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To: Veldran, KatherineKatherineVeldran@gov.sc.gov
Date: 8/8/2013 4:56:15 PM
Subject:

Hi Katherine,

I hope the summer in Columbia isn't too brutal this year. I wanted to share with you an article regarding Molina's entrance into the South Carolina market and if you have any questions, please feel free to contact me anytime.

I hope all is well and I will let you know next time I am in the Capitol...

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MOH Enters State of South Carolina

By Zacks Equity Research | Zacks – Tue, Jul 30, 2013 2:20 PM EDT

Molina Healthcare of South Carolina Inc., the wholly owned subsidiary of **Molina Healthcare Inc. (MOH)** has inked a deal to acquire some assets of the South Carolina Solutions (**SCS**) business of Community Health Solutions of America Inc. (**CHS**).

As per the deal, CHS will transfer its Medical Homes Network (**MHN**) memberships to Molina healthcare. Molina will be able to receive the memberships from CHS provided the former receives a Health Maintenance Organization (:HMO) license from the South Carolina Department of Insurance. Additionally it should also receive a full-risk Medicaid managed care contract from the South Carolina Department of Health and Human Services, and a contract related to the conversion of the MHN program to a full-risk Medicaid managed care program. Molina is expected to satisfy the three conditions by Jan 2014. However, members registered under the Medically Complex Children's Waiver component of the MHN program will be opted out from the transfer.

Approximately 91% of the members served by the SCS business are enrolled in the Temporary Aid for Needy Families (:TANF) of the State of South Carolina. The remaining 9% of the members are part of the MHN and are out of the full-risk program in the state. Such members are seen as being in dire need of an improved healthcare program. This provides Molina with immense prospects to foray into the market and tap the opportunities.

Molina provides cost-effective Medicaid related solutions to financially constrained families and individuals. In the face of the state's rollout of the new Medicaid managed care program, the above deal is expected to help the company stay ahead in competition. Through the deal, Molina aims to associate itself with both the state of South Carolina as well as the local provider of the community to provide patient-oriented, cost-effective health care.

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