly tendered and not withdrawn notes pursuant to an *Asset Sale Offer*, Centene may use such remaining *Excess Proceeds* for any purpose not otherwise prohibited by the indenture. If the aggregate principal amount of notes and other *pari passu Indebtedness* tendered into such *Asset Sale Offer* exceeds the amount of *Excess Proceeds*, the Trustee will select the notes and such other *pari passu Indebtedness* to be purchased on a *pro rata* basis. Upon completion of each *Asset Sale Offer*, the amount of *Excess Proceeds* will be reset at zero.

Centene will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of notes pursuant to an *Asset Sale Offer*. To the extent that the provisions of any securities laws or regulations conflict with the *Asset Sale* provisions of the indenture, Centene will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the *Asset Sale* provisions of the indenture by virtue of such compliance.

Certain Covenants

Covenant Termination

Following the first day:

- (a) the notes have an *Investment Grade Rating*; and

- (b) no *Default* has occurred and is continuing under the indenture;

Centene and its *Restricted Subsidiaries* shall cease to be subject to the provisions of the indenture summarized under the subheadings below:

Restricted Payments,

Incurrence of Indebtedness and Issuance of Preferred Stock,

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries,

Limitation on Issuances of Guarantees of Indebtedness,

Transactions with Affiliates and

Repurchase at the Option of Holders Asset Sales, described above

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(collectively, the Terminated Covenants). No Default, Event of Default or breach of any kind shall be deemed to exist under the indenture or the notes with respect to the Terminated Covenants based on, and none of Centene or any of its Subsidiaries shall bear any liability for, any actions taken or events occurring after the notes attain an Investment Grade Rating, regardless of whether such actions or event would have been permitted if the applicable Terminated Covenants remained in effect. The Terminated Covenants will not be reinstated even if Centene subsequently does not satisfy the requirements set forth in clauses (a) and (b) above. After the Terminated Covenants have been terminated, Centene and its Restricted Subsidiaries shall remain subject to the provisions of the indenture described above under the caption Repurchase at the Option of Holders Change of Control and described under the following subheadings:

Liens,

Merger, Consolidation or Sale of Assets (other than the financial test set forth in clause (4) of that covenant),

Payments for Consent and

SEC Reports.

Restricted Payments

Centene will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution (A) on account of Centene s or any of its Restricted Subsidiaries Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving Centene or any of its Restricted Subsidiaries) or (B) to the direct or indirect holders of Centene s or any Restricted Subsidiaries Equity Interests in their capacity as such (other than dividends, payments or distributions (i) payable in Equity Interests (other than Disqualified Stock) of Centene or (ii) to Centene or a wholly owned Restricted Subsidiary or to all holders of Capital Stock of such Restricted Subsidiary on a pro rata basis);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving Centene) any Equity Interests of Centene or any of its Restricted Subsidiaries (other than any such Equity Interests owned by Centene or any of its Restricted Subsidiaries);

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Obligations, except a payment of interest or principal at the Stated Maturity thereof; or

(4) make any Restricted Investment (all such payments and other actions set forth in clauses (1) through (3) above and this clause (4) being collectively referred to as Restricted Payments), unless, at the time of and after giving effect to such Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and

(b) Centene would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the most recently ended four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock ; and

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(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Centene and the Restricted Subsidiaries after the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (5), (6), (7) and (9) of the next succeeding paragraph), is less than the sum, without duplication, of:

(I) 50% of the Consolidated Net Income of Centene for the period (taken as one accounting period) from the beginning of the first full fiscal quarter during which the Issue Date falls to the end of Centene's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), plus

(II) 100% of the aggregate net cash proceeds and the Fair Market Value of property other than cash received by Centene since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of Centene (other than Disqualified Stock) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of Centene, in either case, that have been converted into or exchanged for such Equity Interests of Centene (other than Equity Interests or Disqualified Stock or debt securities sold to a Subsidiary of Centene), plus

(III) to the extent that any Restricted Investment that was made after the Issue Date is sold for cash or otherwise liquidated or repaid for cash, the cash proceeds and Fair Market Value, of property and marketable securities received with respect to such Restricted Investment (less the cost of disposition, if any), plus

(IV) to the extent any Unrestricted Subsidiary has been redesignated as a Restricted Subsidiary under the terms of the indenture or has been merged, consolidated or amalgamated with or into, or transfers or conveys assets to, or is liquidated into Centene or a Restricted Subsidiary, an amount equal to the Fair Market Value of Centene's and the Restricted Subsidiaries' aggregate Investment in such Unrestricted Subsidiary as of the date of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), plus

(V) \$330.0 million.

So long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the preceding provisions will not prohibit:

(1) the payment of any dividend or consummation of any redemption within 60 days after the date of declaration of the dividend or the giving of a redemption notice related thereto, if at the date of declaration or the giving of a redemption notice related thereto the dividend payment or redemption would have complied with the provisions of the indenture;

(2) the redemption, repurchase, retirement, repayment, defeasance or other acquisition of any Subordinated Obligations of Centene or of any Equity Interests of Centene in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary of Centene) of, Equity Interests of Centene (other than Disqualified Stock); *provided, however*, that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, repayment, defeasance or other acquisition will be excluded from clause (c)(II) of the preceding paragraph;

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(3) the redemption, repurchase, repayment, retirement, defeasance or other acquisition of any Subordinated Obligations of Centene with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness; *provided, however*, that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, repayment, retirement, defeasance or other acquisition will be excluded from clause (c)(II) of the preceding paragraph;

(4) the redemption, repurchase or other acquisition or retirement for value of any Equity Interests of Centene or any Restricted Subsidiary of Centene (a) held by any current or former director, officer, employee or consultant (or the estate, heirs, family members, spouse, former spouse, domestic partner or

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former domestic partner of any of the foregoing) of Centene (or any of its Restricted Subsidiaries) pursuant to any management equity subscription plan or agreement, stock option or stock purchase plan or agreement or employee benefit plan as may be adopted by Centene from time to time or pursuant to any agreement with any director, officer, employee or consultant of Centene or (b) from an employee of Centene upon the termination of such employee's employment with Centene; *provided, however*, that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests in reliance on this clause (4) may not exceed \$15.0 million in any twelve-month period, with any unused amounts in any twelve-month period being carried forward to the next two succeeding twelve-month periods; and *provided further*, that such amount in any twelve-month period may be increased by an amount not to exceed (A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of Centene, in each case to members of management, directors or consultants of Centene, any of its Subsidiaries that occurs after the Issue Date, provided that such cash proceeds utilized for redemptions, repurchases or other acquisitions or retirements will be excluded from clause (c)(II) of the preceding paragraph plus (B) the cash proceeds of key man life insurance policies received by Centene or its Restricted Subsidiaries after the Issue Date (provided that Centene may elect to apply all or any portion of the aggregate increase contemplated by clauses (A) and (B) above in any twelve-month period, it being understood that the forgiveness of any debt by such Person shall not be a Restricted Payment hereunder) less (C) the amount of any Restricted Payments previously made pursuant to clauses (A) and (B) of this clause (4);

(5) repurchases, acquisitions or retirements of Capital Stock of Centene deemed to occur upon the exercise or vesting of stock options, warrants or restricted stock or similar rights under employee benefit plans of Centene or its Subsidiaries if such Capital Stock represents all or a portion of the exercise price thereof or withholding tax thereon;

(6) redemptions of Capital Stock consisting of common stock of Centene, so long as the Total Debt Ratio is no more than 2.25 to 1.0, both as of the date thereof (based on a computation period of the twelve calendar month period most recently ended) and on a pro forma basis after giving effect to such redemption;

(7) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of Centene; *provided, however*, that any such cash payment shall not be for the purpose of evading the limitation of the covenant described under this subheading (as determined in good faith by the Board of Directors of Centene);

(8) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Obligations or Disqualified Stock pursuant to provisions substantially identical to those described above under the captions Repurchase at the Option of Holders Change of Control and Repurchase at the Option of Holders Asset Sales ; *provided* that a Change of Control Offer or Asset Sale Offer, as applicable, has been made and all notes tendered by holders of the notes in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

(9) other Restricted Payments in an aggregate amount, which, when taken together with all other Restricted Payments made pursuant to this clause (9), not to exceed the greater of (x) \$225.0 million and (y) 5.0% of Consolidated Total Assets; and

(10) the payment by Centene of dividends on its common stock in an aggregate annual amount of \$25.0 million.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the assets, property or securities proposed to be transferred or issued by Centene or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. If Centene or a Restricted Subsidiary makes a Restricted Payment which at the time of the making of such Restricted Payment would, in the good faith determination of Centene, be permitted under the provisions of the indenture, such Restricted Payment shall be

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deemed to have been made in compliance with the indenture notwithstanding any subsequent adjustments made in good faith to Centene financial statements affecting Consolidated Net Income of Centene for any period.

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In the event that a Restricted Payment or Permitted Investment meets the criteria of more than one of the types of Restricted Payments described in the above paragraphs of this covenant or Permitted Investments described in the definition thereof, Centene in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Restricted Payment or Permitted Investment in any manner that complies with this covenant and such Restricted Payment or Permitted Investment shall be treated as having been made pursuant only to the clause or clauses of this covenant or of the definition of Permitted Investment to which such Restricted Payment or Permitted Investment has been classified or reclassified.

Incurrence of Indebtedness and Issuance of Preferred Stock

Centene will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, Guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and Centene will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock (including Disqualified Stock) other than to Centene; *provided, however*, that Centene may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock and any Guarantor may incur Indebtedness (including Acquired Debt), if the Fixed Charge Coverage Ratio for Centene's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least 2.0 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the preferred stock or Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

So long as no Default shall have occurred or be continuing or would be caused thereby, the first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by Centene or any Restricted Subsidiary of additional Indebtedness and letters of credit under one or more Credit Facilities; *provided* that the aggregate principal amount of all Indebtedness and letters of credit of Centene and any Restricted Subsidiaries incurred pursuant to this clause (1) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of Centene and any Restricted Subsidiaries thereunder) does not exceed the greater of (x) \$800.0 million and (y) 20.0% of Consolidated Total Assets (less the aggregate principal amount of Indebtedness incurred by Securitization Subsidiaries and then outstanding pursuant to clause (13));

(2) the incurrence by Centene and any of the Restricted Subsidiaries of the Existing Indebtedness;

(3) the incurrence by Centene and any of its Restricted Subsidiaries of Indebtedness represented by the notes issued on the Issue Date;

(4) the incurrence by Centene or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of Centene or such Restricted Subsidiary in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (4), not to exceed the greater of (x) \$100.0 million and (y) 2.5% of Consolidated Total Assets at any time outstanding;

(5) the incurrence by Centene or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to extend, defease, renew, refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was incurred

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under the first paragraph of this covenant or clauses (2), (3), (4), or this clause (5) of this paragraph;

(6) the incurrence by Centene or any of its Restricted Subsidiaries of intercompany Indebtedness between or among Centene and any of its Restricted Subsidiaries; *provided, however*, that (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a

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Person other than Centene or a Restricted Subsidiary and (ii) any subsequent sale or other transfer of any such Indebtedness to a Person that is not either Centene or a Restricted Subsidiary shall be deemed, in each case, to constitute an incurrence of such Indebtedness by Centene or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) Indebtedness arising from agreements of Centene or any of its Restricted Subsidiaries providing for indemnification, adjustment of purchase price, earn out or other similar Obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or shares of Capital Stock of a Restricted Subsidiary, other than Guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or shares of Capital Stock of a Restricted Subsidiary for the purpose of financing such acquisition;

(8) the incurrence of Indebtedness of Centene or any of its Restricted Subsidiaries represented by (a) letters of credit for the account of Centene or any of its Restricted Subsidiaries or (b) other obligations to reimburse third parties pursuant to any surety bond, performance bond or other similar arrangements, which letters of credit or other obligations, as the case may be, are intended to provide security for provider claims, workers compensation claims, payment obligations in connection with sales tax and insurance or other similar requirements in the ordinary course of business;

(9) the incurrence by Centene or any of its Restricted Subsidiaries of Hedging Obligations; provided that such Hedging Obligations are related to business transactions of Centene or its Restricted Subsidiaries entered into in the ordinary course of business and are entered into for bona fide hedging purposes (and not for speculative purposes) of Centene or its Restricted Subsidiaries (as determined in good faith by the Board of Directors or senior management of Centene);

(10) the Guarantee by Centene or any of the Restricted Subsidiaries of Indebtedness of Centene or a Restricted Subsidiary that was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is incurred by Centene and is subordinated to the notes, then the Guarantee of such Indebtedness by any of its Restricted Subsidiaries shall be subordinated to the same extent as the Indebtedness guaranteed;

(11) Indebtedness incurred by a Foreign Restricted Subsidiary which, when aggregated with the principal amount of all other Indebtedness incurred pursuant to this clause (11) and then outstanding, does not exceed the greater of (x) \$150.0 million or (y) 3.25% of Centene's Consolidated Total Assets;

(12) Acquired Debt or other Indebtedness, which, in the case of other Indebtedness, is incurred reasonably contemporaneously to finance an acquisition, merger, consolidation or amalgamation; *provided* that after giving effect thereto, (a) Centene would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test in the first paragraph above, or (b) the Fixed Charge Coverage Ratio for the four full fiscal quarters immediately preceding such incurrence for which internal financial statements are available would be no worse than immediately prior thereto;

(13) Indebtedness incurred by a Securitization Subsidiary in connection with a Qualified Securitization Transaction that is not recourse with respect to Centene and its Restricted Subsidiaries; *provided, however*, that in the event such Securitization Subsidiary ceases to qualify as a Securitization Subsidiary or such Indebtedness becomes recourse to Centene or any of its Restricted Subsidiaries, such Indebtedness will, in each case, be deemed to be, and must be classified by Centene as, incurred at such time (or at the time initially incurred) under one more of the other provisions of this covenant;

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(14) the incurrence by Centene or any Restricted Subsidiary of Indebtedness to the extent the proceeds thereof are used to purchase notes pursuant to a Change of Control Offer or to defease or discharge notes in accordance with the terms of the indenture;

(15) the incurrence by Centene or any Restricted Subsidiary of Indebtedness consisting of (a) the financing of insurance premiums or (b) take or pay obligations in supply agreements, in each case in the ordinary course of business;

(16) Real Estate Indebtedness not to exceed in the aggregate at any one time outstanding the greater of (x) \$250.0 million or (y) 5.0% of Centene's Consolidated Total Assets;

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(17) Indebtedness in respect of secured or unsecured letters of credit incurred by Centene or any Restricted Subsidiary in an aggregate principal amount not to exceed \$200.0 million;

(18) the incurrence by Centene or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to extend, defease, renew, refund, refinance or replace any Indebtedness incurred pursuant to this clause (18), not to exceed the greater of (x) \$225.0 million and (y) 5.0% of Consolidated Total Assets;

(19) Indebtedness of Centene or any Restricted Subsidiary arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds; *provided* that such Indebtedness is satisfied within five business days of incurrence; and

(20) Indebtedness of Centene or any Restricted Subsidiary in respect of cash management services entered into in the ordinary course of business and Guarantees of the Obligations of Centene or any Restricted Subsidiary in respect of such indebtedness.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (20) above or is entitled to be incurred pursuant to the first paragraph of this covenant, in each case, as of the date of incurrence thereof, Centene shall, in its sole discretion, classify (or later reclassify in whole or in part), or divide (or later redivide in whole or in part) such item of Indebtedness (or any portion thereof) in any manner that complies with this covenant and such Indebtedness will be treated as having been incurred pursuant to such clauses or the first paragraph hereof, as the case may be, designated by Centene. Indebtedness under Credit Facilities outstanding on the Issue Date will at all times be deemed to have been incurred on such date in reliance on the exception provided by clause (1) of the definition of Permitted Debt. The accrual of interest or dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Equity Interests as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that Centene or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of Indebtedness outstanding as of any date shall be (1) the accreted value thereof, in the cas