

Notice of

2025

Annual Meeting of
Stockholders and
Proxy Statement

May 13, 2025



Our Mission

Transforming the health of the communities we serve, one person at a time.

Since its founding as a single local healthcare plan in 1984, Centene's heart and soul has been linked to supporting the health of the communities we proudly serve. We are committed to providing access to quality, culturally sensitive care for our members and communities.

Now, forty years later, this long-held commitment to supporting the health and health care of our members is encapsulated in our mission: Transforming the health of the communities we serve, one person at a time.

Our Values

Accountability – Courage – Curiosity – Trust – Service

These values support our efforts to realize our mission.

Our Culture



Letter to Stockholders

From Our Chief Executive Officer and Our Chairman of the Board

March 27, 2025

Dear Stockholders:

In these early months of 2025, healthcare policy headlines are dominating the news and creating market uncertainty for investors. From where we stand, this volatility – while temporary – only reinforces the importance of Centene’s focused and intense work over the last three years to improve our operational agility and strengthen our infrastructure, fostering resilience and readiness as an organization and as an essential member of the healthcare community.

Looking back, 2024 was a capstone year in our value creation journey, and rife with industry turbulence of its own. And yet, surrounded by landscape challenges, we delivered significant operational milestones and outperformed our top and bottom-line financial commitments in 2024 positioning our business well for the future.

A couple of key highlights:

- Thanks to an ongoing emphasis on and commitment to quality performance and operational excellence, we delivered substantial improvements in our Medicare STAR ratings, effectively positioning our Medicare business on a path to breakeven in 2027.
- We delivered another year of solid, profitable growth in our Individual business. Capitalizing on our leading market position, we pioneered program integrity changes that proactively reduced fraud, waste and abuse. In early 2024, our team introduced the “Agent of Record Lock” policy, setting the tone for the Centers for Medicare and Medicaid Services (CMS) to make this and other program integrity measures a market mandate heading into the Open Enrollment period.
- In our Medicaid business, we navigated a historic level of eligibility redetermination, partnering closely across 30 states to navigate membership and acuity shifts impacting millions of lives, while at the same time delivering an impressive string of RFP wins thereby securing the majority of our Medicaid business through the end of the decade.
- And, finally, we continued our work to build an industry-leading culture, operating as “One CenTeam” by focusing on service – to our partners, to our members, and to each other.

In 2024, we proved that our business has the fortitude to not only survive challenges, but thrive, continuing to evolve to better serve our customers and stakeholders.

We enter 2025 structurally stronger, more talented, more agile, and better positioned to execute against a pipeline of exciting growth opportunities.

Operationally, in 2025 we expect to collaborate with our state partners to more closely align Medicaid rates with the post-redeterminations book of business. Our Medicare Advantage business, following successful execution during the Annual Enrollment Period, will focus on key clinical and operational initiatives to advance our progress to break even in 2027. And, as the category leader, our Marketplace team will once again offer access to high quality and affordable healthcare – this year to approximately 5 million Americans – while expanding our movement into the emerging Individual Coverage Health Reimbursement Arrangement (ICHRA) market.

We are already in-motion on initiatives that leverage AI to drive quality and efficiency in our business and these will accelerate in 2025. For example, we are deploying AI within our provider contracting operations to reduce the manual labor associated with configuring and maintaining contracts, while enabling further automation and speed in processing payments to providers.

AI is also helping us strengthen our analytics – an important lever for advancing initiatives such as Value Based Care across our businesses. Value-based payment models align the success of our providers with the well-being of our members. With more than 40% of our medical membership associated with value-based arrangements, we are better able to coordinate and support critical healthcare services – both big and small – for the lives we serve.

As an organization we subscribe to a philosophy that we can always do something more – more for our members, more for our state and federal partners and more for our shareholders. As we look ahead to 2025, new initiatives are scheduled to launch that aim to personalize and better facilitate care for our members. Our Illinois health plan is offering members with uncontrolled high blood pressure a 12-week comprehensive “Food Is Medicine” program. The program includes nutrition counseling along with an intentional combination of medically tailored meals, healthy food boxes and fresh produce vouchers. By creating sustainable changes in eating habits, our members can better support the treatment of their chronic disease – both inside and outside of the doctor’s office.

In 2025, our recently announced partnership with the National Association of Community Health Centers (NACHC) will support value-based payment model adoption and improve maternal and child health outcomes. Community Health Centers uniquely serve our populations and share our strategy of delivering deeply local, integrated care. By working closely together, our goal is to drive differentiated health outcomes and transform the health of our shared communities at national scale.

Managed care organizations play a vital and often misunderstood role in the United States healthcare ecosystem. As stewards of taxpayer dollars, our charge is to lower healthcare costs while ensuring high-quality access to care. To do this, we focus on prevention, early intervention, and efficient care coordination. Investing in home health for our members can reduce the need for expensive (and often unnecessary) hospitalization. Connecting our members to resources that promote and protect health minimizes the need for more health care – things like access to healthy foods, transportation, and childcare. Over more than 40 years, Centene has worked to improve health care for low income and working Americans. But we believe there is more we can do to transform the communities we serve by focusing on a more holistic, comprehensive, and outcomes-oriented approach to health, instead of just health care. We intend to leverage our platform that today serves 28 million Americans to advocate on their behalf for system-wide changes that bring more seamless experiences and improved outcomes to those with the fewest resources and the most complex needs.

We look forward to delivering on our mission for our customers and our shareholders, as well as advancing the agenda nationally to make healthcare work better in 2025 and beyond.

Sincerely,



Sarah London

**Sarah M.
London**

Chief Executive Officer



Frederick H. Eppinger

**Frederick H.
Eppinger**

**Chairman of the
Board of Directors**

Notice of 2025 Annual Meeting of Stockholders



Time and Date

10:00 AM, Central Time, on Tuesday, May 13, 2025



Place

Centene Plaza
7700 Forsyth Boulevard
St. Louis, Missouri 63105
Centene Auditorium



Record Date

Stockholders as of March 14, 2025 are entitled to vote

Voting Items Proposal	Board Vote Recommendation	For Further Details
(1) To elect eleven directors to hold office until the 2026 Annual Meeting of Stockholders or until their successors are duly elected and qualified;	✓ FOR each director nominee	Page 26
(2) To cast a non-binding advisory vote on the compensation of the Company's Named Executive Officers;	✓ FOR	Page 69
(3) To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2025;	✓ FOR	Page 114
(4) To approve the Company's 2025 Stock Incentive Plan; and	✓ FOR	Page 120
(5) and (6) Stockholder proposals	✗ AGAINST	Page 130

Stockholders will also transact such other business as may properly come before the Annual Meeting or at any convening or reconvening of the Annual Meeting following a postponement or adjournment of the Annual Meeting.

Stockholders or their legal proxy holders who wish to attend the Annual Meeting must preregister. Requests for preregistration must be received by us no later than 11:59 AM Eastern Time on May 9, 2025. For complete instructions for preregistering, see page 138 of this proxy statement.

On or about March 27, 2025, we mailed to our stockholders either 1) a copy of our proxy statement, a proxy card and 2024 Annual Report on Form 10-K or 2) a Notice of Internet Availability of Proxy Materials (Availability Notice), which indicates how to access the proxy materials on the internet. We believe furnishing proxy materials to our stockholders on the internet provides our stockholders with the information they need while lowering the costs of delivery and reducing the environmental impact of the distribution process.

By order of the Board of Directors,

Christopher A. Koster

Secretary and General Counsel

St. Louis, Missouri
March 27, 2025

How to Vote

Internet: www.ProxyVote.com

Telephone: 1-800-690-6903

Mail

Mark, sign, date and promptly mail the enclosed proxy card in the postage-paid envelope



QR Code

Scan this QR code to vote with your mobile device



Important Notice Regarding the Availability of Proxy Materials for the 2025 Annual Meeting of Stockholders to be held on

May 13, 2025: The accompanying proxy statement and the 2024 Annual Report on Form 10-K are available at

www.ProxyVote.com.

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Who We Are

Today, Centene is the largest Medicaid managed care organization, the largest carrier on the Health Insurance Marketplace and the largest stand-alone Medicare Prescription Drug Plan (PDP) provider in the country, while also having an established Medicare presence. In addition, Centene has increased its market density to serve other low-income and medically complex populations and is uniquely positioned to serve individuals who are dually eligible for both Medicaid and Medicare.

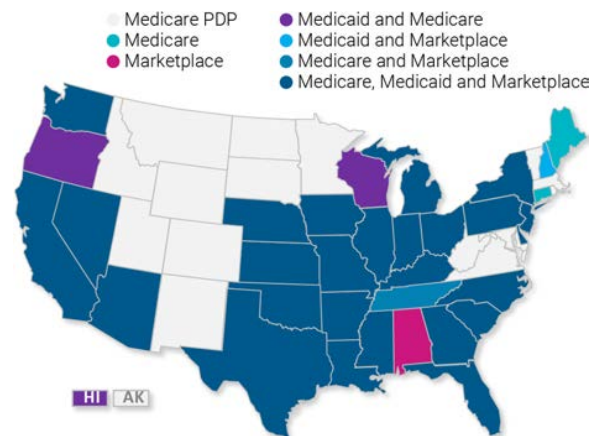
#1 carrier in the nation

on the Health Insurance Marketplace

\$35.5 billion in cash and investments*	\$145.5 billion premium and service revenues in 2024
60,500 employees*	28.6 million members*
#46 in 2024 Fortune Global 500	#22 in 2024 Fortune 500

* As of December 31, 2024

2025 Footprint



More than 1 in 15 individuals across all 50 states

Centene offers affordable and high-quality products to more than 1 in 15 individuals across the nation, including Medicaid and Medicare members (including Medicare PDP) as well as individuals and families served by the Health Insurance Marketplace.

Addressing member needs through innovation



Advanced Technology Systems and Tools



Incentives for Healthier Living



Personal Member Outreach and Support



Helping Mothers and their Babies

Company Overview

Centene is a leading healthcare enterprise that is committed to helping people live healthier lives. The Company takes a local approach – with local brands and local teams – to provide fully integrated, high-quality and cost-effective services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene offers affordable and high-quality products to more than 1 in 15 individuals across the nation, including Medicaid and Medicare members (including Medicare PDP) as well as individuals and families served by the Health Insurance Marketplace. Our mission is to transform the health of the communities we serve, one person at a time.

Centene provides access to high-quality healthcare, innovative programs and a wide range of health solutions that help families and individuals get well, stay well and be well. Centene treats the whole person, an approach that is delivered locally and backed by the scale of Centene's expertise, data and resources. Through this approach and our commitment to sustainable partnerships, we work with local community organizations to realize our mission.

Centene's Path Forward

03

Focus on Medicaid, Marketplace and Medicare, capitalizing on the significant expansion opportunities in each market

MEDICAID
MARKETPLACE
MEDICARE

02

Build from the strength of our market positions, evolve with the market and create significant disruptive growth by leveraging our inherent and differentiated strengths to explore logical extensions to our core lines of business

DUALS
+
ICHRA

01

Transform our business by leveraging industry-leading, mission-driven talent, and continuing to invest in our data analytics and capabilities

ONE
CentTEAM

2024 Financial and Business Highlights

Our 2024 financial and business results reflect execution in our diverse portfolio across the Company's three major product lines.

2024 Financial Results

\$163 billion

Total Revenues,
a 6% increase vs. 2023

Medicaid

We are the largest Medicaid Managed Care Organization

13.0 million members
across **30** states

\$6.31

Diluted Earnings
Per Share (EPS)

Marketplace

We are the #1 carrier on the Health Insurance Marketplace

4.4 million members
across **29** states

\$7.17

Adjusted Diluted
EPS, an increase of
7% vs. 2023

Medicare

Within Medicare Advantage we have the largest concentration of Dual Eligible Special Needs Plans (D-SNP) members compared to our peers

1.1 million Medicare Advantage members across
37 states and **6.9** million PDP members in
50 states

(10)%

Total Shareholder
Return (TSR) 3-Year
CAGR

Refer to Appendix A for reconciliations of non-GAAP measures included throughout this proxy statement.

Execution of Strategy

Our growth over the past decade has positioned us to be a leader in the healthcare industry and enabled the Company to stay focused on its mission while also delivering strong financial performance for its stockholders. Centene has a unique and powerful platform, and we are working to fortify its foundation to fuel our next phase of innovation and growth. We are focused on strong, long-term growth grounded in our core product lines, investing in becoming easy to work with by building modern systems and processes, and curating an enhanced network of partnerships designed to drive value across our portfolio.

We are focused on making strategic decisions and investments to create additional value in the short-term and to seek opportunities that position the organization for long-term strength, profitability, growth and innovation. In addition to creating stockholder value, we are modernizing and improving how we work in order to propel our organization to new levels of success and elevate the member and provider experiences. With trends in the personalization of healthcare technology, we continue the use of data and analytics to improve the provider and member experience. We continue to believe we have both the capacity and capability to successfully navigate industry changes to the benefit of our members, customers, providers and shareholders.

3 Years of Accomplishments

Over the last three years, we have delivered numerous accomplishments, including:



\$27.5 billion growth

'24 vs. '21

Premium and Service Revenue¹

12% CAGR

Adj. Diluted EPS² growth

Despite Medicare Stars decline & unprecedented Medicaid redeterminations headwinds

101 million

shares repurchased³



Investment grade

rating by 2 of the 3 major rating agencies

11 Divestitures

- USMM
- PANTHERx
- Ribera Salud
- Magellan Rx
- HealthSmart
- Centurion
- Magellan Specialty
- Apixio
- Circle Health
- Operose Health
- Collaborative Health Systems



- Momentum on **Stars and quality**
- Investing & building in long-term **growth areas** and opportunities (HIDE/FIDE⁴, ICHRA)
- Successful **PBM transition**
- Ongoing **SG&A efficiencies**, incorporating simplification of operations
- Team and **talent** successes

¹ Premium and Service Revenue growth based on \$145.5 billion as of December 31, 2024 compared to \$118.0 billion as of December 31, 2021.

² For purposes of calculating the 3-Year CAGR, using adjusted diluted EPS \$7.17 and \$5.15 for December 31, 2024 and 2021, respectively. Refer to Appendix A for reconciliations of non-GAAP measures included throughout this proxy statement.

³ Shares repurchased from January 2022 through December 2024.

⁴ Highly Integrated Dual Eligible (HIDE) and Fully Integrated Dual Eligible (FIDE) plans.

Our Competitive Strengths

- **Focus and Experience.** Centene was established as a Medicaid company, anchored around long-lasting, trusted relationships, with a continual focus on low-income populations. Since our founding more than 40 years ago, we have forged new paths developing innovative solutions and addressing the evolving needs of our members, earning Centene an important seat at the table and a powerful voice to shape the conversation at the state and federal level. We have deliberately increased our market density by expanding to serve other low-income and medically complex populations and, as a result, we are now the largest Medicaid health insurer and Marketplace carrier in the country with an established Medicare presence. As states increasingly move to integrate care for individuals who are dually eligible for both Medicaid and Medicare, our expertise uniquely positions us to serve this population of more than 12 million beneficiaries nationwide. We are positioned at the nexus of affordability and choice, ready to meet the needs of consumers who increasingly seek innovative products like ICHRAs.
- **Local Approach.** Our local approach to delivering healthcare enables us to meet members and providers in the communities where they are to facilitate member access to high-quality, culturally sensitive healthcare services. Our programs and services are tailored to the unique individuals we serve and include a broad range of initiatives to address social drivers of health such as food insecurity, housing instability, unemployment and access to transportation, which contribute to health disparities among underserved communities. With local leadership owning all three lines of business, we are able to translate local best practices from our Medicaid business into product development, distribution, network and pricing decisions we make for our Marketplace and Medicare businesses. We know what our customers will value because we live and work alongside them every day.
- **Partnerships.** Centene's partnership mindset allows us to design solutions for our members that integrate the most relevant, most local and most innovative capabilities in an agile and capital-efficient way. Partnership has become both a strategy and discipline: finding, measuring and maintaining the best partners over time. Instead of owning providers, we identify the best providers for our members, investing in data and engagement models that will support them in delivering health outcomes. For example, we entered into a partnership with the NACHC to enhance value-based care adoption, further strengthening Community Health Centers' ability to deliver high-quality, patient-centered care and improve maternal child health outcomes.
- **People.** Through an intentional focus on building a One CenTeam culture, we have elevated and unleashed the power of 60,500 team members who uniquely understand how to serve our members and are committed to our mission of transforming the health of the communities we serve, one person at a time.

Corporate Sustainability

Driven by Our Commitment to Health

Centene is dedicated to delivering accessible, high-quality healthcare while prioritizing partnerships with local communities to pave the way to a sustainable future.

Centene's core philosophy is that quality healthcare is best delivered locally. Through local brands and local teams, we provide fully integrated, high-quality and cost-effective services to Medicaid and Medicare members (including those with Medicare PDP), as well as individuals and families served by the Health Insurance Marketplace.

As we continually work to enhance care delivery for our members, our unwavering commitment lies in integrating principles of corporate responsibility and strong governance across all facets of our operations. Together, we are building a sustainable enterprise focused on empowering healthy and resilient communities, establishing Centene as a preferred partner for our state and federal government customers, and empowering our employees to do their best work while delivering value for our shareholders.

Together, we are shaping a future where healthcare is provided as a service to create holistic well-being for all.

Corporate Sustainability Assessment and Framework

In 2024, we refreshed our assessment of health, social, environmental and governance-related topics to maintain alignment with our mission and strategy. Based on the results of the assessment, we revised our corporate sustainability framework structure around four pillars that support our mission and the key topics that guide our commitments in each of these areas:



Empowering Health

- Healthcare quality
- Healthcare access and social drivers of health
- Healthcare innovation and thought leadership
- Customer experience and relationship management

Building Healthier Communities

- Culture, talent and well-being
- One CenTeam
- Community impact and giving

Fostering a Healthy Environment

- Environmental impacts on health
- Environmental sustainability

Driving Business Accountability

- Governance and accountability
- Ethics and compliance
- Data privacy and security
- Risk management
- Public policy

Centene is a company driven to transform the health of the communities we serve, one person at a time. Our commitment to helping people live healthier lives is matched by our dedication to improving our communities, increasing the environmental resiliency of our members, and adhering to strict corporate governance. Centene's commitment to delivering value through our products and services is driven by our commitment to health. Together, we are supporting our mission and building a sustainable enterprise focused on creating a healthier future for our members, while supporting our providers and government partners.

Empowering Health

Given the populations we serve across our three major product lines — Medicaid, Marketplace and Medicare — we have a unique role and responsibility in improving health outcomes for lower-income and underserved Americans. Access to healthcare is core to our mission. Centene is a leader in providing affordable, high-quality healthcare services, and we're continually enhancing our efforts to address social drivers of health. The Company's long history of identifying and removing barriers to health is a testament to our goal of providing access to care for all members. Our members are at the heart of everything we do. To stay true to our objective of providing the best possible care for individuals and communities, we continue to make improvements that simplify and enhance the member experience.

In addition, Centene is investing in artificial intelligence (AI) and machine learning technologies to improve the health of our members and contain rising healthcare costs. With our national footprint and large population of members receiving healthcare benefits under government-sponsored programs, we are in a unique position to use data to develop models that can help us identify approaches that would be most impactful to each individual. We recognize the need to use these powerful AI and machine learning models carefully and responsibly to turn data into knowledge that informs our actions to improve health outcomes, help address member needs and even save lives.

Building Healthier Communities

Centene's success at improving health in our member communities depends on the work and well-being of our dedicated team members and partners. We actively develop and promote an organizational culture that promotes open communication, inspiring everyone to share their unique perspectives. This cultural paradigm ensures the integration of a broad range of ideas, skills and experiences into our healthcare solutions. From refining the tools with which we develop and manage our talent pools, to evolving our hiring strategies, talent-related initiatives allow Centene to continue attracting top talent across multiple disciplines, while remaining aligned with Centene's business objectives. Centene's Talent and Capability Team then works to help ensure that these One CenTeam members flourish by using talent development strategies that optimize workforce potential, enhance employee engagement and align individual skills with organizational goals, leading to improved performance, innovation and long-term business success.

Fostering a Healthy Environment

Centene's efforts to understand and assess the potential impacts of a changing climate on our business enable more educated response planning, improved disclosure and awareness for our stakeholders and support a healthier future for our members and communities. We recognize that the populations we serve may be disproportionately impacted by environmental factors, and that those factors could worsen with a changing climate. By working together, Centene partnerships help remove barriers to health, address environmental topics like heat, shelter and food security and improve overall well-being and resiliency for members.

Environmental sustainability is an important part of our operations. As a service company with most employees working remotely and limited employees working in offices following our real estate optimization in 2022 and 2023, our efforts are focused on minimizing our environmental footprint in those areas. Our Environmental Guiding Principles – Conserve, Clean, Contribute, Commit – lead our efforts to do so, and include the following highlights:



Minimizing our environmental impact through responsible consumption of resources.



Pursuing projects that generate beneficial climate and environmental impacts beyond the Centene enterprise.



Measuring and disclosing environmental performance.

Centene is currently on track to meet or exceed the Intergovernmental Panel on Climate Change goal of reducing greenhouse gas (GHG) emissions by 43% by 2030.

In response to the stockholder proposal regarding setting GHG reduction targets, which received only 36% of the vote in favor at the 2024 Annual Meeting, the Company continues to engage with stockholders regarding environmental efforts, but desires to maintain flexibility to choose from among appropriate sustainability initiatives to align with the Company's mission to prioritize serving its members and government partners.



Driving Business Accountability

Our Board remains committed to continuous improvement, taking important steps to enhance our governance practices and stockholder rights, and consistently demonstrating our commitment to sustainability best practices.

Centene believes it is our responsibility to shape public policy efforts to make healthcare more accessible and easier to navigate for our members. Centene engages in public policy in many ways, including closely monitoring proposals and trends. Our policy solutions are informed by our experience and research, and through collaboration with local partners and leading advocacy organizations. We engage in direct advocacy at the state and federal levels, often with other stakeholders, including our trade associations, to help build consensus for positive policy changes.

We are deeply committed to integrity, ethical decision-making and regulatory compliance across all our businesses. Our Ethics & Compliance Program is designed to ensure our company maintains appropriate training, monitoring, oversight and enforcement of compliance laws, regulations and administrative rules. These efforts help us continue meeting the expectations of our government partners, providers and members.

Centene is dedicated to being a trusted partner to those we serve, including our members, employees and business partners, by responsibly managing and protecting their confidential information. As technology continues to advance and more information is digitized, security and privacy practices remain critical to protecting confidential information. To support governance, controls and transparency, our information security and privacy programs are embedded in our enterprise-wide risk management practices.

Additional Corporate Sustainability Information and Related Disclosures

Corporate sustainability information and related disclosures are available on our external website, including the following:



Our **Corporate Responsibility Report** details the key partnerships, initiatives and programs that exemplify our commitment to empowering healthy futures.

Visit www.centene.com/who-we-are/corporate-facts-reports.html.



Our **Political Activity** report sets forth details about political contributions, lobbying efforts and membership in industry trade associations.

Visit investors.centene.com.

Additional corporate sustainability information and related disclosures:

- We issue a Sustainability Accounting Standards Board Index (SASB Index) to provide stakeholders with disclosures aligned with the SASB Managed Care Sustainability Accounting Standard. Corporate sustainability disclosures were also included for workforce turnover and engagement. The index is available at <https://www.centene.com/who-we-are/corporate-facts-reports.html>.
- We report our environmental efforts to the Climate Disclosure Project (CDP) and publish our **Environmental Guiding Principles**. See <https://www.centene.com/why-we-differ/corporate-sustainability.html>.

Proxy Summary

This summary highlights information contained in this proxy statement. It does not contain all of the information you should consider. You should read the entire proxy statement carefully before voting. Please see the Questions and Answers section beginning on page 138 for important information about proxy materials, voting, the annual meeting, Company documents and communications.

1

PROPOSAL

Election of Directors

The Board recommends a vote **FOR** each director nominee.












See page
26



Board Information

Director Nominees

The following table provides summary information about each of the eleven director nominees.

	Name and Primary (or Former) Occupation	Age	Director		Other Public Boards	Committee Memberships			
			Since			ACC	CTC	GC	QC
	Jessica L. Blume IND Retired Vice Chairman of Deloitte LLP	70	2018		Publix Super Markets, Inc. ¹	●		▲	
	Kenneth A. Burdick Executive Chairman of LifeStance Health Group, Inc.	66	2022		LifeStance Health Group, Inc.				▲
	Christopher J. Coughlin IND Retired Executive Vice President and Chief Financial Officer, Tyco International Ltd.	72	2022			●	▲		
	H. James Dallas IND Former Senior Vice President, Quality and Operations, Medtronic Public Limited Company	66	2020		KeyCorp	●			●
	Wayne S. DeVeydt IND Managing Director, Bain Capital; Executive Chairman, Surgery Partners, Inc.	55	2022		Surgery Partners, Inc.		▲		●
	Frederick H. Eppinger IND Director, President and Chief Executive Officer of Stewart Information Services Company	66	2006		Stewart Information Services Company				●
	Monte E. Ford IND Principal Partner, Chief Information Officer Strategy Exchange	65	2022		Akamai Technologies, Inc. Iron Mountain, Inc. Jet Blue Airways Corporation			●	●
	Thomas R. Greco IND Former CEO of Advance Auto Parts, Inc.	66	2024		Tapestry, Inc. Wingstop, Inc.			●	●
	Sarah M. London Chief Executive Officer of Centene Corporation	44	2021						
	Theodore R. Samuels IND Former President, Capital Guardian Trust Company	70	2022		Bristol Myers Squibb Company Iron Mountain, Inc.			●	●
	Kenneth Y. Tanji IND Former Chief Financial Officer, Prudential Financial, Inc.	59	2025		The Public Service Enterprise Group, Inc.	●			

¹ Securities registered pursuant to Section 12(g) of the Securities Act.

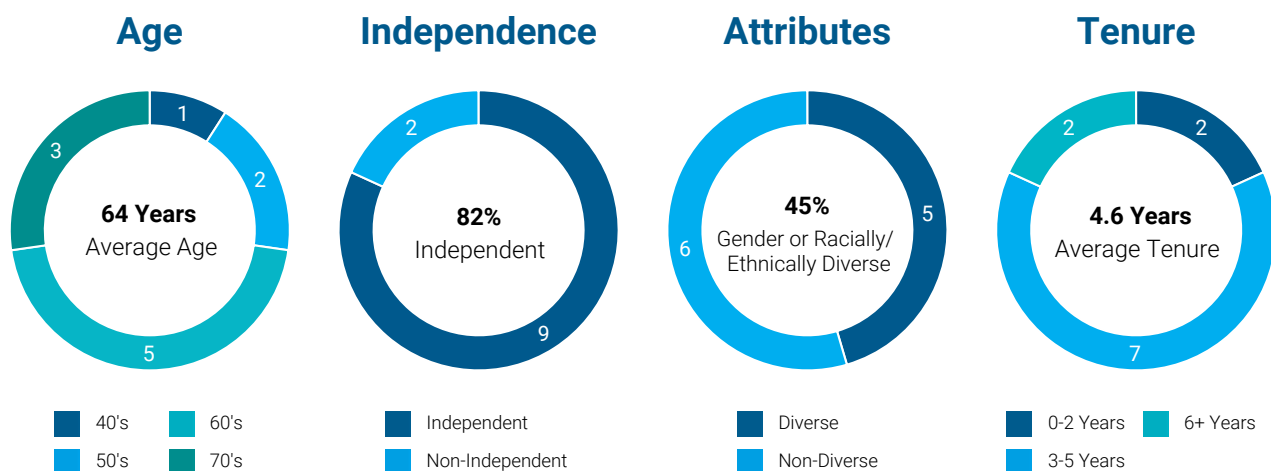
ACC = Audit and Compliance Committee
CTC = Compensation and Talent Committee

GC = Governance Committee
QC = Quality Committee

▲ Chair
● Member

IND Independent

Director Nominee Snapshot



Director Tenure and Commitment to Refreshment

In response to feedback from our stockholders, we have made significant refreshments to our Board resulting in a current average tenure of less than 5 years.



In addition, our Board has a mandatory retirement age for non-management directors of 75 years and we have established a targeted period of seven years as a maximum tenure of a committee chairman. During 2023, we conducted a Board composition assessment and have engaged with our third-party director search firm to conduct an evergreen director recruiting process. Through that process, Mr. Greco was appointed as a director in August 2024 and Mr. Tanji in February 2025.

We believe our mix of director tenures, with our chairman serving for 19 years, and eight members serving for less than four years, provides a desirable mix of knowledge continuity and director refreshment. Our two directors that have over six years of service with the Board provide insight into institutional knowledge and lessons learned from prior periods of corporate and industry changes.

Qualifications and Experience

Below we identify and describe the key experience, qualifications and skills our directors bring to the Board that are important considering the Company's business and structure.



Leadership
(11/11)



Healthcare and Insurance
(10/11)



Technology
(5/11)



Business Development and Corporate Transactions
(11/11)



Finance and Accounting
(9/11)



Public Company Board and Governance
(11/11)



Regulated Industry
(11/11)



Marketing and Consumer Insights
(1/11)



Corporate Sustainability and Community Involvement
(11/11)



2024 Stockholder Engagement and Response

We believe that engaging with stockholders is fundamental to the Company's success and our commitment to good governance. Since our 2024 Annual Meeting of Stockholders, a combination of management and independent directors met with Centene stockholders as well as the leading proxy advisory firms to discuss governance-related topics. Feedback received from these discussions, as well as a review of feedback from previous years, has helped guide changes to our governance practices and our executive compensation program and further improve our sustainability disclosures and practices.

Beyond our governance-focused engagement, our investor relations team and members of our senior management team, including our Chief Executive Officer and Chief Financial Officer, regularly communicate with investors in connection with quarterly earnings calls, investor and industry conferences, analyst meetings and individual discussions with stockholders. In 2024, our senior management team also hosted an investor visit at the Company's corporate headquarters. Engaging with our stockholders remains a high priority, and our disclosures in this year's proxy statement directly reflect stockholder feedback. See page 61 for additional information regarding our stockholder engagement efforts.

Our governance-focused engagement efforts are summarized below:

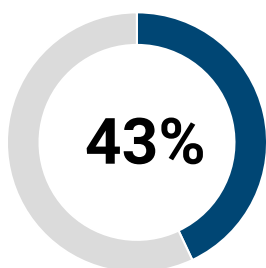
The following director engaged with stockholders:

- Theodore Samuels

The following management engaged with stockholders:

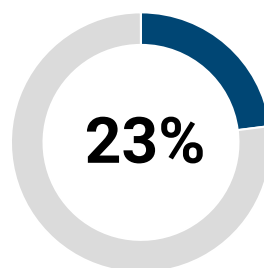
- Chief Executive Officer
- Chief Financial Officer
- Chief Accounting Officer
- General Counsel
- Head of Investor Relations
- Head of Total Rewards

Proactively reached out to stockholders representing:



of our outstanding shares, including 10 institutional investors

Met with stockholders representing:



of our outstanding shares, including 6 institutional investors

Matters discussed during these meetings included:

- Executive Compensation
- Board Culture and Refreshment
- Leadership Transitions
- Quality Improvement
- Corporate Sustainability

Governance Highlights

In light of the positive stockholder feedback we have received in connection with our enhancements to our governance, we have continued the following:



Stockholder Rights

- ✓ Annual Election of Directors
- ✓ Majority Voting Uncontested Director Elections
- ✓ Directors Can Be Removed With or Without Cause
- ✓ "Proxy Access" Right for Stockholders
- ✓ 10% of Shares Can Call a Special Meeting
- ✓ Stockholders Can Act by Written Consent
- ✓ No Supermajority Vote Provisions
- ✓ No Stockholder Rights Plan or "Poison Pill"



Board Practices

- ✓ Commitment to Board Refreshment
- ✓ 82% of Board Independent
- ✓ Non-Executive, Independent Chairman
- ✓ Robust Board Evaluation Process
- ✓ Active Stockholder Engagement
- ✓ Mandatory Retirement Age of 75
- ✓ Limits on Public Company Directorships
- ✓ Continuing Education for Directors

2 PROPOSAL

Advisory Resolution to Approve Executive Compensation

The Board recommends a vote **FOR** this proposal.

See page 69






Executive Compensation Overview

The 2024 plan design and awards resulted in the following pay elements and average target pay mix for our CEO and other NEOs:

		2024 Pay Elements		Award Type	Mix	Metrics	Purpose
		CEO	Other NEOs				
Fixed	Base Salary			Cash		<ul style="list-style-type: none"> No base salary increases other than Chief Operating Officer promotion increase 	To recognize individual contribution, time in role, scope of responsibility, leadership skills and experience.
	Annual Cash Incentive Plan			Cash		<ul style="list-style-type: none"> Adjusted Diluted EPS (65%) Enterprise & Individual Goals (25%) Quality Goals (10%) 	To reward executives for performance on key operational and financial measures, factoring in such individual's contributions toward enterprise goals.
Variable	Long-Term Incentive Awards			Equity	PSUs (65%) RSUs (35%)	<ul style="list-style-type: none"> Adjusted Pre-Tax Earnings Growth CAGR (34%) Average Adjusted Pre-tax Earnings Margin (33%) Relative Total Shareholder Return (TSR) (33%) 	To retain and motivate executives to drive long-term stockholder value and align their actions to drive successful business outcomes.

2024 Annual Cash Incentive Plan Results

Metrics	Threshold	Target	Maximum	Actual vs. Target	Weighting	Weighted Payout %
Adjusted Diluted EPS ¹	50% \$6.10	100% \$6.70	150% \$7.50	167%	 65%	108.6%
Enterprise Goals	50%	100%	200%	130%	 25%	32.5%
Quality Goals	50%	100%	200%	169%	 10%	16.9%
						158%

¹ Refer to Appendix A for reconciliations of non-GAAP measures included throughout this proxy statement.

2022 - 2024 Performance-Based Restricted Stock Unit Award Results

Metrics	Threshold	Target	Maximum	Weight	Metric Payout of Target	Weighted Payout %
2024 Adjusted Diluted EPS ¹	2022-2024 Actual: \$7.17 \$7.00	\$7.62	\$8.25	70%	63.7%	44.6%
2024 Adjusted Net Earnings Margin ¹	2022-2024 Actual: 2.6% 3.00%	3.30%	3.60%	30%	—%	—%
						44.6%

¹ Adjusted net earnings margin and adjusted diluted EPS represent non-GAAP measures. Refer to Appendix A for reconciliations of non-GAAP measures throughout this proxy statement.

2022 - 2024 Cash Long-Term Incentive Plan Results

Metrics	Threshold	Target	Maximum	Weight	Metric Payout of Target	Weighted Payout %
2024 Adjusted Net Earnings Margin ¹	3.00%	3.30%	3.60%	15%	—%	—%
<p>2022-2024 Actual: 2.6%</p>						
2024 Adjusted Diluted EPS ¹	\$7.00	\$7.62	\$8.25	35%	63.7%	22.3%
<p>2022-2024 Actual: \$7.17</p>						
Healthcare Industry (HCI) Peer Group Relative TSR Percentile Rank	25th	55th	90th	50%	—%	—%
<p>2022-2024 Actual: 20th</p>						
						22.3%

¹ Adjusted net earnings margin and adjusted diluted EPS represent non-GAAP measures. Refer to Appendix A for reconciliations of non-GAAP measures throughout this proxy statement.

Compensation Best Practices

The Compensation and Talent Committee establishes and administers the executive compensation philosophy and program and assists the Board of Directors in the development and oversight of all aspects of executive compensation. Presented in the table below are highlights of our compensation practices:

What We Do

✓ Pay for Performance

A majority of our NEOs' compensation is tied to performance with clearly articulated financial and other performance goals.

✓ Competitive Compensation

Each component of the NEOs' annual total direct compensation is generally targeted at the 50th percentile of peer group compensation. The Compensation and Talent Committee may consider differences from the median in certain cases.

✓ Performance-Based Long-Term Incentive Awards

We reward continuous performance on multiple metrics and vest at the end of a three-year period.

✓ Formula-Based Annual Incentive Plan

Awards under the Annual Cash Incentive plan are formula based.

✓ Tally Sheets

Tally sheets for each NEO are reviewed annually.

✓ Annual Compensation Risk Assessment

We regularly analyze risks related to our compensation program and we conduct broad risk assessments.

✓ Stock Ownership Requirements

We maintain rigorous stock ownership requirements for our directors, executives and other members of senior management. Our CEO's requirement is 6x annual base pay; other NEOs' requirements are 3x annual base pay.

✓ Clawbacks

We can recover performance-based cash and equity incentive compensation paid to executives in various circumstances.

✓ Independent Compensation Consultant

The Compensation and Talent Committee retains an independent compensation consultant to advise the committee on executive compensation matters.

✓ Executive Severance Arrangements

The Compensation and Talent Committee reviews severance policies annually and limits the usage of one-off arrangements.

What We Don't Do

✗ No Excessive Risk-Taking

The long-term incentive plans use multiple performance measures, capped payouts and other features intended to minimize the incentive to take overly risky actions.

✗ No Tax Gross-Ups

There are no tax "gross-ups" for perquisites or excise tax gross-ups in the event of a change of control related termination.

✗ No Single-Trigger Employment Agreements

Any cash payments in executive employment agreements are subject to a "double-trigger" change in control condition.

✗ No Backdating or Repricing of Stock Options

Stock options are never backdated or issued with below-market exercise prices. Repricing of stock options without stockholder approval is expressly prohibited.

✗ No Hedging or Pledging

Directors and executives are prohibited from hedging, pledging or engaging in any derivatives trading with respect to Company stock.

✗ No Single-Trigger Stock Grants

Equity compensation awards are subject to a "double-trigger" change in control condition.

3

PROPOSAL

Ratification of Appointment of Independent Registered Public Accounting Firm

The Board recommends a vote **FOR** this proposal.

See page
114



KPMG LLP audited our financial statements for the fiscal year ended December 31, 2024. The Audit and Compliance Committee has appointed KPMG LLP to serve as our independent registered public accounting firm for the current fiscal year, and we are asking stockholders to ratify this appointment. KPMG LLP has been retained as our external auditor continuously since 2005.

4

PROPOSAL

Approval of the 2025 Stock Incentive Plan

The Board recommends a vote **FOR** this proposal.

See page
120



On February 21, 2025, the Board of Directors adopted the Centene Corporation 2025 Stock Incentive Plan (the 2025 Plan), subject to stockholder approval. If approved, the 2025 Plan will succeed the Centene Corporation 2012 Stock Incentive Plan (the 2012 Plan) and the Magellan Health, Inc. 2016 Management Incentive Plan and Magellan Health Services, Inc. 2011 Management Incentive Plan (the Magellan Plans, and together with the 2012 Plan, the Prior Plans), and shares available under the Prior Plans will be cancelled. The maximum aggregate number of shares being requested for authorization under the 2025 Plan is 15,000,000. A reconciliation of the net shares being requested is shown below:

Shares requested for authorization under the 2025 Plan	15,000,000
Cancellation of shares under the Prior Plans	(6,202,973)
Net new shares requested	8,797,027

5 & 6

PROPOSALS

Stockholder Proposals

The Board recommends a vote **AGAINST** these proposals.

See page
130



Board and Governance Matters

1 PROPOSAL Election of Directors

The first proposal on the agenda for the meeting is the election of 11 nominees to serve for a one-year term beginning at the meeting and ending at our 2026 Annual Meeting of Stockholders. In September 2024, Lori Robinson announced her decision not to stand for re-election.

The Board has nominated Jessica Blume, Kenneth Burdick, Christopher Coughlin, James Dallas, Wayne DeVeydt, Frederick Eppinger, Monte Ford, Sarah London, and Theodore Samuels for re-election to the Board and Thomas Greco and Kenneth Tanji for election to the Board. We expect that all nominees will be able to serve if elected. If any of them are not able to serve, proxies may be voted for a substitute nominee or nominees or the Board may choose to reduce the size of the Board.



The Board believes the election of these 11 nominees is in our best interests and the best interests of our stockholders and recommends a vote **"FOR"** the election of the 11 nominees.

Board Overview

Director Qualifications

We believe that our directors should understand the wide range of populations we serve and possess the highest personal and professional ethics, integrity and values and be committed to representing the interests of our stockholders. They must also have an inquisitive and objective perspective, practical wisdom, mature judgment and demonstrated leadership skills. We also endeavor to have a Board of Directors representing a range of experiences in areas that are relevant to the Company's business activities.

Below we identify and describe the key experience, qualifications and skills criteria we believe are important for our Board of Directors, as a whole, to possess. These are the criteria our Governance Committee considers when evaluating director nominees.



Leadership Experience

We believe that directors with experience in significant leadership positions over an extended period, especially chief executive officers, chief financial officers and other senior executives, provide the Company with valuable insights and strategic thinking. These individuals generally possess extraordinary leadership qualities and the ability to identify and develop those qualities in others. They demonstrate a practical understanding of organizations, processes, strategy, risk management and the methods to drive change and growth.



Finance and Accounting Experience

We believe that directors with experience in public accounting, investment banking and financial services companies possess an understanding of finance and the financial reporting process with which to manage our business. We measure our operating and strategic performance by reference to financial targets. In addition, accurate financial reporting and robust auditing are critical to our success and developing stockholders' confidence in our reporting processes under the Sarbanes-Oxley Act of 2002.



Healthcare and Insurance Industry Experience

Our industry is complex and rapidly evolving. Healthcare and insurance industry experience includes expertise with healthcare operations, healthcare technology, insurance and other experience. Directors with industry experience help the Company stay abreast of industry best practices and innovations and help us to benchmark our practices against those of our competitors.



Corporate Sustainability Experience and Community Involvement

As a corporate citizen, we believe that sustainable operations are both financially and operationally beneficial to our business, and critical to the health of our employees and the communities in which we operate. We seek directors with experience in building strong environmental, labor, health & safety and ethical practices.



Information Technology and Security Experience

Because effective information systems and the integrity and timeliness of data we use to serve our customers and healthcare professionals are integral to the operation of our business, and because technology plays a central role in healthcare, including the diagnosis, management and treatment of disease, we seek directors with experience in relevant technology and who have experience managing cybersecurity and information security risks.



Public Company Board and Governance Experience

Directors with public company board experience understand the dynamics and operation of a corporate board, the relationship of a public company board to the Chief Executive Officer and other senior management personnel, the legal and regulatory landscape in which public companies must operate, the importance of particular agenda and oversight issues and how to oversee an ever-changing mix of strategic, operational and compliance-related matters.



Business Development and Corporate Transactions

Part of the Company's strategy includes taking advantage of opportunities when they arise to grow the Company consistent with its focus on its core business lines. Directors with experience in business development and corporate transactions provide oversight to assist the Company in evaluating the financial and operational aspects of such opportunities, enabling the Company to maintain its competitive position.



Regulated Industry

Experience in highly-regulated industries, such as healthcare, finance, airline transportation, public utilities and the military help the Company navigate the complex regulatory and public policy issues that arise. Such experience also assists the Company to adapt to the changing regulatory environment.



Marketing and Consumer Insights

As the industry and the Company's strategy evolve to focus on products that allow for greater member selection, experience in leveraging data on consumer trends to inform product design, distribution and growth models provides insight to assist the Company to remain a compelling choice within the healthcare industry.

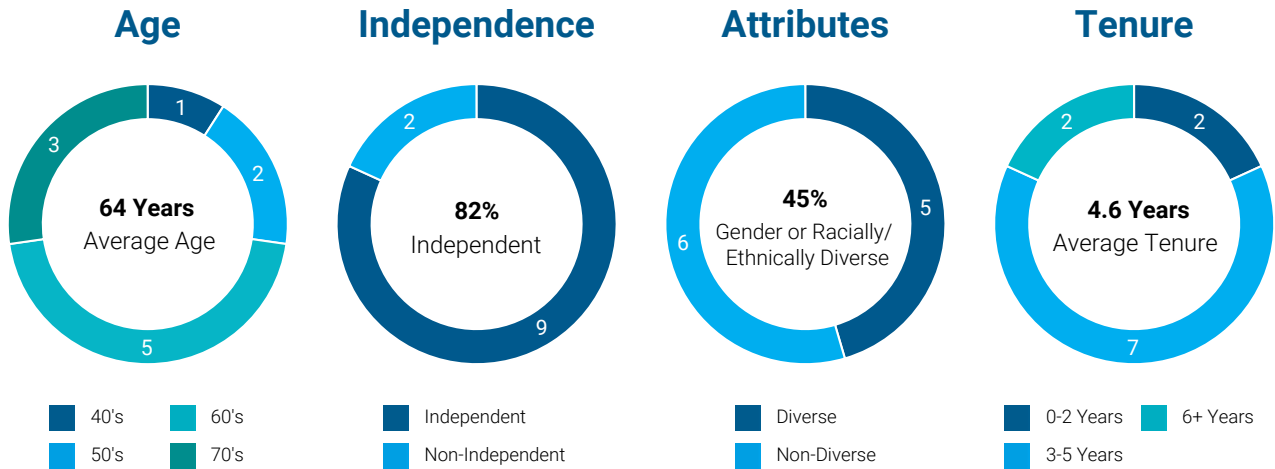
Background & Experience

Below we identify and describe the key experience, qualifications and skills our directors bring to the Board that are important considering the Company's business and structure.

	Leadership	Finance and Accounting Experience	Healthcare and Insurance Industry Experience	Corporate Sustainability and Community Involvement	Technology	Public Company Board and Governance Experience	Business Development and Corporate Transactions	Regulated Industry	Marketing and Consumer Insights
Jessica L. Blume	●	●	●	●	●	●	●	●	
Kenneth A. Burdick	●	●	●	●	●	●	●	●	
Christopher J. Coughlin	●	●	●	●		●	●	●	
H. James Dallas	●		●	●	●	●	●	●	
Wayne S. DeVeydt	●	●	●	●		●	●	●	
Frederick H. Eppinger	●	●	●	●		●	●	●	
Monte E. Ford	●		●	●	●	●	●	●	
Thomas R. Greco	●	●		●	●	●	●	●	●
Sarah M. London	●	●	●	●	●	●	●	●	
Theodore R. Samuels	●	●	●	●		●	●	●	
Kenneth Y. Tanji	●	●	●	●		●	●	●	

Board Refreshment

In making its recommendations to our Board, the Governance Committee considers the qualifications of individual director candidates applying the director criteria described above. We believe a range of backgrounds, viewpoints and experiences ensures different perspectives are heard and considered and assists our Board in reaching the best decisions for our Company and the members we serve.



In response to feedback from our stockholders, over the past few years the Board has made meaningful enhancements to governance, compensation and disclosure practices.

Recent Enhancements to Governance and Compensation Practices

HISTORY OF PROACTIVELY RESPONDING TO STOCKHOLDER FEEDBACK TO HELP ENSURE BEST-IN-CLASS GOVERNANCE, COMPENSATION, AND DISCLOSURE PRACTICES

2019

- One new independent member appointed to the Board

2020

- Two new independent members appointed to the Board
- Implemented double-trigger vesting provisions for all new grants in the event of a change in control
- Began publishing Political Activity report

2021

- Elected new Lead Independent Director
- One independent member left the Board
- One new executive appointed to the Board
- Rotated Governance Committee chair and membership
- Adopted mandatory retirement age of 75 years for non-management directors

2022

- Separated CEO and Chairman roles, appointed new Independent Chairman
- Four independent members left the Board
- Five of our current nominees for directors joined the Board
- Declassified the Board
- Allowed stockholders with 10% ownership rights to call a special meeting
- Provided stockholders the right to act by written consent
- Shortened proxy access ownership rights to 3 years and advance notice window to 90 - 120 days
- Rotated membership of committees
- Reduced committees from seven to four
- New CEO compensation set slightly below the median
- Appointed Frederick W. Cook & Co., Inc. (FW Cook) as new compensation consultant
- Adopted cash severance policy to limit cash severance to 2.99 times annual salary and bonus

2023

- Three independent directors left the Board
- Rotated Independent Chairman role
- Rotated membership of committees and chair of Audit and Compliance Committee
- Quality Committee replaced Value Creation Committee
- 2023-2025 Long-Term Incentive Plan no longer includes performance-based stock options
- 2023-2025 Long-Term Incentive Plan no longer includes Cash LTIP
- 2023-2025 Long-Term Incentive Plan metrics include relative Shareholder Return
- Implemented a formal Clawback Policy

2024

- One independent member appointed to the Board
- 2024-2026 Long-Term Incentive Plan includes average adjusted pre-tax margin
- Increased stock ownership requirements for CEO and other NEOs
- Improved plans, policies and procedures informed by "best practice" market trends

2025 Director Nominees

We have 11 nominees for the Board of Directors, all of whom serve on our current Board of Directors. We expect that all nominees will be able to serve if elected. If elected, each nominee would hold office until the 2026 Annual Meeting of Stockholders and until his or her respective successor is elected and qualified or until the earlier of his or her death, removal or resignation.

Pursuant to our Corporate Governance Guidelines, any director nominee who receives a greater number of votes "against" his or her election than votes "for" such election shall, promptly following certification of the stockholder vote, offer his or her resignation to the Board. The resignation offer shall be in writing and shall be an irrevocable resignation offer pending acceptance or rejection by the Board.

The Governance Committee shall consider the resignation offer and make a recommendation to the Board. In deciding the action to be taken with respect to any such resignation offer, the Board shall consider what it believes is in the best interests of Centene and its stockholders. In this regard, the Board will consider all factors it deems relevant. An accepted resignation offer will become effective immediately upon acceptance or upon such other time as determined by the Board. The Board's decision shall be made within 90 days of the certification of election results. The decision, and an explanation of the decision, shall be disclosed as soon as practicable by press release or Form 8-K.

Information about these nominees, including their ages at the date of this proxy statement and the year in which they first became directors are summarized below. The Board of Directors has affirmatively determined that each of the nominees, other than Mr. Burdick and Ms. London, is independent from the Company and its management under the New York Stock Exchange's (NYSE) independence standards.

Jessica L. Blume | 70

Retired Vice Chairman of Deloitte LLP

Director Since:

February 2018

Independent

Yes

Board Committees

Audit and Compliance; Governance (Chair)

Current Directorships

- Publix Super Markets, Inc.

Prior Directorships

None



EXPERIENCE:

Deloitte LLP, a leading PCAOB registered public accounting firm.

- Vice Chairman (2012 to 2015)
- Partner (1989 to 2015)

Prior to Deloitte, she served as Chief Financial Officer for one of the largest US local governments.

Bachelor of Science from the University of Central Florida

Former CPA

SKILLS AND REASONS FOR NOMINATION:



Leadership Experience

Three years as Vice Chairman of Deloitte LLP. 26 year career with Deloitte included service on the firm's US Executive Committee and Board of Directors, as the Chair of the Executive Compensation and Evaluation Committee, as a member of the Finance, Governance, Strategic Investment and Risk Committees.



Finance and Accounting Experience

Ms. Blume served at Deloitte as a licensed CPA, and she served as CFO for one of the largest US local governments. In addition, she currently serves on the audit committee of another company with SEC-registered securities.



Healthcare and Insurance

While at Deloitte, led consulting relationships for healthcare and insurance companies.



Corporate Sustainability and Community Involvement

Established and managed Deloitte's sustainability practice. Serves on the Board of University of Central Florida Foundation; Member of International Women's Forum and Women Corporate Directors.



Technology

Deloitte consulting practice included implementing large technology initiatives, including state Medicaid eligibility systems and large enterprise systems.



Public Company Board and Governance

Service on the Board of Directors of Deloitte LLP and Publix Super Markets, with SEC-registered securities.



Business Development and Corporate Transactions

While at Deloitte, Ms. Blume led several large-scale business transformations, including the reintegration of Deloitte Consulting with the Deloitte US Firm.



Regulated Industry

While at Deloitte, led consulting relationships with federal and state governments and in a variety of regulated industries, including healthcare and insurance companies.

Kenneth A. Burdick | 66

Executive Chairman of LifeStance Health Group, Inc.

Director Since:
January 2022

Independent
No



Board Committees
Quality (Chair)

Current Directorships

- LifeStance Health Group, Inc.

Prior Directorships

- WellCare Health Plans, Inc.
- Orion Acquisition Corporation
- First Horizon National Corporation

EXPERIENCE:

LifeStance Health, Inc., a Nasdaq-listed public company specializing in outpatient mental healthcare.

- Executive Chairman (2025 to present)
- Chief Executive Officer and Chairman (2022 to 2025)

Centene Corporation

- Executive Vice President of Markets and Products (2020 to 2021)

WellCare Health Plans, Inc., a NYSE-listed public company providing government-sponsored healthcare programs.

- Chief Executive Officer and Director (2015 to 2020)
- Other positions of increasing responsibility, including President and Chief Operating Officer (2014 to 2015)

Blue Cross and Blue Shield of Minnesota, commercial health insurance plans.

- President and Chief Executive Officer and Director (2012)

Coventry Health Care, Inc., a NYSE-listed public company providing government-sponsored healthcare programs.

- Chief Executive Officer of the Medicaid and Behavioral Health businesses (2010 to 2012)

UnitedHealth Group, Inc., a NYSE-listed public company health insurer.

- Chief Executive Officer of Secured Horizons (Medicare division of UnitedHealthcare) (2008 to 2009)
- Other positions of increasing responsibility, including Chief Executive Officer of UnitedHealthcare (1995 to 2008)

Bachelor of Arts from Amherst College

Juris Doctorate from the University of Connecticut

SKILLS AND REASONS FOR NOMINATION:



Leadership Experience

Over 30 years of healthcare executive and operations experience, including prior roles as a Fortune 500 public-company chief executive officer and board member.



Finance and Accounting Experience

In roles as a chief executive officer, supervision of the accounting and financial reporting functions.



Healthcare and Insurance

Over 30 years of healthcare executive experience, including at LifeStance, Centene and WellCare Health Plans.



Corporate Sustainability and Community Involvement

Service as a director of Big Brothers, Big Sisters, Tampa General Hospital and in his roles as a chief executive officer, supervision of the sustainability functions.



Technology

In roles as a healthcare executive, supervisor of the technology functions and the implementation of large technology initiatives.



Public Company Board and Governance

Service on the Board of Directors of WellCare Health Plans, First Horizon National Corporation and LifeStance Health Group.



Business Development and Corporate Transactions

While at WellCare, Mr. Burdick supervised the acquisition of WellCare Health Plans, Inc. by Centene Corporation, and the acquisition by WellCare of Universal American, among others, resulting in the growth of the Company during his tenure.



Regulated Industry

Executive experience at healthcare companies, as well as a director of a financial institution.

Christopher J. Coughlin | 72

Retired Executive Vice President and Chief Financial Officer, Tyco International Ltd.

Director Since:
January 2022

Independent
Yes



Board Committees

Audit and Compliance;
Compensation and Talent (Chair)

Current Directorships

- None

Prior Directorships

- Allergan plc
- Alexion Pharmaceuticals, Inc.
- Covidien plc
- Dipexium Pharmaceuticals, Inc.
- Perrigo Company
- Prestige Consumer Healthcare, Inc.
- Karuna Therapeutics, Inc.
- Hologic Inc.
- Dun & Bradstreet Corp.
- Forest Laboratories, LLC
- Interpublic Group of Companies
- Monsanto Company

EXPERIENCE:

Tyco International Ltd., a NYSE-listed public manufacturing, healthcare and security systems company.

- Senior Advisor to the Chief Executive Officer and member of Board of Directors (2010 to 2012)
- Executive Vice President and Chief Financial Officer (2005 to 2010)

Interpublic Group of Companies, a NYSE-listed public multimedia company.

- Chief Operating Officer (2003 to 2004)
- Chief Financial Officer (2003 to 2004)

Pharmacia Corporation, a NYSE-listed public pharmaceuticals company.

- Executive Vice President and Chief Financial Officer (1998 to 2003)

Received a Bachelor of Science from Boston College

SKILLS AND REASONS FOR NOMINATION:



Leadership Experience

Over 40 years of executive, financial and accounting experience, including prior roles as a Fortune 500 public-company chief financial officer and board member.



Finance and Accounting Experience

In roles as a chief financial officer, supervision of the accounting and financial reporting functions.



Healthcare and Insurance

Over 40 years of healthcare and insurance experience, including at Pharmacia and Tyco International.



Corporate Sustainability and Community Involvement

In his roles as a chief financial officer and public company director, supervision of the sustainability functions.



Public Company Board and Governance

Over 30 years of service at 10 different public companies. Named a 2022 Director of the Year by the New Jersey Chapter of the National Association of Corporate Directors (NACD) and named the NACD Corporate Director of the Year in 2015.



Business Development and Corporate Transactions

While at Tyco, he was instrumental in turning the company around after a management and financial scandal and ultimately separated it into six separate public companies. Significant experience both as an executive and a board member in numerous large mergers and acquisition transactions.



Regulated Industry

Executive experience at pharmaceutical and manufacturing companies.

H. James Dallas | 66

Former Senior Vice President, Quality and Operations, Medtronic Public Limited Company

Director Since:
January 2020

Independent
Yes



Board Committees

Audit and Compliance; Quality

Current Directorships

- KeyCorp
- Grady Memorial Hospital Corporation

Prior Directorships

- WellCare Health Plans, Inc.
- Strategic Education, Inc.
- Capella Education Company

EXPERIENCE:

Independent Consultant

- Focusing on change management, information technology strategy and risk (2013 to present)

Medtronic Plc, a NYSE-listed global medical technology company.

- Senior Vice President of Quality and Operations (2011 to 2013)
- Senior Vice President and Chief Information Officer (2006 to 2011)

Georgia-Pacific Corporation, a NYSE-listed public company which manufactures tissue, pulp, paper, packaging, building products and related chemicals.

- Vice President and Chief Information Officer (2002 to 2006)
- President, Lumber Division and other roles of increasing responsibility (1984 to 2002)

Bachelor of Science from the University of South Carolina - Aiken

Master of Business Administration from Emory University

SKILLS AND REASONS FOR NOMINATION:



Leadership Experience

Over 40 years of executive and information technology experience, including prior roles as a Fortune 500 public-company chief information officer.



Healthcare and Insurance

Prior service as director WellCare Health Plans, Inc. and continued service as a director of healthcare provider Grady Memorial Hospital Corporation.



Corporate Sustainability and Community Involvement

Service as a director of the Atlanta Food Bank, Atlanta Habitat for Humanity and Grady Memorial Hospital Corporation, the public hospital for the city of Atlanta.



Technology

In roles as a chief information officer, in-depth knowledge of enterprise change management, operational risk management, information technology, information technology security and data privacy.



Public Company Board and Governance

Over 15 years of service as a director at five different public companies.



Business Development and Corporate Transactions

As a director, he participated in the acquisition of WellCare Health Plans, Inc. by Centene and Capella Education Company by Strategic Education, Inc. Successful implementation of more than 10 transformational and turnaround initiatives, 30 acquisition integrations, five operations/quality shared services centers and three innovation centers.



Regulated Industry

Executive experience at manufacturing, medical technology companies and director experience at a bank.

Wayne S. DeVeydt | 55

Managing Director, Bain Capital; Executive Chairman, Surgery Partners, Inc.

Director Since:

January 2022

Independent

Yes



Board Committees

Audit and Compliance (Chair); Governance

Current Directorships

- Surgery Partners, Inc.
- Zelis Healthcare

Prior Directorships

- NiSource, Inc.
- Grupo Notre Dame Intermedica
- Myovant Sciences Ltd.

EXPERIENCE:

Bain Capital, LP, a private investment firm.

- Managing Director (2022 to present)
- Senior Advisor to the Global Healthcare Division (2017 to 2018)

Surgery Partners, Inc., a Nasdaq-listed health care provider.

- Executive Chairman of the Board of Directors (2020 to present)
- Chief Executive Officer and Director (2018 to 2020)

Elevance Health, Inc., a NYSE-listed public healthcare insurance company (previously known as Anthem).

- Executive Vice President and Chief Financial Officer (2007 to 2016)
- Other positions of increasing responsibility, including Chief Strategy Officer, Chief Accounting Officer and Chief of Staff to the Chairman and Chief Executive Officer (2005 to 2007)

PriceWaterhouseCoopers LLP, a leading PCAOB registered public accounting firm.

- Partner (2000 to 2005)
- Other positions of increasing responsibility (1993 to 2000)

Bachelor of Science in Accounting from the University of Missouri

SKILLS AND REASONS FOR NOMINATION:



Leadership Experience

Over 30 years of executive, financial and accounting experience, including prior roles as a public-company chief executive officer and Fortune 500 public-company chief financial officer.



Finance and Accounting Experience

Significant experience in internal controls, capital markets, corporate governance, risk management and strategic planning from both a managed care public company and public accounting perspective.



Healthcare and Insurance

Currently executive chairman and previously chief executive officer of healthcare provider, prior executive experience at Elevance Health, and prior experience at accounting firm serving the managed care and healthcare sector.



Corporate Sustainability and Community Involvement

In his roles as a chief executive officer, chief financial officer, public company director and supervision of sustainability. He also serves as a director of the Global Orphan Foundation, and previously served as a director for Cancer Support Community and as a director of various other community boards.



Public Company Board and Governance

Over eight years of service as a director at five different public companies as well as additional experience as a director at various private companies.



Business Development and Corporate Transactions

During his career, Mr. DeVeydt executed on over 50 acquisitions and divestitures, representing over \$20 billion. In addition, in his role at Bain Capital, he advises on corporate transactions and capital market transactions.



Regulated Industry

Executive and experience at various healthcare companies, including technology, payer, provider and biopharmaceutical organizations.

Frederick H. Eppinger | 66

Director, President and Chief Executive Officer of Stewart Information Services Company

Director Since:
April 2006

Independent
Yes



Board Committees

Quality

Current Directorships

- Stewart Information Services Company

Prior Directorships

- The Hanover Insurance Group, Inc.
- QBE Insurance Group Ltd.

EXPERIENCE:

Stewart Information Services Company, a NYSE-listed global real estate services and title insurance company.

- Chief Executive Officer (2019 to present)
- Director (2016 to present)

The Hanover Insurance Group, a NYSE-listed property and casualty insurance company.

- Director, President and Chief Executive Officer (2003 to 2016)

Hartford Financial Service Group, a NYSE-listed investment and insurance company.

- Executive Vice President of Property and Casualty Field and Service Operations (2001 to 2003)

Channel Point, a business-to-business technology firm for insurance companies.

- Executive Vice President of Industry Services, Marketing and Service Operations (2000 to 2001)

McKinsey & Co., a global management consultancy firm.

- Senior Director and Partner (1985 to 2000)

Coopers & Lybrand, an accounting firm.

- Accountant

Bachelor of Arts from the College of the Holy Cross

Master of Business Administration from the Tuck School of Business Administration at Dartmouth College

SKILLS AND REASONS FOR NOMINATION:



Leadership Experience

Over 20 years of executive experience, including prior roles as a Fortune 500 public-company chief executive officer.



Finance and Accounting Experience

In roles as a chief executive officer, supervision of the accounting and financial reporting functions. He began his career as an accountant with Coopers & Lybrand.



Healthcare and Insurance

More than 35 years of experience in the insurance industry. His service at McKinsey included work in insurance, financial services and health practices.



Corporate Sustainability and Community Involvement

In his role as a chief executive officer, supervision of the sustainability function, corporate giving and charitable foundations.



Public Company Board and Governance

Over 20 years of service as a director at three different US public companies. He also served as a director of QBE Insurance Group Ltd, which is listed on the Australian stock exchange.



Business Development and Corporate Transactions

As chief executive officer of Hanover Insurance, Mr. Eppinger led the company's growth from its regional status to a global property/casualty carrier.



Regulated Industry

More than 35 years of experience in the insurance industry.

Monte E. Ford | 65

**Principal Partner, Chief Information Officer
Strategy Exchange**

Director Since:
November 2022

Independent
Yes



Board Committees

Compensation and Talent; Quality

Current Directorships

- JetBlue Airways Corporation
- Iron Mountain Inc.
- Akamai Technologies, Inc.

Prior Directorships

- Health Care Service Corporation (HCSC)
- MoneyGram International, Inc.
- Oncor Electric Delivery Company LLC
- Meta Group
- Michael's Stores

EXPERIENCE:

CIO Strategy Exchange (CIOSE), a leading cross-industry consortium of Chief Information Officers from many of the world's largest companies.

- Principal Partner (2015 to present)

Aptean Inc., an ERP software and technology company.

- Chief Executive Officer (2012 to 2013)

American Airlines, Inc., a NYSE-listed public airline company.

- Chief Information Officer (2000 to 2012)

Associates First Capital, a financial services company.

- President, Associates Services Corporation (1997 to 2000)
- Chief Information Officer (1994 to 2000)

Bank of Boston, a regional bank.

- Senior Vice President (1990 to 1994)

Digital Equipment Corporation, a NYSE-listed public computer manufacturer.

- Various senior sales, marketing and technology positions (1982 to 1990)

Bachelor of Science from Northeastern University

SKILLS OR REASONS FOR NOMINATION:



Leadership Experience

Over 40 years of senior executive and information technology experience, including prior roles as a Fortune 100 public-company chief information officer.



Healthcare and Insurance

Prior service as director of Health Care Service Corporation, a commercial health insurance provider, and as a director of Baylor Grapevine Hospital and a director of Children's Hospital, Dallas.



Corporate Sustainability and Community Involvement

Oversight of sustainability as a director for a combined 15 years at both a large electric utility and a large data center company.



Technology

In roles as a chief information officer, in-depth knowledge of consumer technologies, enterprise change management, information technology, information technology, security and data privacy.



Public Company Board and Governance

Over 23 years of service as a director at 7 different public companies and several private companies, including Michael's Stores, Inc.



Business Development and Corporate Transactions

Executive responsible for M&A Integration at American Airlines, Associates First Capital and Bank of Boston. Closed several acquisitions as chief executive officer of a technology company. Extensive successful sales and marketing background.



Regulated Industry

Executive experience in the airline and financial services industries as well as director experience at a financial institution, electric utility, healthcare insurer and healthcare providers.

Thomas R. Greco | 66

Former CEO of Advance Auto Parts, Inc.

Director Since:

August 2024

Independent

Yes



Board Committees

Compensation and Talent; Governance

Current Directorships

- Tapestry, Inc.
- Wingstop, Inc.

Prior Directorships

- Advance Auto Parts, Inc.
- G&K Services, Inc.

EXPERIENCE:

Advance Auto Parts, Inc., a NYSE-listed American automotive parts retailer.

- President and Chief Executive Officer (2016 to 2023)

PepsiCo, Inc., a NYSE-listed globally distributed food and beverage company.

- Chief Executive Officer, Frito Lay North America (2011 to 2016)
- Sales and marketing positions of increasing responsibility, including Executive Vice President and Chief Commercial Officer of Pepsi Beverages Company (1986 to 2011)

The Procter & Gamble Company, a NYSE listed multinational consumer goods corporation.

- Entry-level sales and marketing positions of increasing responsibility (1981 to 1986)

Bachelor of Commerce from Laurentian University in Sudbury, Ontario

Masters of Business Administration from Richard Ivey School of Business in London, Ontario

SKILLS AND REASONS FOR NOMINATION:



Leadership Experience

Over 25 years of executive experience, including seven years as chief executive officer of a public company.



Finance and Accounting Experience

In his role as chief executive officer of Advance Auto Parts, supervision of the accounting and financial reporting functions.



Corporate Sustainability and Community Involvement

Directed sustainability initiatives at Advance Auto Parts, emphasizing environmental stewardship and corporate responsibility. Currently serves as a director of the American Heart Association and actively fundraises for the United Way Dallas.



Technology

Led transformational technology investments at Advance Auto Parts, aligning digital solutions with business growth objectives and enhancing operational efficiencies.



Public Company Board and Governance

Eleven years of service as a director of four other public companies and various other private companies and non-profit organizations.



Business Development and Corporate Transactions

In his roles at both Advance Auto Parts and PepsiCo, supervision of numerous partnerships with large national retailers and was directly involved in both large-scale and tuck-in corporate transactions.



Regulated Industry

More than 30 years of experience in the consumer products industry, and 7 years of experience in the automotive after-market industry.



Marketing and Consumer Insights

Over 40 years of experience in consumer insights, marketing and sales at The Procter and Gamble Company, PepsiCo and Advance Auto Parts.

Sarah M. London | 44

Chief Executive Officer of Centene Corporation

Director Since:
September 2021

Independent
No

Board Committees

None

Current Directorships

None

Prior Directorships

None



EXPERIENCE:

Centene Corporation

- Chief Executive Officer (March 2022 to present)
- Vice Chairman (September 2021 to March 2022)
- President, Health Care Enterprises and Executive Vice President, Advanced Technology (March 2021 to September 2021)
- Senior Vice President, Technology and Modernization (September 2020 to March 2021)

Optum Ventures, a division of UnitedHealth Group, a NYSE-listed health insurance company.

- Senior Principal and Operating Partner (May 2018 to March 2020)

Optum Analytics, a division of UnitedHealth Group, a NYSE-listed health insurance company.

- Chief Product Officer (March 2016 to May 2018)
- Vice President, Client Management and Operations (March 2014 to March 2016)

Bachelor of Arts from Harvard College

Master of Business Administration from the University of Chicago Booth School of Business

SKILLS AND REASONS FOR NOMINATION:



Leadership Experience

Over 10 years of executive experience, including three years as Chief Executive Officer of the Company.



Finance and Accounting Experience

In her role as Chief Executive Officer, supervision of the accounting and financial reporting functions. She has executed on a disciplined strategy of cost savings and gross margin expansion.



Healthcare and Insurance

More than 10 years of experience in the healthcare industry.



Corporate Sustainability and Community Involvement

In her role as Chief Executive Officer, supervision of the Company's sustainability initiatives as well as service as a director of the Centene Foundation.



Technology

Her roles in healthcare technology companies as well as Chief Executive Officer of Centene have provided her with in-depth knowledge of enterprise change management and information technology business needs and solutions.



Public Company Board and Governance

Over three years of service as a director of Centene.



Business Development and Corporate Transactions

In her role as Chief Executive Officer of the Company, supervision of 11 divestitures and the Express Scripts, Inc. (ESI) PBM implementation.



Regulated Industry

More than 10 years of experience in the healthcare industry.

Theodore R. Samuels | 70

Former President, Capital Guardian Trust Company

Director Since:
January 2022

Independent
Yes



Board Committees

Compensation and Talent; Quality

Current Directorships

- Bristol Myers Squibb
- Iron Mountain, Inc.

Prior Directorships

- Stamps.com
- Perrigo Company, plc.

EXPERIENCE:

Capital Guardian Trust Company, part of the Capital Group, an investment manager.

- President (2010 to 2017)
- Investor and Global Equity Portfolio Manager (1981 to 2016)
- Capital Group Finance Committee (2013 to 2016)
- Capital Group Board (2005 to 2009)
- Numerous Investment and Management Committees (1981 to 2017)

Bachelor of Arts from Harvard College

Master of Business Administration from Harvard Business School

SKILLS AND REASONS FOR NOMINATION:



Leadership Experience

Over 35 years of executive experience, including as President of Capital Guardian Trust Company. While at Capital Group he served on numerous management and investment committees, with an eye towards long-term stockholder value creation.



Finance and Accounting Experience

Over 35 years of experience in the financial industry with extensive expertise, particularly with respect to economics, capital markets and investment decision making.



Healthcare and Insurance

Over eight years of service on the boards of pharmaceutical, life science and healthcare consumer products companies, and fifteen years of service on the boards of Children's Hospital Los Angeles and six years of service on the board of BJC Healthcare Systems.



Corporate Sustainability and Community Involvement

Serves as a director of BJC Healthcare System, and a trustee for the Edward Mallinckrodt, Jr. Foundation and served on the board of the John Burroughs School and as a director for Children's Hospital Los Angeles.



Public Company Board and Governance

Eight years of service as a director with five different public companies and various private companies.



Business Development and Corporate Transactions

While at Capital group he served on numerous management and investment committees, focused on long-term stockholder value creation. As a director of numerous public companies, evaluated business development opportunities, corporate transactions and integration of acquisitions.



Regulated Industry

More than 35 years of experience in the financial services industry and service as a director on boards of hospitals, pharmaceutical, life science and healthcare consumer product companies.

Kenneth Tanji | 59

Former Chief Financial Officer, Prudential Financial, Inc.

Director Since:
February 2025

Independent
Yes

Board Committees

Audit and Compliance

Current Directorships

- The Public Service Enterprise Group, Inc.

Prior Directorships

- None



EXPERIENCE:

Prudential Financial, Inc., a NYSE-listed international financial services firm.

- Executive Vice President and Chief Financial Officer (2018 to 2024)
- Senior Vice President and Treasurer (2013 to 2018)
- Chief Financial Officer, International Insurance (2010 to 2013)
- Chief Financial Officer, Prudential Annuities (2006 to 2010)
- Chief Financial Officer, Prudential Investment Management (2004 to 2006)
- Vice President of Finance, Investment Division (2002 to 2004)
- Senior Vice President, Prudential Securities (1994 to 2002)
- Various roles of increasing importance, including healthcare insurance (1988 to 1994)

Bachelor of Arts from Yale University

Master of Business Administration from University of Minnesota

SKILLS AND REASONS FOR NOMINATION:



Leadership Experience

Over 35 years of executive, financial and accounting experience, including prior roles as a Fortune 500 public-company chief financial officer.



Finance and Accounting Experience

Significant experience in internal controls, capital markets, corporate governance, risk management and strategic planning from both an insurance company and public accounting perspective.



Healthcare and Insurance

Previously chief financial officer of a large insurance company.



Corporate Sustainability and Community Involvement

In his roles as a chief financial officer and public company director, he supervised sustainability. He also serves as a director of various community boards.



Public Company Board and Governance

Over one year of service as a director for a public utility company.



Business Development and Corporate Transactions

In his role as chief financial officer of Prudential Financial, Inc., he led corporate development in evaluating and executing strategies to optimize business profile and mix. Through his experience at Prudential, he led several significant business acquisitions and dispositions.



Regulated Industry

Executive experience in the insurance industry and as a director of a public utility company.

Independence of Directors

In accordance with the NYSE's listing requirements, the Board has evaluated, for each of the director nominees, his or her independence from the Company and its management. In its evaluation, the Board reviewed whether any transactions or relationships exist currently, or existed during the past three years, when relevant, between each nominee and the Company or its subsidiaries, affiliates or independent auditors. The Board also examined whether there were any transactions between each nominee and members of the senior management of the Company or their affiliates.

Based on this review and the NYSE's definition of "independence," the Board has affirmatively determined that all director nominees are independent as defined under the rules of the NYSE, except for Ms. London and Mr. Burdick due to their current or recent employment by the Company, as applicable. In addition, as disclosed under "Related Party Transactions," Mr. Burdick is the executive chairman of LifeStance Health Group, Inc., to which the Company has made payments. The independent directors currently are Ms. Blume, Mr. Coughlin, Mr. Dallas, Mr. DeVeydt, Mr. Eppinger, Mr. Ford, Mr. Greco, General Robinson, Mr. Samuels and Mr. Tanji. The Board has also determined that each of the members of our Compensation and Talent Committee meet the enhanced independence requirements under the rules of the NYSE. The Board has also determined that each of the members of our Audit and Compliance Committee is "independent" for purposes of Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act), and the NYSE's listing requirements, and that each of Ms. Blume, Mr. Coughlin, Mr. DeVeydt and Mr. Tanji is an "audit committee financial expert" as that term is defined by SEC regulations.

In the course of the Board's determination regarding the independence of each director nominee, it considered that Mr. DeVeydt is the executive chairman of Surgery Partners, Inc., with which the Company conducts business. The Board determined that the Company's relationship with Surgery Partners, Inc. did not impact Mr. DeVeydt's independence, including because the amounts paid by the Company to Surgery Partners, Inc. were below the thresholds of the NYSE listing standards. Accordingly, no director or director nominee, excluding Ms. London and Mr. Burdick, has a direct or indirect material relationship with us except for their role as a director or stockholder.

No director, including any director standing for election, or any associate of a director, is a party adverse to us or any of our subsidiaries in any material proceeding or has any material interest adverse to us or any of our subsidiaries. No director, including any director standing for election, is related by blood, marriage or adoption to any other director or any executive officer.

Director Nomination Process

In making its annual director nominations determination, the Board's objective is to recommend a group of directors that can best ensure the continuing success of our business and represent stockholder interests through the exercise of sound judgment using its diversity of experience and perspectives.

01 Assess Board Composition

We contracted with our search firm to provide us with a Board composition study that was presented to the Board in September 2023, which analyzed the attributes of our directors and potential refreshment possibilities to develop evaluation criteria for Board candidates.

02 Identify Candidate Pool

When the Governance Committee recruits new director candidates, the process typically involves either a search firm or one or more members of the Governance Committee or Board reviewing potential candidates from a range of backgrounds based on the evaluation criteria developed with the search firm and contacting prospective candidates to assess interest and availability.

03 Evaluate Candidates

A candidate will then meet with members of the Board, including our Chief Executive Officer. At the same time, the Governance Committee and the search firm will contact references for the candidate. A background check is completed before a final candidate recommendation is made to the Board.

04 Recommend Candidate to Board

The Governance Committee recommends to the Board director candidates for nomination and election during the Annual Stockholders' Meeting or for appointment to fill vacancies.

The Governance Committee works with our Board to determine the characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a board with the most suitable candidates. The Board includes candidates from a broad spectrum of skills, perspectives and experience in the selection process for a director role.

We have engaged with our third-party director search firm to conduct an evergreen recruiting process, and in connection with that, Mr. Greco was identified and appointed to serve on the Board in August 2024 and Mr. Tanji in February 2025.

The Board does not believe that directors should expect to be re-nominated annually. In determining whether to recommend a director for re-election, the Governance Committee considers the director's tenure, participation in and contributions to the activities of the Board, the results of the most recent Board evaluation, meeting attendance and how the director's experience, qualifications and skills complement the experience, qualifications and skills of the Board as a whole.

Stockholder Recommendations of Director Candidates

Stockholders may recommend individuals to the Governance Committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials to Governance Committee, c/o Corporate Secretary, Centene Corporation, 7700 Forsyth Boulevard, St. Louis, Missouri 63105. The Governance Committee will evaluate stockholder-recommended candidates by following substantially the same process and applying substantially the same criteria as it follows for candidates submitted by others.

Stockholders may nominate directors by submitting the names and other relevant information on a timely basis in accordance with the procedures set forth in our By-laws, which are summarized below in "Other Matters—Stockholder Proposals and Director Nominations."

Corporate Governance

Corporate Governance Guidelines

The Governance Committee developed and recommended to the Board a set of corporate governance guidelines, which the Board adopted. Our Corporate Governance Guidelines may be found on our website at www.centene.com. These guidelines include: a limitation on the number of boards on which a director may serve, qualifications for directors (including a requirement that directors be prepared to resign from the Board in the event of any significant change in their personal circumstances that could affect the discharge of their responsibilities), director orientation, continuing education and a requirement that the Board and each of its Committees perform an annual self-evaluation.

Our Governance Practices

We strive to implement best practices in stockholder rights and strong corporate governance policies that promote the long-term interests of stockholders, strengthen Board and management accountability and build on our sustainability leadership. We have enhanced our corporate governance framework over time based on input from our Board, stockholders and other governance experts. Our governance practices include:

Boards are accountable to stockholders

- **Annual Election of Directors.** We have an unclassified Board. All directors are elected annually for one-year terms.
- **Majority Voting Uncontested Director Elections.** Any director nominee must resign if they do not receive an affirmative vote of a majority of votes cast in an uncontested election. The Board will then determine whether to accept the resignation and disclose any decision not to accept the resignation.
- **Removal Rights.** Stockholders can remove directors with or without cause.
- **Proxy Access.** Up to 20 stockholders owning at least 3% of shares continuously for three years may nominate up to the greater of two individuals or 20% of our Board.
- **Special Meeting Rights.** Stockholders owning at least 10% of our outstanding shares have the right to call a special meeting of the stockholders.
- **Action by Written Consent Rights.** Stockholders have the right to act by written consent.
- **No Stockholder Rights Plan.** We do not have a stockholder rights plan, commonly referred to as a "poison pill."

Boards should be responsive to stockholders and be proactive in order to understand their perspectives

- **Engagement with Stockholders.** Independent directors meet regularly with stockholders, including participation of independent committee chairs.
- **Political Contributions Disclosures.** We publicly disclose our political contributions and public advocacy efforts and the contributions of our federal and state political action committees.
- **Strong Code of Conduct.** Centene is committed to operating its business with the highest level of ethics and integrity and has adopted a code of conduct that apply to all directors and to all employees.

Boards should adopt structures and practices that enhance their effectiveness

- **Commitment to Board Refreshment.** 8 of our 11 director nominees have joined the Board in the last 5 years and have expanded the Board's scope of experience.
- **Committee Charters.** Each standing committee operates under a written charter that has been approved by the Board and is reviewed annually.
- **Regular Review of Committee Membership.** The Governance Committee annually reviews the committee membership.
- **Independent Board.** Over 80% of the Director Nominees are independent.
- **Executive Sessions.** Independent directors meet regularly without management and non-management directors at both full Board and committee meetings.
- **Mandatory Retirement Age.** Mandatory retirement age of 75 provides regular opportunities for Board refreshment.
- **Limits on Public Company Directorships.** To ensure directors are able to devote sufficient time and attention to their responsibilities as board members, directors may not serve on more than three boards of other public companies.
- **Board and Committee Self-Evaluation Process.** Our Board and committees conduct annual performance self-evaluations led by the chair of the Governance Committee, including one-on-one interviews.
- **Continuing Education for Directors.** The Board is regularly updated on the Company's businesses, strategies, customers, operations and employee matters, as well as external trends and issues that affect the Company. Directors also are encouraged to attend continuing education courses relevant to their service on our Board.

Boards should have strong, independent leadership

- **Independent Board Leadership.** Our Chairman of the Board is a non-executive, independent director.
- **Independent Board Committees.** Each of the Audit and Compliance Committee, Compensation and Talent Committee and Governance Committee is comprised entirely of independent directors.

Stockholders should be entitled to voting rights in proportion to their economic interest

- **No Supermajority Vote Provisions.** We do not have any supermajority vote provisions in our Articles of Incorporation or By-laws.
- **No Cumulative Voting.** We have a single class of shares with equal voting rights.

Boards should develop management incentive structures that are aligned with the long-term strategy of the company

- **Pay-for-Performance Compensation Philosophy.** The Compensation and Talent Committee reviews our compensation practices, including short and long-term goals to ensure they are aligned with the Company's strategy.

The Board continuously reviews our governance practices, assesses the regulatory and legislative environment and adopts the governance practices that best serve the interests of our stockholders.

Proxy Access

Proxy access allows stockholders who meet minimum stock ownership and holding period requirements, and who comply with specified procedural and disclosure requirements, the opportunity to include their director nominees in the Company's proxy materials. We believe proxy access gives our long-term stockholders a valuable right and enables them to have an important voice in director elections. The following is a summary outlining key details of requirements related to our proxy access By-law:

Ownership Threshold	<i>at least 3% of the Company's outstanding common stock</i>
Group Ownership	<i>a group of 20 or less holders</i>
Ownership Period	<i>at least 3 years of continuous ownership</i>
Number of Nominees	<i>the greater of two individuals or 20% of the Board (not to exceed one-half of the number of directors up for election at the annual meeting)</i>

Board and Committee Structure

Board Leadership Structure

The Board determines the most suitable leadership structure from time to time. At present, the Board has chosen to separate the roles of Chief Executive Officer and Chairman of the Board. Sarah London is our Chief Executive Officer and Frederick Eppinger is our independent, non-executive Chairman of the Board. We believe this structure is optimal for Centene at this time because it allows Ms. London to focus on leading the organization while our Chairman focuses on leading the Board. Mr. Eppinger was chosen to serve as Chairman due to his long tenure as a director of the Company and his experience as chief executive officer, providing continuity, management expertise and institutional knowledge, which balances the recent influx of newer directors. The Board believes that its leadership structure supports its risk oversight efforts.

Role of the Board Chair



Duties/Responsibilities:

- **Presiding at meetings of Board**, including executive sessions of the non-management directors, which occur at least quarterly.
- **Approving the agenda for the Board** in consultation with the Chief Executive Officer.
- **Calling executive sessions** of the non-management directors.
- **Facilitating the critical flow of information** between the Board and senior management, including ensuring that such information is timely and adequate.
- **Advising senior management** on stockholder engagement strategy and long-term strategy.
- **Being available** for consultations and communications with stockholders as appropriate.

Structure of Board of Directors

Our Amended and Restated By-laws provide that our Board of Directors shall consist of five to 14 directors, with the exact number of directors on the Board being fixed from time to time by resolution adopted by the affirmative vote of a majority of the total number of directors then in office. Currently, the Board is fixed at 12 directors, with 10 of the 12 directors considered independent. Frederick Eppinger serves as non-executive Independent Chairman of the Board. Nine members of the Board are standing for re-election and two members of the Board are standing for election to hold office until the 2026 Annual Meeting of Stockholders, at which time the Board size will be reduced to 11 directors.

Board Committees and Functions

The Board has the following four standing committees:

- **Audit and Compliance Committee**
- **Compensation and Talent Committee**
- **Governance Committee**
- **Quality Committee**

The table below shows membership as of March 20, 2025 in our standing committees and the number of meetings of each committee held in 2024.

Current Directors	Audit and Compliance Committee	Compensation and Talent Committee	Governance Committee	Quality Committee
Jessica L. Blume	●		▲	
Kenneth A. Burdick				▲
Christopher J. Coughlin	●	▲		
H. James Dallas	●			●
Wayne S. DeVeydt	▲		●	
Frederick H. Eppinger				●
Monte E. Ford		●		●
Thomas R. Greco		●	●	
Sarah M. London				
Theodore R. Samuels		●	●	
Kenneth Y. Tanji	●			
Number of Meetings Held in 2024	9	7	7	4

▲ Chair ● Member

Audit and Compliance Committee

Membership as of March 20, 2025



Wayne DeVeydt
(Chair)



Jessica Blume



Christopher Coughlin



H. James Dallas



Kenneth Tanji

9 committee meetings in 2024

OVERVIEW:

The **Audit and Compliance Committee** has jurisdiction over financial statements and disclosures; controls and procedures (including information technology and cybersecurity controls and procedures); the independent auditor; oversight of risk management; capital structure; compliance; and those aspects of sustainability that relate to financial reporting.

RESPONSIBILITIES:

- Appoints, evaluates, oversees the work and compensation of, and removal of, the Independent Auditors; reviews and approves in advance the terms of the engagement of the Independent Auditors and all audit and permissible non-audit services to be provided by the Independent Auditors.
- Oversees the Internal Audit function and reviews with Internal Audit the risk assessment process, results and resulting annual audit plan for the upcoming year and the results of internal audit activities.
- Oversees policies with respect to risk assessment and risk management, oversees the Company's financial risks and discusses with management the Company's enterprise risk management program.
- Reviews with the Independent Auditors and management both management's assessment and the Independent Auditors' annual report on the effectiveness of the Company's internal controls and reviews with management the adequacy and effectiveness of the Company's internal controls, financial controls and disclosure controls and procedures, including with regard to sustainability.
- Reviews with management and, if appropriate, the Independent Auditors, the Company's annual and quarterly financial statements, earnings press releases and significant accounting policies regarding financial information and earnings guidance provided to analysts and rating agencies.

- Reviews litigation and other legal or regulatory matters that may have a material impact on the Company's financial statements.
- Reviews the Company's information technology security program and reviews and discusses the controls around cybersecurity, including the Company's business continuity and disaster recovery plans.
- Establishes, oversees and reviews procedures related to (i) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing matters or federal securities laws reporting and disclosure matters; and (ii) the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees.
- Reviews capital structure, insurance programs, tax policies and mergers and acquisitions.
- Oversees the Ethics and Compliance Program, and matters related to the Company's compliance with laws and regulations.

MEMBER QUALIFICATIONS:

- Each member of the Audit and Compliance Committee is independent, in accordance with the NYSE standards, SEC rules and the Company's Corporate Governance Principles.
- Each member of the Audit and Compliance Committee meets the financial literacy requirements of the NYSE Listed Company rules.
- In addition, our Board has determined that each of Messrs. Coughlin, DeVeydt, Tanji and Ms. Blume qualifies as an "audit committee financial expert" within the meaning of SEC regulation.

REPORT:

The Audit and Compliance Committee Report is on page 118.

Compensation and Talent Committee

Membership as of March 20, 2025



Christopher Coughlin
(Chair)



Monte Ford



Thomas Greco



Theodore Samuels

7 committee meetings in 2024

OVERVIEW:

The **Compensation and Talent Committee** has jurisdiction over executive compensation and human capital management.

RESPONSIBILITIES:

- Annually reviews and approves corporate goals and objectives relevant to our CEO's compensation.
- Approves or makes recommendations to the Board with respect to our CEO's compensation.
- Reviews and approves the compensation of our other executive officers.
- Oversees an evaluation of our senior executives.
- Oversees and administers our incentive plans, including our equity incentive plans.
- Reviews and discusses with management the compensation, discussion and analysis section of the proxy statement.
- Assists in the oversight of risks associated with our compensation plans and policies.
- Reviews and makes recommendations to the Board with respect to director compensation.
- Oversees stock ownership guidelines applicable to the Board and the executive officers.
- Oversees any clawback policy.
- Reviews the results of any advisory stockholder vote on executive compensation and considers whether to make or recommend adjustments to the Company's executive compensation as a result of such vote.
- Retains and terminates any compensation consultant to be used to assist the Compensation and Talent Committee in the evaluation of executive compensation.
- Reviews human capital management strategies.

MEMBER QUALIFICATIONS:

Each member of the Compensation and Talent Committee is independent, in accordance with the NYSE standards, including the heightened standards for compensation and talent committee members and the Company's Corporate Governance Guidelines, and is a "non-employee" director as defined by Rule 16b-3 under the Exchange Act.

REPORT:

The Compensation and Talent Committee Report is on page 98.

Governance Committee

Membership as of March 20, 2025



Jessica Blume
(Chair)



Wayne DeVeydt



Thomas Greco



Theodore Samuels

7 committee meetings in 2024

OVERVIEW:

The **Governance Committee** has jurisdiction over the director evaluation process; the Board and committee composition; succession planning; general environmental, social and governance matters, except for sustainability issues related to financial reporting which are overseen by the Audit and Compliance Committee; government relations; and bi-annual review of the political activity report.

RESPONSIBILITIES:

- Oversees the Board and each committee's composition (including member qualifications), structure, size and succession planning.
- Monitors corporate governance developments and recommends changes to our Certificate of Incorporation, By-laws and Corporate Governance Guidelines to the Board.
- Reviews the Company's Sustainability Report.
- Oversees key public policy issues relating to environmental and social responsibility, social drivers of health and healthcare reform.
- Oversees the evaluation of the Board, its committees and each director.
- Reviews any related party transactions.
- Oversees policies by which interested parties, including stockholders, may make significant concerns known to the Board.
- Oversees policies and practices regarding political and charitable activities, including any contributions therewith.
- Oversees Board and management succession planning.
- Oversees risks related to corporate governance and sustainability issues and political and regulatory changes.

MEMBER QUALIFICATIONS:

Each member of the Governance Committee is independent, in accordance with the NYSE standards and the Company's Corporate Governance Guidelines.

Quality Committee

Membership as of March 20, 2025



**Kenneth
Burdick**
(Chair)



**H. James
Dallas**



**Frederick
Eppinger**



Monte Ford

4 committee meetings in 2024

OVERVIEW:

The **Quality Committee** has jurisdiction over quality improvement, which includes member experience, provider experience and strategy, data and technology strategy.

RESPONSIBILITIES:

- Reviews the Company's quality improvement program for each line of business, including enterprise initiatives, clinical programs, health equity and member experience and satisfaction.
- As part of the Company's quality improvement strategy, reviews provider experience and strategy, including network access and accuracy, value-based contracting and provider engagement.
- As part of the Company's quality improvement strategy, reviews data and technology strategy, including the information technology roadmap and business enablement outcomes, data and analytics infrastructure and potentially disruptive technologies.

Director Engagement

Board Meetings and Attendance

	2024 Meetings	37 Board and Committee Meetings held in 2024
Board	10	
Audit and Compliance Committee	9	
Compensation and Talent Committee	7	
Governance Committee	7	
Quality Committee	4	

During 2024, each of our directors attended at least 75% of the aggregate number of meetings of the Board and all committees held during the period in which the director served. Average Board and committee meeting attendance by all directors serving during 2024 was 96%. As stated in our Corporate Governance Guidelines, we believe it is important for the members of our Board to attend the annual meeting of stockholders. All directors who were members of the Board at the time of the 2024 annual meeting of stockholders attended the meeting. During each regularly scheduled Board and Committee meeting, and as appropriate during special meetings, the non-management directors meet privately in executive session.

Director Education and Orientation Program

The Company provides an orientation and continuing education process for Board members to enable them to stay current on developments related to their Board and committee service. Educational opportunities may include seminars, presentations, relevant materials, meetings with key management and/ or visits to Company facilities. The Governance Committee is responsible for reviewing the Company's programs relating to director orientation and continuing education from time to time.

New Director Orientation	Shortly after joining the Board, the Company provides an in-person, customized orientation and onboarding experience. At the end of their orientation, new directors should: have key information about Centene's business, vision, strategy, leaders and organization; and be well-informed about their responsibilities and duties as directors and on any committees in which they serve; and have access to resources, information and contacts that will enable them to be effective in their role.
Continuing Education	We joined the National Association of Corporate Directors and encourage our Board members to take advantage of its numerous educational resources and programs. The Company provides quarterly updates on continuing education opportunities and, pursuant to our director education policy, will reimburse Board members for the cost of any programs Board members attend as well as costs related to membership in relevant associations.
Beyond the Boardroom	Throughout their service, our directors have discussions with each other and senior leadership of the Company outside of regularly scheduled Board and committee meetings in order to share ideas and perspectives, build relationships and gain a deeper understanding of the Company's business.

Annual Board and Committee Self-Evaluations

Our Corporate Governance Guidelines and each of our committee charters require the Board and each committee to conduct an annual self-evaluation to determine whether the Board and its committees are functioning effectively.

01 Evaluation Survey

The Governance Committee reviews and approves evaluation survey forms for each committee and the Board. These surveys are completed by each Board and committee member.

The evaluations ask for feedback on the leadership of the Board and committee, the content of the meetings, the role and structure of the committees, interaction with management and each individual's performance. The evaluations also survey the Board members on the topics they deemed most important to discuss.

02 One-on-One Director Discussions

The Chair of the Governance Committee or the Chairman of the Board conducts individual meetings with each director to obtain candid feedback.

03 Executive Session

Each committee and the Board discusses the results of the evaluations during executive session. The Chair of the Governance Committee also shares the feedback from the one-on-one meetings with the Board to focus on areas in which the Board believes that it could improve.

04 Implementation

Areas for improvement are communicated to the Board, management and the committees and action plans are developed and implemented. For example, one area of change is having board-only dinners and executive sessions earlier in the meeting schedule to allow for robust and candid discussion.

Board Oversight of Risk Management

Strategic Oversight

Our Board oversees and provides advice and guidance to senior management on the formulation and implementation of the Company's strategic plans, including the development of growth strategies by our senior management team.

- This occurs year-round through presentations and discussions covering the competitive landscape, strategy, business planning and growth initiatives, both during and outside Board and committee meetings.
- The Board annually holds a Board retreat focused on the Company's long-term strategy.
- Our Board's focus on overseeing risk management enhances our directors' ability to provide insight and feedback to senior management on its development and implementation of the Company's long-term strategic plan.
- Our Chairman helps facilitate our Board's oversight of strategy, including through discussions with independent directors during executive sessions, as needed.

Throughout 2024, our Board engaged on an ongoing basis with our CEO and CFO, as well as other key members of senior management to refine our long-term growth strategy.

- This took various forms, ranging from high-level discussions regarding strategic direction, reviews of existing and new business initiatives and progress on the execution of our value creation strategy as well as organic and inorganic growth opportunities.
- The Board provided oversight on the execution of several key milestones in our strategy, including:

01 completing 11 divestitures since December 2021, resulting in proceeds of over \$5 billion,

02 transitioning to ESI to provide our PBM services on January 1, 2024 which is expected to drive significant value,

03 completing \$7.6 billion of common stock repurchases from 2022 to 2024,

04 improving Medicare Advantage Star Ratings to 55% of Medicare Advantage members in plans rated 3.5 stars or higher, and

05 achieving investment grade rating with 2 of 3 major rating agencies.

- Discussions are focused on the quality and experience of our people as well as alignment with our long-term growth strategy for our stockholders and underscored by considerations such as risk management, culture and reputation.

Our Board will continue to receive regular updates from, and provide advice to, management as they execute on the Company's strategy.

Risk Oversight

The Board has overall responsibility for the oversight of enterprise-wide risk management at Centene, while management is responsible for day-to-day risk management. The Board implements its risk oversight function both as a whole and through its committees. Each Board committee oversees risks associated with its respective principal areas of focus and then reports to the Board. These areas of focus include competitive, economic, operational, financial (including accounting, credit, liquidity and tax), legal, regulatory, compliance, political, strategic, reputational and other risks.

The oversight responsibility of the Board and its committees is assisted by management reporting processes designed to provide visibility to the Board of the identification, assessment, prioritization and management of critical risks and management's risk mitigation strategies. The Company's process for the evaluation of risk is based on a blend of principles associated with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) enterprise risk management framework, *Enterprise Risk Management – Integrating with Strategy and Performance* and *ISO 31000: 2018 Risk Management*. The primary goals of the enterprise risk management program are to enhance management's ability to identify and assess the Company's current risk status, gain insights on emerging risks, improve management's strategic and operational decision-making ability and provide clear and timely communication of cross-functional risks to management and the Board. The enterprise risk management process is facilitated by the Company's Risk Management department. An enterprise risk management committee comprised of senior leaders within the Company meets at least four times per year to discuss the most significant risks to the Company identified by the Company's enterprise risk management process and the steps management has taken to identify, monitor, assess and control or avoid such exposures. The enterprise risk management committee also reviews performance measures against the company's risk appetite and tolerance and provides recommendation(s) of corrective action, where appropriate. The enterprise risk management process is an active process and is continually enhanced and updated.

The Company's Risk Management department provides an enterprise risk management report to the full Board at least four times per year. Each Board committee reports to the Board any significant issues relating to their relevant risk areas.

The principal areas of focus for risk oversight by the Board and each of its committees are summarized below. Each committee may meet in executive session with key management personnel and representatives of outside advisors as the committee members deem appropriate.

Primary Areas of Risk Oversight



Full Board

- Strategic, financial, operational and execution risks and exposures associated with the annual operating plan and long-term strategic plan.
- Capital allocation, industry trends and stockholder sentiment.
- Major litigation, compliance and regulatory exposures, information security and other current matters that may present material risk to the Company's operations, plans, prospects or reputation and material acquisitions and divestitures.



Audit and Compliance Committee

- Risks and exposures associated with financial matters and regulatory requirements, including financial reporting, accounting, disclosure and compliance, internal control over financial reporting, financial policies, capital structure investment guidelines, liquidity matters and the Company's regulatory compliance programs.
- Legal and compliance risks.
- Risks associated with information technology, including cybersecurity, artificial intelligence, privacy, disaster recovery and critical infrastructure assets.
- Reviews the Centene Foundation's activities.



Compensation and Talent Committee

- Risks and exposures associated with leadership assessment and executive and non-executive compensation programs and arrangements, including incentive plans.
- Risks and exposures associated with human capital management.



Governance Committee

- Risks and exposures relating to the Company's programs and policies relating to compliance with SEC governance requirements, NYSE listing requirements and similar legal requirements.
- Corporate governance and director independence.
- Director and chief executive officer succession planning.
- Risks associated with sustainability and healthcare reform related risks and opportunities.
- Risks associated with political and regulatory changes.
- Political spending and activity.



Quality Committee

- Risks and exposures associated with quality improvement and clinical programs, and member experience and satisfaction.
- Risks and exposures associated with provider experience and strategy, including network access and accuracy and value-based contracting.
- Risks associated with the execution and operational issues related the Company's data technology strategy, including potentially disruptive technologies.



Management Roles/Responsibilities

- Identifying risks and assessing them in accordance with the Company's enterprise risk management framework.
- Implementing suitable risk mitigation plans, processes and controls.
- Appropriately managing risks in a manner that serves the best interests of the Company, its stockholders and other stakeholders.
- Quarterly reporting to the Board and its committees on its risk assessments and risk mitigation strategies for the significant risks of our business.

Selected Areas of Oversight

Oversight of Information Technology, including Cybersecurity, Artificial Intelligence and Critical Infrastructure

The Board of Directors has primary responsibility for the oversight of our enterprise-wide risk management and exercises its oversight function in respect of cybersecurity risk through two of its committees.

The Audit and Compliance Committee oversees the Company's enterprise risk management process. This includes programs designed to identify, manage, respond to and mitigate risks related to cybersecurity, artificial intelligence, privacy, critical infrastructure and disaster recovery. The committee also oversees the Company's strategy for identifying and evaluating the potential threats and severity of incidents, risk mitigations against cyberattacks and breach and crisis response. The Quality Committee has oversight responsibility for overall data and technology strategy. Each committee reports to the full Board on a regular basis.

The Audit and Compliance Committee receives quarterly updates on the Company's cybersecurity risk management program, which is part of our enterprise-wide risk management practices. Management also escalates significant cybersecurity events to the Audit and Compliance Committee and the Board as appropriate. In addition, our Board and management have conducted tabletop cybersecurity crisis simulation exercises.

Oversight of Government Relations and Political Activity

We believe that engagement with governmental officials and agencies plays a key role in influencing sound public healthcare policy as well as shaping regulations and legislation that govern our business now and into the future. In keeping with our purpose to transform the health of the community, one person at a time, and in an effort to be transparent about the principles that govern our participation in the political process, in 2020, we began posting disclosures concerning our political and lobbying activities on our corporate website. Our Political Activity Reports are available at www.centene.com. Our Governance Committee oversees policies and practices regarding political activities, including our twice yearly political activity report and the contributions reported therein.

Succession Planning

As reflected in our Corporate Governance Guidelines, the Board's primary responsibilities include planning for CEO succession and monitoring and advising on succession planning for other executive officers. The Board's goal is to have a long-term and continuous program for effective senior leadership development and succession. The Board also has contingency plans in place for emergencies such as departure, death or disability of the Chairman of the Board, the CEO or other executive officers.

This involves extensive planning and oversight, including:

- The entire Board works with the Governance Committee to evaluate potential successors to the CEO.
- The CEO regularly evaluates and recommends potential successors for her role as well as other senior management roles and recommends development plans for such individuals to the Governance Committee.
- The CEO discusses with the Compensation and Talent Committee individuals with high potential for succession as compensation decisions are being made.
- High-potential executives are regularly challenged with additional responsibilities to expose them to our diverse operations, as we strive to develop well-rounded and experienced senior leaders.
- Potential successors attend Board and Committee meetings and interact frequently with the Board in informal settings, so directors can get to know and evaluate them.
- The Governance Committee formally reports to the full Board at least annually on succession planning, and the Board discusses succession planning regularly at scheduled meetings, including in executive sessions, as appropriate.

Management focuses on succession planning at all people leader positions throughout the organization. During the Company's annual performance review process, each leader identifies high performing talent who are potential successors for their roles, as well as any areas where we might have gaps.

Role of Compensation Consultant

The Compensation and Talent Committee has the sole authority to retain compensation consultants to assist in its evaluation of executive compensation, including the authority to approve the consultant's reasonable fees and other retention terms. The Compensation and Talent Committee directly engaged Frederic W. Cook & Co., Inc. (FW Cook) as its independent compensation consultant for the fiscal year ended December 31, 2024. FW Cook's engagement included:

- compiling a group of peer companies to use as a reference in making executive compensation decisions, evaluating current executive pay practices and considering different compensation programs to aid making executive pay decisions for the fiscal year ended December 31, 2024;
- evaluating the efficacy of our existing executive compensation strategy and practices in supporting and reinforcing our long-term goals;
- periodically reviewing and advising on compensation trends and regulatory developments;
- reviewing market and peer group equity usage metrics to assist with understanding of our equity budget relative to market; and
- periodically conducting a review of our non-employee director compensation policies and practices.

The Compensation and Talent Committee has analyzed whether the work of FW Cook as compensation consultant raises any conflict of interest, taking into account relevant factors in accordance with SEC rules and the applicable NYSE listing standards. FW Cook did not perform any work for us in 2024, other than in its role as the compensation consultant to the Compensation and Talent Committee, which included executive compensation and human capital matters. Based on its analysis, the Compensation and Talent Committee determined that the work of FW Cook and the individual compensation advisors employed by FW Cook does not create any conflict of interest pursuant to the U.S. Securities and Exchange Commission (the SEC) rules and NYSE listing standards.

Oversight of Corporate Sustainability

Centene's Corporate Sustainability Leadership

The Governance Committee and Audit and Compliance Committee of Centene's Board of Directors provide oversight of our corporate sustainability function. The Governance Committee oversees the management of risks related to environmental and social issues of importance to Centene and makes recommendations to the Board regarding our company's position on key issues relating to environmental and social responsibility. The Audit and Compliance Committee oversees the Company's sustainability financial reporting disclosures.

Enterprise Risk Committee (ERC): The ERC is a cross functional governance group chaired by the Chief Risk, Ethics & Compliance Officer and is composed of members of the Executive Leadership Team. The ERC assists the Board in its oversight responsibilities for risk management as well as the process used to identify, assess, respond to and report on risk issues, including climate-related and environmental issues.

Enterprise Risk Management (ERM) Team: Centene's ERM team has primary responsibility for corporate sustainability activities, including maintaining Centene's framework, identifying and monitoring environmental and climate-related risks, obtaining and reporting metrics related to sustainability matters and facilitating external and internal communications, including learning opportunities available to team members.

Corporate Sustainability Champions Network: The ERM team maintains relationships with leaders from key business units, which enables information sharing across the organization. These leaders are responsible for advancing our corporate sustainability strategy across the enterprise, identifying and assessing potential climate-related risks and opportunities, and recommending enhancements to Centene's sustainability capabilities.

Environmental Employee Engagement Group (EEEG): The EEEG is a cross-functional group of Centene and business unit leaders dedicated to promoting employee awareness and fostering individual and collective actions during events held throughout the year.



Stockholder Engagement

We believe that engaging with stockholders and other stakeholders is fundamental to the Company's success and our commitment to good governance. We seek to proactively listen to, understand and consider the opinions of our stockholders to stay aligned with stockholder priorities.

Over the past several years, we have significantly expanded our governance-focused engagement program to better understand the issues that are important to our stockholders and incorporate feedback into the Board's decision-making process. Members of our management team and certain directors regularly meet with stockholders to gather their perspectives on key topics including our performance and strategy, corporate governance, management succession planning, executive compensation, human capital management and corporate responsibility.

Beyond our governance-focused engagement, our investor relations team and members of our senior management team, including our CEO and CFO, regularly communicate with investors on financial and operational performance in connection with quarterly earnings calls, investor and industry conferences, analyst meetings and individual discussions with stockholders. In 2024, our senior management team also hosted an investor conference at the Company's corporate headquarters.

As described in the diagram below, we report stockholder feedback regularly to our Board, which in turn uses this feedback to evaluate any changes to the Company's practices year-round.

September - November (Fall)

- Conduct meetings with some of our largest stockholders, to discuss corporate governance, corporate responsibility and executive compensation matters and solicit feedback.
- Share the feedback with the Board for discussion and consideration.

May - August (Summer)

- Review annual meeting results, ongoing stockholder feedback and determine any next steps, including corporate governance and compensation trends to help develop stockholder engagement priorities.



December - February (Winter)

- Incorporate feedback from stockholder meetings into annual meeting planning, including potential changes to corporate governance practices, the executive compensation program and corporate responsibility.
- Review stockholder proposals and determine next steps.

March - April (Spring)

- Conduct stockholder meetings in advance of the annual meeting to answer questions and obtain feedback on proxy matters.

Who We Engaged with Since our 2024 Annual Meeting

Our governance-focused engagement is described below:

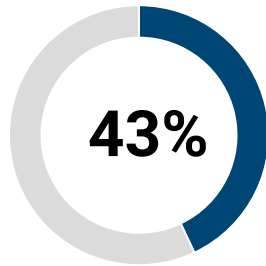
The following director engaged with stockholders:

- Theodore Samuels

The following management engaged with stockholders:

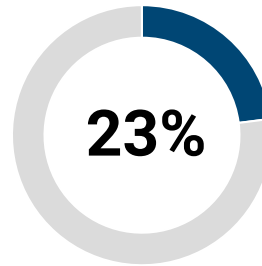
- Chief Executive Officer
- Chief Financial Officer
- Chief Accounting Officer
- General Counsel
- Head of Investor Relations
- Head of Total Rewards

Proactively reached out to stockholders representing:



of our outstanding shares, including 10 institutional investors

Met with stockholders representing:



of our outstanding shares, including 6 institutional investors

Matters discussed during these meetings included:

- Executive Compensation
- Board Culture and Refreshment
- Leadership Transitions
- Quality Improvement
- Corporate Sustainability

Commitment to Investor Engagement and Overview of Responsive Actions

In response to our low say-on-pay vote in 2022, the Board undertook an extensive outreach effort to understand our stockholders' concerns and made responsive changes to our executive compensation program. We received positive feedback from our enhancements to our governance and compensation practices and have continued these practices in 2024. Below we summarize key stockholder feedback the Company has received from investors and the highlights of actions the Company took in response to feedback received.

HISTORY OF PROACTIVELY RESPONDING TO STOCKHOLDER FEEDBACK TO HELP ENSURE BEST-IN-CLASS GOVERNANCE, COMPENSATION, AND DISCLOSURE PRACTICES



Communications with the Board of Directors

The Board has established a process by which stockholders and other interested persons may send communications to the Board as a whole, the non-employee Directors as a group, any director or Board committee, or the Chairman of the Board. You may send communications to our Directors, including any concerns regarding Centene's accounting, internal controls, auditing or other matters, to the following address: Designated directors c/o Corporate Secretary, Centene Corporation, 7700 Forsyth Boulevard, St. Louis, Missouri 63105. You may submit your concern anonymously or confidentially. You may also indicate whether you are a stockholder, customer, supplier or other interested party. Communications relating to the Company's accounting, internal controls or auditing matters will be relayed to the Audit and Compliance Committee. Communications relating to governance will be relayed to the Governance Committee. All other communications will be referred to other areas of the Company for handling as appropriate under the facts and circumstances outlined in the communications. Certain items that are unrelated to the duties of the Board will be excluded, such as: business solicitations; junk mail, mass mailings and spam; resumes and other employment inquiries; and surveys.

Other Governance Policies and Practices

Code of Conduct

The Company has published on its website (www.centene.com) its Code of Conduct, which applies to all officers, employees and directors. Any waiver of, or amendments to, the Code of Conduct for directors or executive officers, including the chief executive officer, the chief financial officer and the principal accounting officer, must be approved by the Governance Committee, and any such waivers or amendments will be disclosed within four business days by the Company by posting such waivers or amendments to its website. Both the Audit and Compliance Committee and the Governance Committee review management's monitoring of compliance with the Company's Code of Conduct.

Compensation & Talent Committee Interlocks and Insider Participation

During all or part of 2024, Christopher Coughlin, Monte Ford, Thomas Greco, Lori Robinson and Theodore Samuels served as members of the Compensation and Talent Committee. Christopher Coughlin serves as chairman. None of these directors served as an officer or employee of the Company or any of its subsidiaries before or at the time he or she served on the Compensation and Talent Committee or had any relationship during 2024 that would require disclosure under Item 404 of SEC Regulation S-K. During 2024, none of our executive officers served on the Compensation and Talent Committee (or its equivalent) or board of directors of another entity, one of whose executive officers served on our Board or Compensation and Talent Committee.

Related Party Transactions

We have a written policy for reviewing transactions between us and our executive officers, directors and certain of their immediate family members and other related persons, including those required to be reported under Item 404 of Regulation S-K. Under this policy, the Governance Committee must approve transactions in which we participate that involves more than \$120,000 and in which a related person has a direct or indirect material interest. Pursuant to our policy, we enter into a transaction with such related persons only if the transaction is on terms deemed comparable to those that could be obtained in arm's length dealings with an unrelated third party and is otherwise fair to us.

Kenneth Burdick has served as Executive Chairman of LifeStance Health Group, Inc. since March 2025. Prior to that, Mr. Burdick served as Chairman and Chief Executive Officer of Lifestance from September 2022 to March 2025. In 2024, Centene has continued to pay LifeStance for behavioral health services provided by LifeStance to the Company's health plans in accordance with contracts entered into between the companies prior to Mr. Burdick's employment with LifeStance. These contracts were obtained on arms' length dealings prior to the time that Mr. Burdick became affiliated with LifeStance.

In 2024, one of our executive officers had a related party employed by the Company who earned total compensation above \$120,000. The employee's compensation and benefits were consistent with total compensation and benefits provided to other employees of the same level with similar responsibilities.

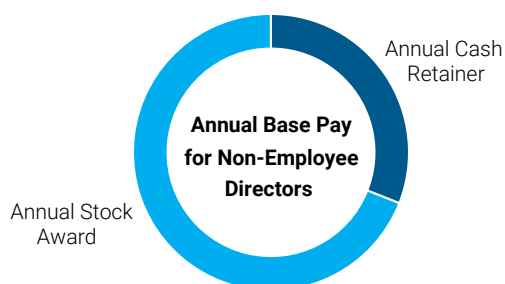
Compensation of Directors

For 2024, non-employee directors received an annual cash retainer of \$100,000. If applicable, fees are pro-rated based on time served on the Board or the respective committee during the year.

Directors can elect to receive any of these annual cash retainers in deferred stock under the Non-Employee Directors Deferred Stock Compensation Plan. Expense recognized in conjunction with the deferred stock election is included in the "Fees Earned or Paid in Cash" in the Director Compensation Table below.

The Board's fee structure is set forth below.

Annual Restricted Stock Units		Additional Annual Restricted Stock Units	
Non-Employee Director	\$225,000	Independent Chairman/ Lead Independent Director	\$150,000
Annual Retainer		Additional Annual Retainers	
Non-Employee Director	\$100,000	Independent Chairman/ Lead Independent Director	\$90,000
		Chairman of the Audit and Compliance Committee	\$30,000
		Chairman of the Compensation and Talent Committee	\$20,000
		Chairman of the Governance Committee	\$20,000
		Chairman of the Quality Committee	\$20,000



For 2024, the annual grant of restricted stock units was valued at \$225,000 based on the closing stock price on the trading day immediately preceding the meeting and resulted in a grant of 2,916 restricted stock units of our common stock in May 2024. The restricted stock units vest on the earlier of May 14, 2025, or the 2025 Annual Meeting of Stockholders.

Directors are reimbursed for all reasonable expenses incurred in connection with their service. Directors who are also our employees receive no additional compensation for serving on our Board of Directors.

In February 2024, the Compensation and Talent Committee made the following changes to the director compensation program per the annual review of director compensation by its independent compensation consultant FW Cook:

- Increased the annual stock award from \$200,000 to \$225,000.
- Increased the Independent Chairman additional retainer from \$200,000 to \$240,000. The additional retainer is a combination of \$90,000 cash and \$150,000 annual restricted stock unit award.
- Increased the additional retainer for the Chairman of the Quality Committee from \$15,000 to \$20,000.
- Changed the annual equity retainers to be delivered in restricted stock units valued using the previous trading day close price. The equity retainers were previously delivered in restricted shares and valued using a 30-day average share price. Directors may elect to defer the receipt of restricted stock units on a pre-tax basis.

Additionally, in May 2024, the committee updated the Non-Employee Director Deferred Stock Compensation Plan to change the valuation method for the quarterly restricted stock unit retainers paid under the plan to use the closing price on the trading day prior to the valuation date. The previous valuation method used the average of closing prices for the three month period.

Stock ownership guidelines for members of our Board require them to own 7.5 times the annual cash retainer within five years of being appointed to the Board. As of December 31, 2024, all directors were in compliance with this requirement.

Director Compensation Table

The following table sets forth the compensation paid to each individual who served as a non-employee member of our Board in 2024:

Name ¹	Fees Earned or Paid in Cash ² (\$)	Stock Awards ³ (\$)	All Other Compensation ⁴ (\$)	Total (\$)
Jessica L. Blume	\$ 120,000	\$ 224,969	\$ 25,000	\$ 369,969
Kenneth A. Burdick	120,000 ⁵	224,969	78,265	423,234
Christopher J. Coughlin	120,000 ⁵	224,969	25,000	369,969
H. James Dallas	100,000	224,969	25,000	349,969
Wayne S. DeVeydt	130,000 ⁵	224,969	25,000	379,969
Frederick H. Eppinger	190,000 ⁵	375,026	25,000	590,026
Monte E. Ford	100,000	224,969	25,000	349,969
Thomas R. Greco	39,130	170,727	25,000	234,857
Lori J. Robinson	100,000	224,969	—	324,969
Theodore R. Samuels	100,000 ⁵	224,969	25,000	349,969

¹ Mr. Greco was appointed to the Board on August 9, 2024.

² The amounts included in this column represent the cash retainers earned by each director in 2024. Certain directors converted some or all cash compensation payable into restricted stock units. For directors making such election, the cash value of the base retainer is included in this column. See Footnote 5 below for amounts of cash compensation converted into restricted stock units, and see Footnote 3 below for the grant date fair value of those awards converted from cash compensation.

³ The following table shows the components of "Stock Awards" and total equity award value for directors who elected to receive some or all of their cash compensation in restricted stock units for fiscal year 2024. The amounts included in the table represent the full grant date fair value of restricted stock awards or restricted stock units granted to non-employee directors in 2024 under the 2012 Stock Incentive Plan calculated in accordance with FASB ASC Topic 718. These amounts reflect the accounting expense that we will recognize over the vesting term of these awards and do not correspond to the actual value that may be realized by the directors.

Name	Grant Date Fair Value of Awards			Total Stock Awards (\$)
	Initial Restricted Stock Units ^a (\$)	Annual Restricted Stock Units ^b (\$)	Cash Compensation Converted into Restricted Stock Units ^c (\$)	
Jessica L. Blume	\$ —	\$ 224,969	\$ —	\$ 224,969
Kenneth A. Burdick	—	224,969	119,948	344,917
Christopher J. Coughlin	—	224,969	119,948	344,917
H. James Dallas	—	224,969	—	224,969
Wayne S. DeVeydt	—	224,969	129,978	354,947
Frederick H. Eppinger	—	375,026	99,968	474,994
Monte E. Ford	—	224,969	—	224,969
Thomas R. Greco	170,727	—	—	170,727
Lori J. Robinson	—	224,969	—	224,969
Theodore R. Samuels	—	224,969	99,968	324,937

- ^a Mr. Greco was granted a pro rata annual stock award of 2,309 restricted stock units, which will vest on the date of our 2025 Annual Meeting of Stockholders.
- ^b On May 14, 2024, the date of our 2024 Annual Meeting of Stockholders, each non-employee director who was elected was granted an annual restricted stock award of 2,916 shares with a value of approximately \$224,969. Additionally, the Independent Chairman was granted an additional restricted stock award of 1,945 shares with a value of approximately \$150,057. These annual equity awards were granted under the 2012 Stock Incentive Plan, calculated in accordance with FASB ASC Topic 718, and will vest in full on the earlier of the date of the 2025 Annual Meeting of Stockholders or May 14, 2025.
- ^c Represents the value of cash compensation the director elected to convert into restricted stock units granted under the Non-Employee Directors Deferred Stock Compensation Plan calculated in accordance with FASB ASC Topic 718.
- ⁴ All other compensation includes the Company match of charitable contributions of \$25,000 made or pledged during 2024 under the Company's Board of Directors Charitable Matching Gift Program for Ms. Blume, Mr. Burdick, Mr. Coughlin, Mr. Dallas, Mr. DeVeydt, Mr. Eppinger, Mr. Ford, Mr. Greco and Mr. Samuels. In addition, all other compensation for Mr. Burdick includes \$50,535 of costs related to personal security services and group excess liability insurance policy premiums paid by the Company. Amounts reported herein represent the incremental cost to the Company for these services.
- ⁵ Each of Mr. Burdick, Mr. Coughlin, Mr. DeVeydt, Mr. Eppinger and Mr. Samuels elected to convert the \$100,000 annual non-employee director cash retainer into restricted stock units. Additionally, Mr. Burdick elected to convert the \$20,000 retainer for the Quality Committee Chairman, Mr. Coughlin elected to convert the \$20,000 retainer for the Compensation and Talent Committee Chairman and Mr. DeVeydt elected to convert the \$30,000 retainer for the Audit Committee Chairman into restricted stock units.

The Board of Directors has approved the Board of Directors Charitable Matching Gift Program. Under the program, the Company will match a Board member's qualifying charitable donations of up to \$25,000 per calendar year. Charitable donations must be made to a qualified tax exempt U.S. organization under the Internal Revenue Code Section 501(c)(3) and within the Company's charitable contribution guidelines.

The following table shows the number of shares covered by exercisable and unexercisable options and unvested restricted stock units held by our non-employee directors on December 31, 2024.

Name	Option Awards		Stock Awards
	Number of Securities Underlying Unexercised Options (Exercisable) (#)	Number of Securities Underlying Unexercised Options (Unexercisable) (#)	Number of Shares that Have Not Vested (#)
Jessica L. Blume	20,000	—	2,916
Kenneth A. Burdick	6,666	3,334	2,916
Christopher J. Coughlin	6,666	3,334	2,916
H. James Dallas	10,000	—	2,916
Wayne S. DeVeydt	6,666	3,334	2,916
Frederick H. Eppinger	—	—	4,861
Monte E. Ford	6,666	3,334	2,916
Thomas R. Greco	—	—	2,309
Lori J. Robinson	—	—	2,916
Theodore R. Samuels	6,666	3,334	2,916

Executive Officers

The names of our executive officers, ages and certain information about each of them as of March 20, 2025 are set forth below.

Sarah M. London

Chief Executive Officer, 44

Ms. London has served as our Chief Executive Officer since March 2022. From September 2021 to March 2022, she served as Vice Chairman. She served as President, Centene Health Care Enterprises and Executive Vice President, Advanced Technology from March 2021 to September 2021. From September 2020 to February 2021, she served as Senior Vice President, Technology Innovation and Modernization. Prior to joining Centene, she served as both Senior Principal and Operating Partner for Optum Ventures from May 2018 to March 2020 and Chief Product Officer of Optum Analytics from March 2016 to May 2018.

Andrew L. Asher

Chief Financial Officer, 56

Mr. Asher has served as our Chief Financial Officer since May 2021. From January 2020 to May 2021, he served as Executive Vice President, Specialty. Prior to joining Centene, he served as the Chief Financial Officer of WellCare from November 2014 to January 2020.

Kate N. Casso

Corporate Controller & Chief Accounting Officer, 43

Ms. Casso has served as our Senior Vice President, Finance, Corporate Controller and Chief Accounting Officer since September 2024. Prior to that, she served as our Senior Vice President, Corporate Controller and Chief Accounting Officer from April 2021 to September 2024. From January 2016 to March 2021, she served as Vice President, Assistant Controller.

Christopher A. Koster

Secretary and General Counsel, 60

Mr. Koster has served as our Secretary and General Counsel since February 2020. From February 2017 to February 2020, he served as Senior Vice President, Corporate Services. Prior to joining Centene, Mr. Koster served as Missouri Attorney General for eight years.

Tanya M. McNally

Chief People Officer, 51

Ms. McNally has served as our Chief People Officer since March 2023. From January 2023 to March 2023, she served as our Interim Chief People Officer. From May 2022 to December 2022, she served as our Regional Vice President, Human Resources. From January 2020 to May 2022, she served as our Vice President, Global Human Resource Business Partner. From August 2018 to January 2020, she served as Vice President, Human Resources for WellCare Health Plans, Inc.

Susan R. Smith

Chief Operating Officer, 49

Ms. Smith has served as our Chief Operating Officer since January 2024. Ms. Smith has been an employee of the Company since June 2023. From August 2022 through December 2022, she served as Senior Vice President of Clinical, Quality and Enterprise Solutions President at Humana Inc. From July 2021 through July 2022, she served as Senior Vice President of Clinical Solutions at Humana Inc. She also previously served as Senior Vice President of Medicare at Humana Inc. from August 2019 through June 2021. From October 2016 through July 2019, she served as Senior Vice President of Healthcare Quality Reporting and Improvement at Humana Inc.

2 PROPOSAL

Advisory Resolution to Approve Executive Compensation

At our 2024 Annual Meeting of Stockholders, our stockholders voted to approve the Company's executive compensation. Pursuant to Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), we are again holding an advisory vote on the Company's executive compensation, as described in this proxy statement (commonly referred to as say-on-pay). In accordance with the results of the vote we conducted at the 2023 Annual Meeting on the frequency of say-on-pay votes, we present a say-on-pay vote every year.

The Board of Directors strongly endorses the Company's executive compensation program and recommends that stockholders vote in favor of the following resolution:

RESOLVED, that the stockholders approve the compensation of those NEOs listed in the Summary Compensation Table of this proxy statement, as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis and the tabular and narrative disclosure included herein under "Executive Compensation."

Because the vote is advisory, it will not be binding upon the Board of Directors or the Compensation and Talent Committee and neither the Board of Directors nor the Compensation and Talent Committee will be required to take any action as a result of the outcome of the vote on this proposal. The Compensation and Talent Committee strongly considers the views of the Company's stockholders when making compensation decisions. Additionally, the Compensation and Talent Committee monitors the results of the annual advisory "say-on-pay" proposal and incorporates such results as one of many factors considered in connection with the discharge of its responsibilities.



The Board recommends a vote **"FOR"** the approval of the compensation of the NEOs.

Executive Compensation

Compensation Discussion and Analysis

This CD&A describes the principles, objectives and compensation policies and arrangements of our executive compensation program which is generally applicable to each of our senior officers. This CD&A focuses primarily on our Chief Executive Officer and the other executive officers whose 2024 compensation is included in the Summary Compensation Table, whom we collectively refer to in this proxy as our Named Executive Officers (NEOs).

Sarah M. London

Chief Executive Officer

Andrew L. Asher

Chief Financial Officer

Kenneth J. Fasola

Former President/
Strategic Advisor

Christopher A. Koster

Secretary and
General Counsel

Susan R. Smith

Chief Operating
Officer

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Executive Summary

Compensation Philosophy

Our compensation programs are designed to attract, retain and motivate highly qualified, industry-leading executives. Our compensation philosophy is centered on the guiding pillars described below.



Pay for Performance

Link executive compensation to performance and the achievement of both Company and individual goals. Superior performance and the achievement of goals results in higher compensation.



Alignment with Long-Term Stockholder Value

Use both performance-based and service-based long-term incentive awards with meaningful retention requirements to encourage sustained stockholder value creation.



Attract and Retain Top Executive Talent

Offer competitive pay to attract, motivate and retain industry executives with the skills and experience to drive superior long-term Company success.



Accelerate Mission and Culture

Motivate executives to advance the Company's key strategic objectives and manage risk while enabling a best-in-class workplace focused on the Company's mission and culture.

In evaluating Company performance, the Compensation and Talent Committee considers both financial results and operational performance. In 2024, the Company continued to navigate a complex Medicaid redeterminations process, produced industry-leading Medicare Advantage quality ratings improvements, and realized tremendous growth in our Marketplace product with a 12% membership increase over 2023. The Company continues to navigate a complex regulatory and political landscape and management has been focused on positioning the organization for long-term success. Our strong financial performance and successful execution of strategic goals were not reflected in our stock price, but we are confident that the management team's strategic priorities are positioning the Company for long-term growth and shareholder value creation.

The Company delivered solid financial performance in 2024 as outlined below:

- Total revenues of \$163 billion, an increase of 6% over 2023.
- GAAP diluted EPS of \$6.31, an increase of 27% over 2023.
- Adjusted diluted EPS¹ of \$7.17, an increase of 7% over 2023.

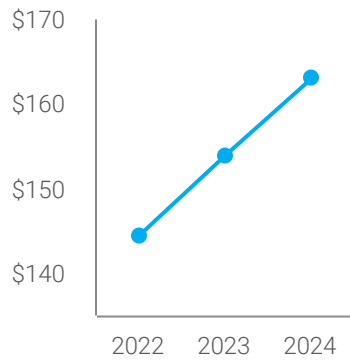
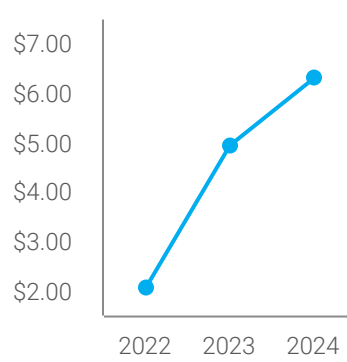
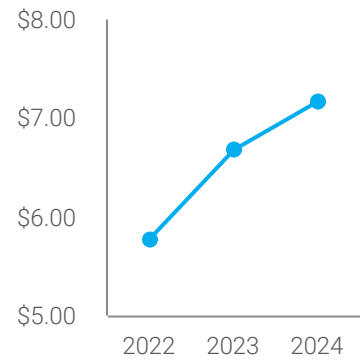
Overall, our three-year Compound Annual Growth Rates (CAGR) have been:

- Total revenues of 9%;
- GAAP diluted EPS of 40% and adjusted diluted EPS¹ of 12%;
- Net earnings of 35% and adjusted net earnings¹ of 7%;
- Adjusted EBITDA¹ of 6%; and
- Stock price decline of 10%.

¹ Refer to Appendix A for reconciliations of non-GAAP measures included throughout this proxy statement.

Total Revenues

(\$ in billions)

**GAAP Diluted EPS****Adjusted Diluted EPS¹**

¹ Refer to Appendix A for reconciliations of non-GAAP measures included throughout this proxy statement.

Evolution of Our Compensation Program

Our compensation program continues to evolve to maintain alignment with our compensation philosophy, be responsive to stockholder feedback and improve our governance practices. The following provides an overview of our compensation evolution for our NEOs:

2022

Annual Cash Incentive

- 50% Adjusted Diluted EPS weighting
- 40% Enterprise Goals & Individual Goals
- 10% Quality metric

Long-Term Incentives

- Stock options granted with stock appreciation condition

Other

- CEO compensation initially set slightly below the median
- New policy limits cash severance to 2.99x base + bonus

2023

Annual Cash Incentive

- 65% Adjusted Diluted EPS weighting
- 25% Enterprise & Individual Goals
- 10% Quality metric

Long-Term Incentives

- Added relative Total Shareholder Return (TSR) PSUs with target payout requiring above median performance
- Eliminated duplicative measures
- Eliminated stock options
- Eliminated Cash Long-term Incentive Plan (LTIP)

Other

- No salary increases for NEOs, except for a promotion increase for our President

2024

Annual Cash Incentive

- 65% Adjusted Diluted EPS weighting
- 25% Enterprise & Individual Goals
- 10% Quality metric
- Goals streamlined

Long-Term Incentives

- Replaced adjusted net earnings margin metric with average adjusted pre-tax margin metric

Other

- Improved plans, policies and procedures
- No salary increases for NEOs, except for a promotion increase for our Chief Operating Officer

2025

Annual Cash Incentive







- 60% Adjusted Diluted EPS weighting
- 20% Organic Premium and Service Revenues
- 20% Quality and Strategic Goals metric

Long-Term Incentives

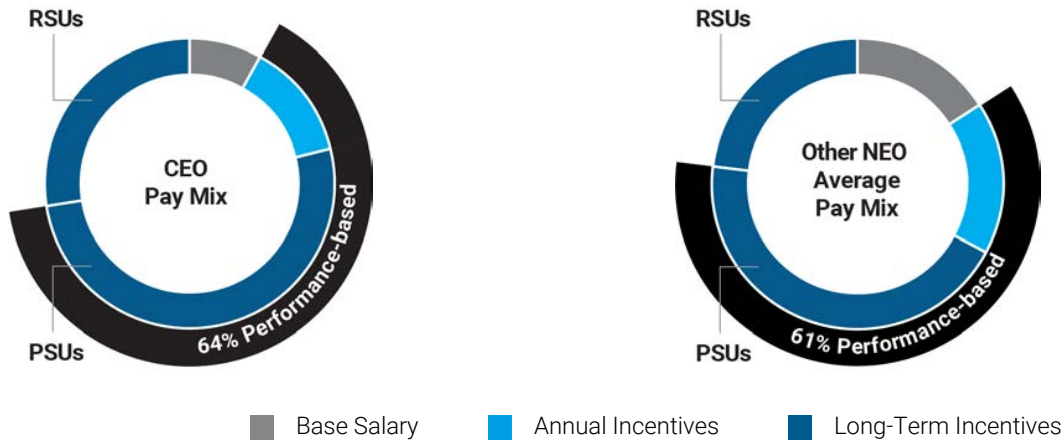
- Replaced pre-tax earnings growth CAGR with Medicare performance

2024 Compensation Component Overview

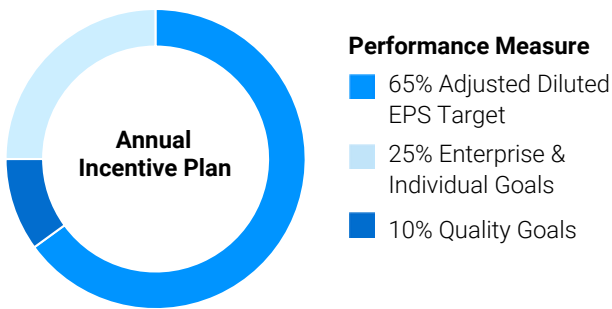
The 2024 plan design and awards resulted in the following pay elements and average target pay mix for our CEO and other NEOs:

		2024 Pay Elements		Award Type	Mix	Metrics	Purpose
		CEO	Other NEOs				
Fixed	Base Salary	 8%	 16%	Cash		<ul style="list-style-type: none"> No base salary increases other than Chief Operating Officer promotion increase 	To recognize individual contribution, time in role, scope of responsibility, leadership skills and experience.
	Annual Cash Incentive Plan	 13%	 17%	Cash		<ul style="list-style-type: none"> Adjusted Diluted EPS (65%) Enterprise & Individual Goals (25%) Quality Goals (10%) 	To reward executives for performance on key operational and financial measures, factoring in such individual's contributions toward enterprise goals.
Variable	Long-Term Incentive Awards	 79%	 67%	Equity	PSUs (65%) RSUs (35%)	<ul style="list-style-type: none"> Relative Total Shareholder Return (TSR) (33%) Average Adjusted Pre-tax Earnings Margin (33%) Adjusted Pre-Tax Earnings Growth CAGR (34%) 	To retain and motivate executives to drive long-term stockholder value and align their actions to drive successful business outcomes.

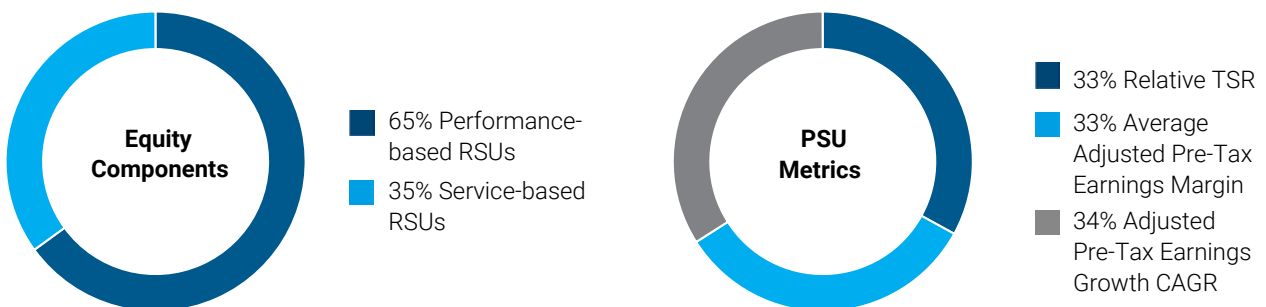
CEO and NEO Target Pay Mix



Annual Cash Incentive Plan



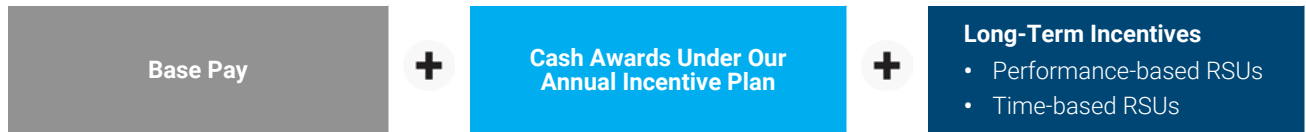
2024 - 2026 Long-Term Incentive Plan



Our Compensation Programs and Governance Practices

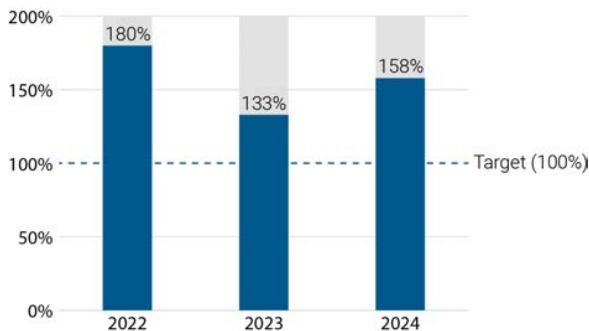
Alignment of Pay and Performance

We are a healthcare leader with \$163 billion in total revenues, ranking No. 22 on the Fortune 500 list, and have been named to Fortune's 2024 list of World's Most Admired Companies for the sixth consecutive year. In 2024, the Company delivered growth in total revenues and adjusted diluted EPS, which was key to our strategy to promote long-term stockholder value in a competitive business environment. Our total revenues in 2024 increased 6% over 2023, with a 9% three-year CAGR. Our NEOs' total incentive compensation opportunities are contingent on their ability to achieve profitable growth and improve margins that will provide a basis for increasing sustainable long-term value for our stockholders. When reviewing the NEOs' compensation with our independent executive compensation consultant, FW Cook, the Compensation and Talent Committee considered these objectives in conjunction with our executive compensation program in continuing to recognize our pay-for-performance culture through the following three primary components:

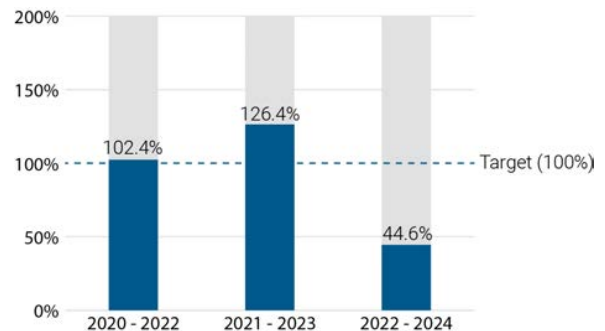


Payouts in both the annual and long-term programs reflect rigorous pay-for-performance goals. Our strong 2024 financial and operational performance translated into an above target payout under the annual incentive plan, while our below target 2022-2024 financial and TSR performance resulted in below target long-term incentive payouts.

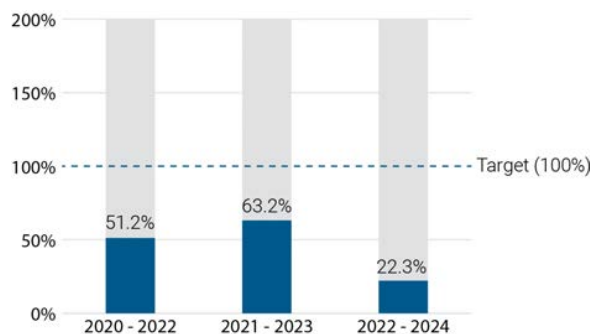
CEO Annual Incentive Award as % of Target



Long-Term Performance Share Unit Payouts as % of Target



Cash Long-Term Incentive Award as % of Target

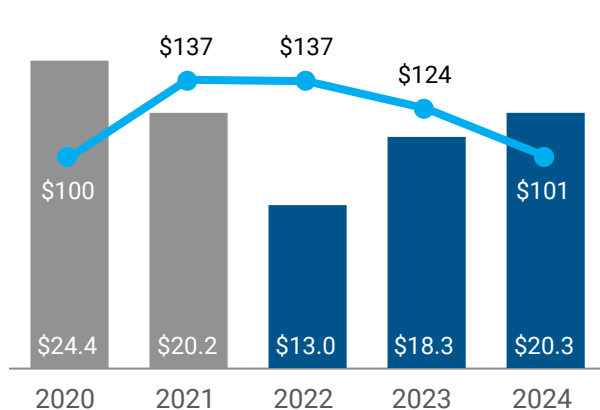


Company Performance and CEO Compensation Alignment

Our CEO's total compensation, as reported in the Summary Compensation Table, (where 2020-2021 was earned by Michael Neidorff; and 2022-2024 was earned by Sarah London) alignment with the Company's TSR, revenue and EPS performance metrics is illustrated in the following graphs:

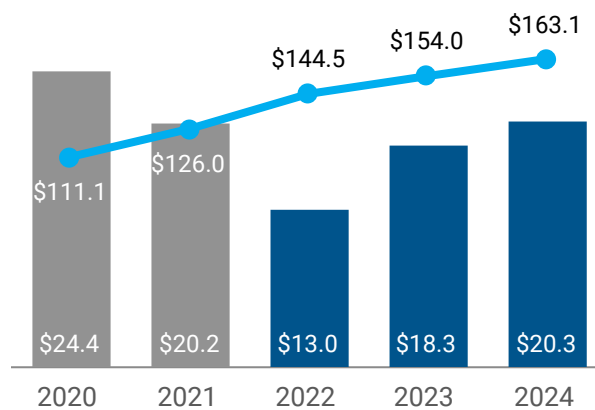
TSR and CEO Total Compensation

TSR Indexed to \$100 on December 31, 2020



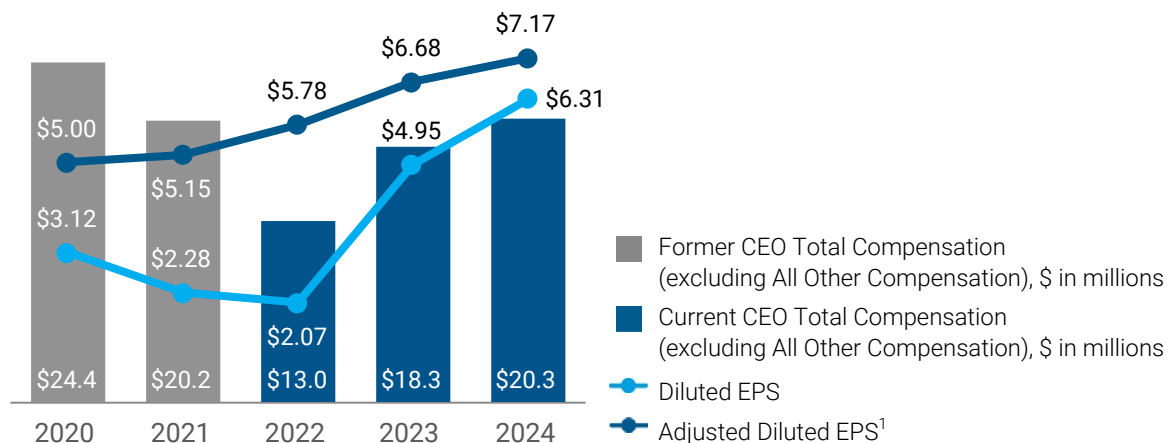
- Former CEO Total Compensation (excluding All Other Compensation), \$ in millions
- Current CEO Total Compensation (excluding All Other Compensation), \$ in millions
- TSR

Revenue and CEO Total Compensation



- Former CEO Total Compensation (excluding All Other Compensation), \$ in millions
- Current CEO Total Compensation (excluding All Other Compensation), \$ in millions
- Revenues, \$ in billions

Diluted EPS/Adjusted Diluted EPS and CEO Total Compensation



- Former CEO Total Compensation (excluding All Other Compensation), \$ in millions
- Current CEO Total Compensation (excluding All Other Compensation), \$ in millions
- Diluted EPS
- Adjusted Diluted EPS¹

¹ Refer to Appendix A for reconciliations of non-GAAP measures included throughout this proxy statement.

For an additional perspective on pay for performance, refer to the tabular disclosure as required by SEC rules beginning on page 110, with the accompanying narrative disclosure and supplemental charts. As demonstrated in the performance tables, in 2024, Ms. London's Compensation Actually Paid was only 26% of her Summary Compensation Table total, reflecting our pay-for-performance philosophy.

Executive Compensation Best Practices

The Compensation and Talent Committee establishes and administers the executive compensation philosophy and program and assists the Board of Directors in the development and oversight of all aspects of executive compensation. Presented in the table below are highlights of our compensation practices:

What We Do

✓ Pay for Performance

A majority of our NEOs' compensation is tied to performance with clearly articulated financial and other performance goals.

✓ Competitive Compensation

Each component of the NEOs' annual total direct compensation is generally targeted at the 50th percentile of peer group compensation. The Compensation and Talent Committee may consider differences from the median in certain cases.

✓ Performance-Based Long-Term Incentive Awards

We reward continuous performance on multiple metrics and vest at the end of a three-year period.

✓ Formula-Based Annual Incentive Plan

Awards under the Annual Cash Incentive plan are formula based.

✓ Tally Sheets

Tally sheets for each NEO are reviewed annually.

✓ Annual Compensation Risk Assessment

We regularly analyze risks related to our compensation program and we conduct broad risk assessments.

✓ Stock Ownership Requirements

We maintain rigorous stock ownership requirements for our directors, executives and other members of senior management. Our CEO's requirement is 6x annual base pay; other NEOs' requirements are 3x annual base pay.

✓ Clawbacks

We can recover performance-based cash and equity incentive compensation paid to executives in various circumstances.

✓ Independent Compensation Consultant

The Compensation and Talent Committee retains an independent compensation consultant to advise the committee on executive compensation matters.

✓ Executive Severance Arrangements

The Compensation and Talent Committee reviews severance policies annually and limits the usage of one-off arrangements.

What We Don't Do

✗ No Excessive Risk-Taking

The long-term incentive plans use multiple performance measures, capped payouts and other features intended to minimize the incentive to take overly risky actions.

✗ No Tax Gross-Ups

There are no tax "gross-ups" for perquisites or excise tax gross-ups in the event of a change of control related termination.

✗ No Single-Trigger Employment Agreements

Any cash payments in executive employment agreements are subject to a "double-trigger" change in control condition.

✗ No Backdating or Repricing of Stock Options

Stock options are never backdated or issued with below-market exercise prices. Repricing of stock options without stockholder approval is expressly prohibited.

✗ No Hedging or Pledging

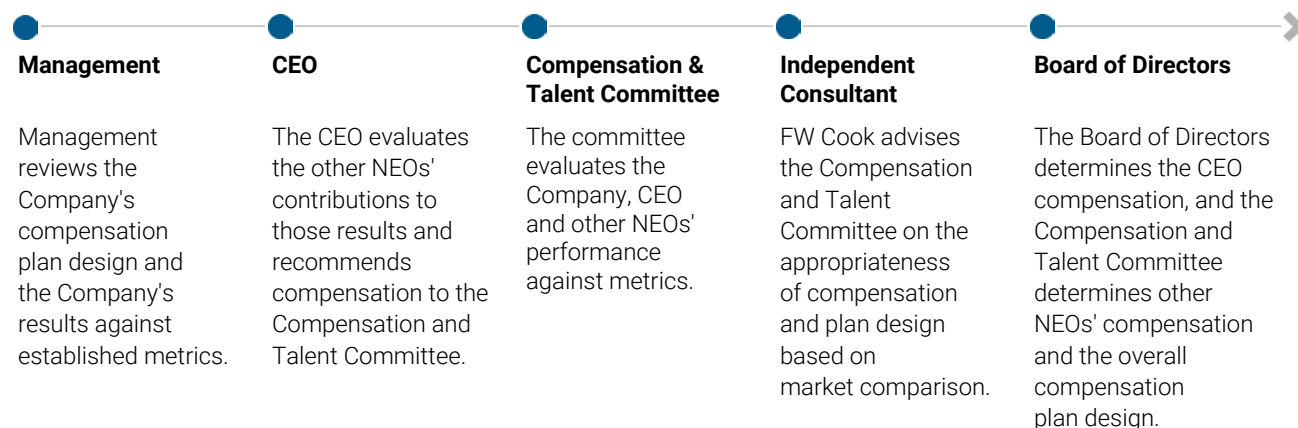
Directors and executives are prohibited from hedging, pledging or engaging in any derivatives trading with respect to Company stock.

✗ No Single-Trigger Stock Grants

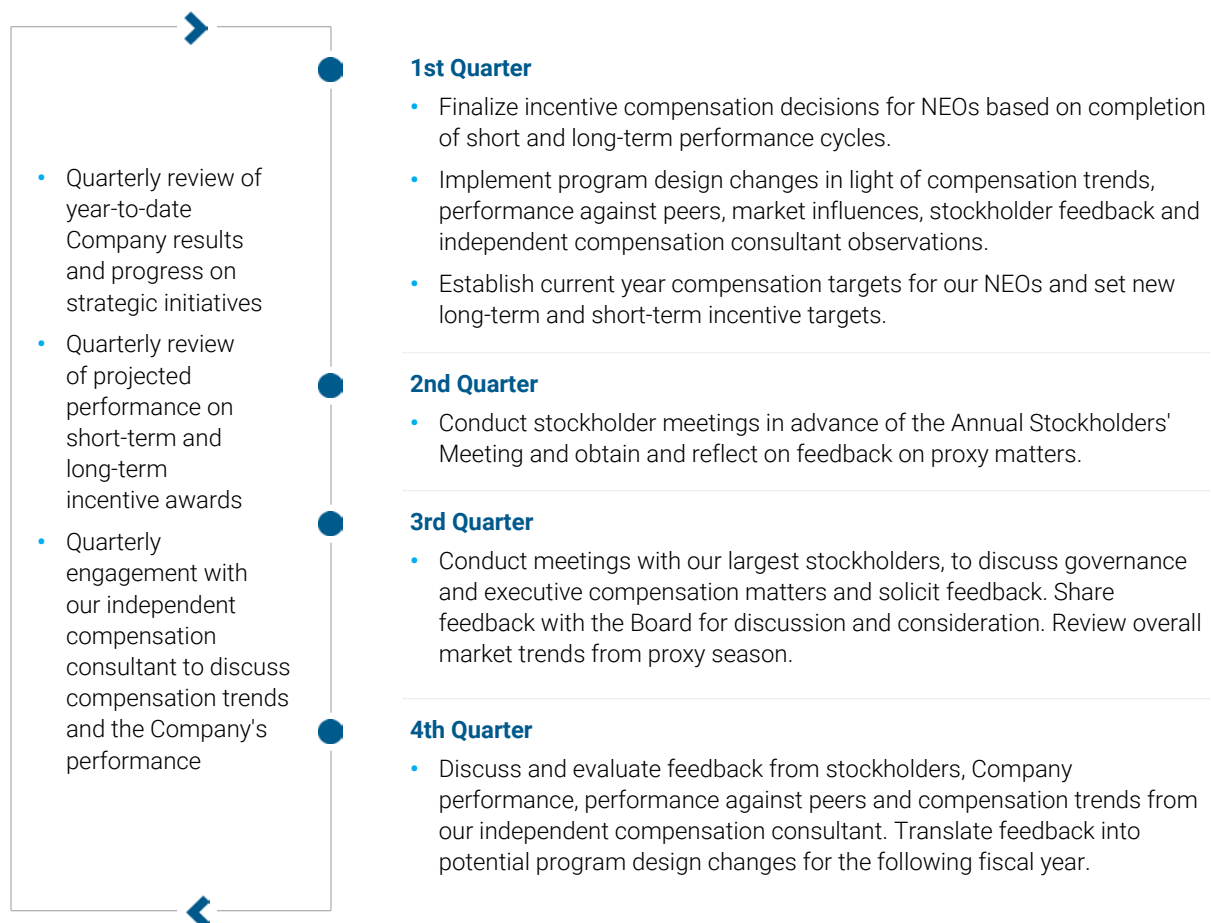
Equity compensation awards are subject to a "double-trigger" change in control condition.

The Decision-Making Process

Roles and Responsibilities



The processes governing our compensation program occur year-round.



Competitive Pay Design

Our compensation and benefit practices are designed to attract and retain the best talent and achieve robust operating objectives. Programs are designed to both motivate our employees and reward them for exceptional performance. The Company views both private equity firms and competitors with larger market capitalization as significant competition for talent. We also recognize that our Company is a source for these firms and competitors to recruit talent if the appropriate compensation programs are not in place.

For the components of target total compensation, the Compensation and Talent Committee's objectives are for base salaries, short-term incentives and total target compensation to approximate the median of peer group practice (or applicable survey sources). Long-term incentives are granted at levels, which when combined with base salary and target short-term incentives, result in the desired competitive positioning of total target compensation. Differences from the market median may be considered for a variety of factors, including performance, retention, tenure and recruitment requirements.

In order to achieve these objectives, the Compensation and Talent Committee establishes target, market-based total compensation levels (e.g. base salary, annual cash incentive target and long-term incentives) from market data from two different peer groups.

Peer Group

Healthcare Industry Peer Group

The Compensation and Talent Committee annually reviews the Company's peer group that it uses to conduct market analyses and determine competitive pay ranges for our executives. In determining the peer group, objectives considered include general industry, revenue size, market capitalization and business complexity. Using the Standard and Poor's Global Industry Classification System (GICS) codes and other relevant industry parameters, the Company and its compensation consultant analyzed the managed care industry and determined there are six key segments in the industry: Managed Health Care, Healthcare Distributors, Healthcare Services, Drug Retail, Healthcare Facilities, and Insurance.

Objective Criteria Considered	2024 Peer Group			
	Managed Health Care (Direct Competitors)	Healthcare Distributors	Healthcare Services & Drug Retail	Healthcare Facilities & Insurance
• Common Industries				
• Revenue	• Cigna Corporation (CI)	• Cencora (COR)	• CVS Health Corporation (CVS)	• HCA Healthcare, Inc. (HCA)
• Market Capitalization	• Elevance Health, Inc. (ELV)	• Cardinal Health, Inc. (CAH)	• Walgreens Boots Alliance, Inc. (WBA)	• MetLife, Inc. (MET)
• EBITDA	• Humana, Inc. (HUM)	• McKesson Corporation (MCK)		• Prudential Financial, Inc. (PRU)
• Total Assets	• Molina Healthcare, Inc. (MOH)			
• Number of Employees	• UnitedHealth Group, Inc. (UNH)			

Based on FW Cook's independent review and recommendation, no additional companies were added to the Healthcare Industry (HCI) Peer Group for 2025 compensation decisions.

Based on data compiled by FW Cook at the time of the peer group review, our positioning on the two most important key financial metrics relative to the peer group was as follows:

	Market Capitalization ^a	Revenue ^b
Centene Corporation	\$41.5 billion	\$144.2 billion
Relative Peer Group Position	24 th percentile	41 st percentile

^a Represents market capitalization as of August 31, 2024.

^b Represents revenues and investment and other income for the trailing four quarters reported as of August 31, 2024.

General Industry Group

Since there is a market for executive talent both within and outside our industry, we also benchmark against the general industry. Therefore, the market data the Compensation and Talent Committee utilizes includes not only the HCI Peer Group, but also a General Industry (GI) peer group of approximately 300 companies derived from the FW Cook Executive Compensation Survey for a broader perspective of compensation practices and trends in the market as a whole.

Benchmarking Methodology

The Compensation and Talent Committee's independent compensation consultant, FW Cook, gathered, analyzed and summarized the market data from the S&P Capital IQ database for the CEO and the other NEOs.

For this analysis, which is utilized in determining compensation for the forthcoming year, we use size-adjusted general industry data in line with our revenue to determine base salaries, annual cash incentive targets and LTI targets.

All elements of compensation are valued and reviewed in evaluating the relative competitiveness of our compensation practices against both market data and the Compensation and Talent Committee's competitive objectives. In addition, the Compensation and Talent Committee annually reviews a tally sheet for each NEO, which includes the current value of all outstanding equity-based awards, benefits and perquisites. The Compensation and Talent Committee uses the tally sheets to analyze each NEO's base salary, annual incentive target and long-term incentive opportunity in relation to the market and each component of compensation as a percentage of total compensation to determine if there is any risk of retention of key executives.

The Compensation and Talent Committee and CEO review the performance of each NEO and align compensation based on this analysis. The CEO is not involved in evaluating or determining her compensation.

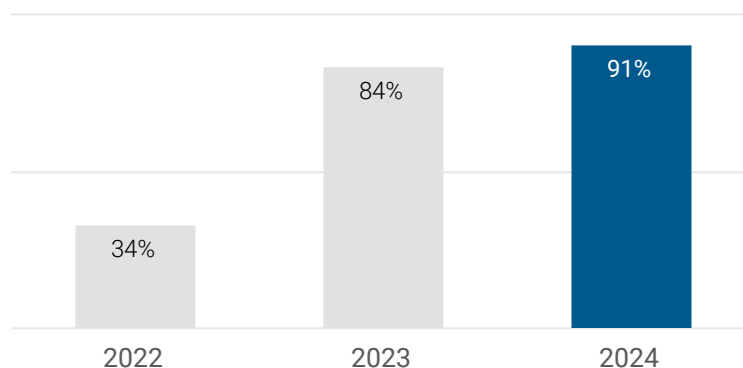
Stockholder Responsiveness

Members of our management team and Board regularly meet with stockholders and proxy advisor firms to gather their perspectives on key topics including our performance and strategy, corporate governance, management succession planning, executive compensation, human capital management and corporate responsibility.

In response to the feedback we received from stockholders in recent years, we made important changes to our compensation program beginning in 2022 as summarized below.

Category	Changes
CEO Compensation	✓ CEO compensation initially set slightly below the median
NEO Compensation	✓ Offers for new hires and promotions made with the goal of being at the 50th percentile
Annual Incentive Plan	✓ Increased formula-based weighting in performance metrics
	✓ Decreased weighting of enterprise and individual goals; enterprise goals are measurable against key financial and operational priorities
	✓ Incorporated quality metrics into our performance criteria
Long-Term Incentive Plan	✓ We no longer grant performance-based stock options under the plan
	✓ We no longer grant cash-based LTIP awards
	✓ Plan metrics are all different from the Annual Incentive Plan targets
	✓ PSUs are tied to a relative TSR performance metric
Performance Targets	✓ Performance against targets is described in the Executive Compensation Program section under Compensation Discussion and Analysis
Severance Payments	✓ Adopted cash severance policy to limit cash severance to 2.99 times annual salary and bonus and adopted a new executive severance plan
Clawback Policy	✓ Implemented a formal Clawback Policy for Executive Officers
Stock Ownership Guidelines	✓ Increased stock ownership requirements for CEO and other NEOs

Say-on-Pay Votes "For"



Based on our outreach and engagement with stockholders and changes to our compensation programs over the past two years, our Say-on-Pay votes increased by 57 percentage points since 2022. We hope to continue to realize strong support from our stockholders due to our demonstrated commitment to a pay-for-performance philosophy and strong governance practices.

Risk Disclosure

The Compensation and Talent Committee is aware of the consequences to companies that have not appropriately balanced risk and rewards in executive compensation. The Compensation and Talent Committee believes that in order for our overall compensation not to encourage or reward excessive risk-taking, it must emphasize long-term performance. Risk is further limited by both the ownership guidelines mentioned previously. In addition, we have adopted the Centene Corporation Clawback Policy (the Clawback Policy) in compliance with the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act further discussed on page 95.

The Company's compensation strategy is intended to mitigate risk by emphasizing long-term compensation and financial performance measures correlated with growing stockholder value rather than rewarding shorter performance and payout periods. A recent review of the Company's compensation programs by the Compensation and Talent Committee, with the support of FW Cook, did not identify any programs that unduly incentivize employees to take any excessive risks. Based on this review, our Compensation and Talent Committee concluded that our compensation programs, taken as a whole, are not reasonably likely to have a material adverse effect on the Company.

2024 Executive Compensation Program

The 2024 compensation plan design and metrics were developed by management and the Compensation and Talent Committee in early 2024. They reflect our compensation philosophy and modernized incentive design. Based on the positive feedback received from stockholders regarding our current compensation practices, we made limited changes to our existing compensation program.

The following is an overview of our 2024 executive compensation program.

Base Salary

In February 2024, the Compensation and Talent Committee evaluated the 2024 base salaries of our NEOs and took into account the Company's 2024 projected revenue of approximately \$144 billion. Our NEOs' base salaries were compared to competitive market data and the Compensation and Talent Committee believed that increases in base salaries were not necessary other than for Ms. Smith to reflect her appointment to Chief Operating Officer, effective January 1, 2024.

The NEOs were paid competitive base salaries as determined by the evaluation of the market value for each specific job. Since Centene is a pay-for-performance company, in 2024, only 8% of the CEO's total target compensation was comprised of base salary and, on average, 16% of all other NEOs' target compensation was comprised of base salary.

While reviewing market data to determine appropriate annual base salaries, the Compensation and Talent Committee also considers:

- the CEO's compensation recommendations for all other NEOs;
- the scope of responsibility, experience, time in position and individual performance of each executive, including the CEO;
- each executive's leadership performance and potential to enhance long-term stockholder value; and
- internal benchmarking.

Other than Ms. Smith's increase in base salary in connection with her appointment to Chief Operating Officer, no other NEO base salaries were increased.

	2024 Annual Base Salary (\$)	Percentage Increase (%)
Sarah M. London	\$ 1,400,000	—%
Andrew L. Asher	1,025,000	—%
Kenneth J. Fasola	1,100,000	—%
Christopher A. Koster	750,000	—%
Susan R. Smith	700,000	17%

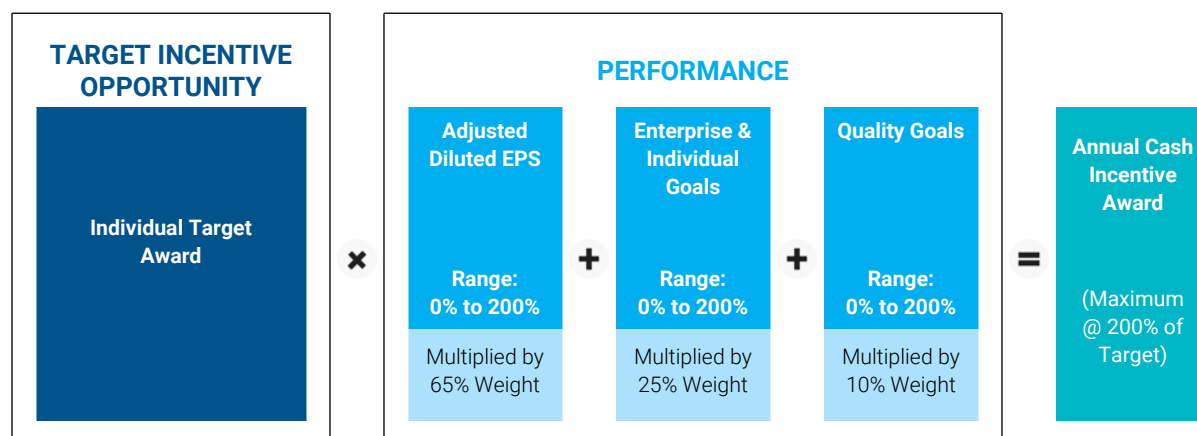
Annual Cash Incentive Plan

The Compensation and Talent Committee rewards NEOs with an annual cash incentive award if the Company achieves its annual cash incentive objectives. The cash incentive payout is based on multiple metrics which were evaluated by the Compensation and Talent Committee to determine the award earned for 2024. Based on a review of market data, the Compensation and Talent Committee approved an annual cash incentive plan target opportunity in 2024 as follows:

	2024 Target Annual Cash Incentive as % of Base Salary
Sarah M. London	175%
Andrew L. Asher	125%
Kenneth J. Fasola	125%
Christopher A. Koster	100%
Susan R. Smith	100%

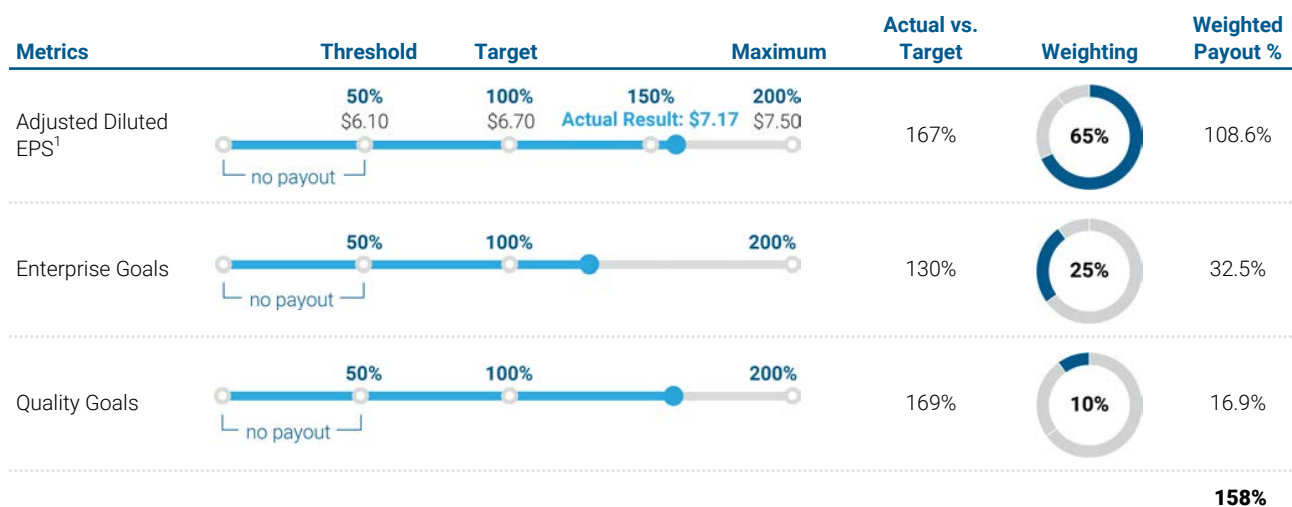
2024 Annual Cash Incentive Metrics

Metric	Weight
Adjusted Diluted EPS	65%
Enterprise & Individual Goals	25%
Quality Goals	10%
	100%



Annual Cash Incentive Plan Measures

Below is a summary of our performance of the Annual Cash Incentive Plan measures, which resulted in a total payout of 158%.

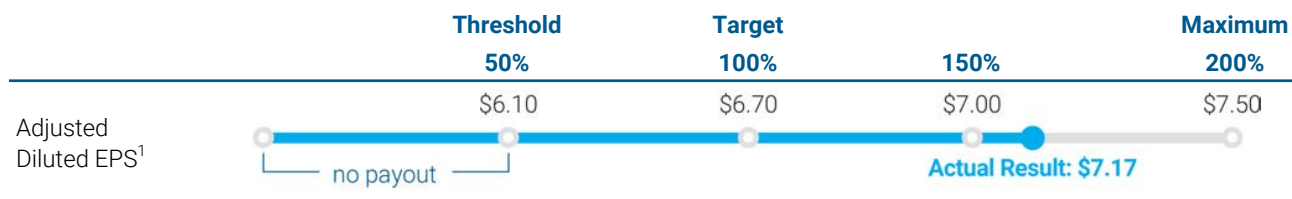


¹ Refer to Appendix A for reconciliations of non-GAAP measures included throughout this proxy statement.

Achievement of Adjusted Diluted EPS Objective

The Adjusted Diluted EPS objective is established during our annual operating planning process. Our annual cash incentive plan is developed each year based on a pay-for-performance approach with rigorous performance metrics that the Compensation and Talent Committee believes are challenging but attainable for our short-term and long-term incentive programs. In addition, the performance metrics align closely with our business environment and incorporate initiatives and investments during the year that will extend beyond near-term benefits and will support favorable longer-term impact on our business.

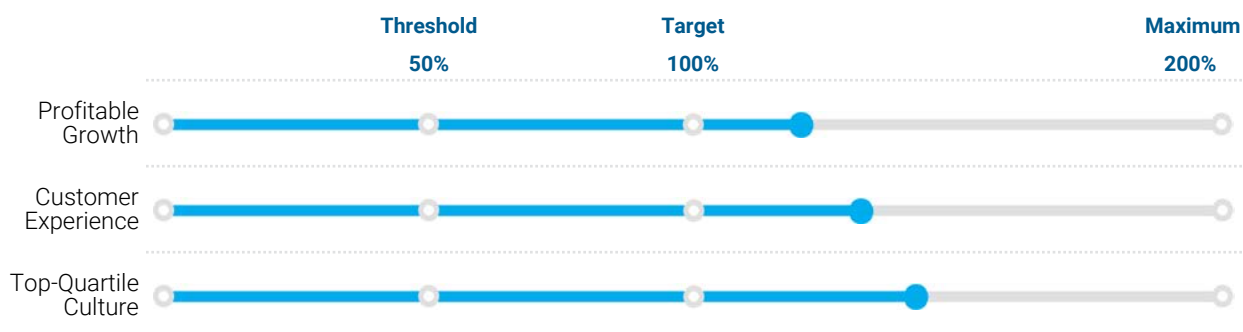
While the Company continues to execute on a rigorous growth strategy, the Compensation and Talent Committee continues to set metrics that reflect a continued focus on increased profitability. As illustrated below, based upon the approved Adjusted Diluted EPS metrics, the Compensation and Talent Committee had increased these profitability targets for 2024. The Compensation and Talent Committee included an additional data point at \$7.00 Adjusted Diluted EPS with a 150% payout to further incentivize all of management to achieve \$7.00 of Adjusted Diluted EPS. The Company reported Adjusted Diluted EPS for 2024 of \$7.17, resulting in an achievement of **167%**.



¹ Refer to Appendix A for reconciliations of non-GAAP measures included throughout this proxy statement.

Evaluation of Enterprise Performance

For 2024, the Compensation and Talent Committee uses a balanced scorecard approach for a number of quantitative and qualitative enterprise goals. The goals are established at the beginning of the fiscal year; the target payout levels were designed to be challenging but achievable, while payouts at the maximum levels were designed to be stretch goals. The evaluation of our enterprise goals involved a review of the performance of three equally weighted key 2024 goals that were established as critical initiatives in 2024. The blended performance of all enterprise unit goals was **130%**.



Profitable Growth

Our profitable growth goals in 2024 were successful reprocurments and new business wins, Duals membership growth, acceleration of our ICHRA strategy including our Indiana pilot, enhanced advance premium tax credit (eAPTC) advocacy, M&A and other activities consistent with our long-term growth plan.

We were successful with key reprocurments including, but not limited to, the following markets: Florida, Michigan, Kansas, Iowa, Pennsylvania and New Hampshire. We capitalized on new business including opportunities in Michigan (Highly Integrated Dual Eligible Special Needs Plan (HIDE SNP) & LTSS) and Ohio (Fully Integrated Dual Eligible (FIDE) SNP). These and other business development awards in 2024 represent approximately \$18 billion of annualized revenue. Finally, the Marketplace product ended the year with over four million members, the highest since the inception of the Affordable Care Act (ACA), and delivered margins well-within our long-term target range. We also developed and executed a state-based strategy to support eAPTCs.

We successfully launched an ICHRA pilot in the state of Indiana, resulting in significant interest in the product, and we recruited and subsequently installed a President for the ICHRA product. In addition, we exceeded our Duals membership goal by over 10%. Relative to M&A, we closed the Circle Health divestiture in January 2024, which marked the sunset of our international portfolio. We also completed the divestiture of Collaborative Health Systems in October 2024. These divestitures allow the Company to focus on our core lines of business.

While we had significant wins in 2024, consistent with our long-term growth strategy, we had disappointing initial results in Texas, where we lost business in certain regions, and in Georgia. Both results remain subject to ongoing protest.

As a result of the considerations outlined above, the Compensation and Talent Committee set the metric achievement for profitable growth at **120%**.

Customer Experience

Our customer experience goals were defined by the following: (1) successful deployment of a provider portal and digital product suite to improve the provider administrative experience, (2) improving our relationships with key customers, including our government partners, and (3) investing in innovation to drive health outcomes.

In evaluating our performance against these goals, the Compensation and Talent Committee considered the following outcomes. Nearly all markets are now live on industry-standard provider portal technology, allowing providers to use this portal to submit authorizations and claims, enabling digital transactions and faster processing of data exchange between Centene and our provider partners, and creating access to health plan information for their Centene patients.

As of November 2024, our providers have access to clinical tools, member data, and health plan information for 73% of our members across 24 states, and nine additional market implementations were completed in January 2025 as originally planned. In 2025, we will be focused on implementing new value-added capabilities and driving increased provider adoption.

We transformed our relationships with key customers, including our government partners by delivering on sustained operational improvements, including a strong CMS Medicare Program Audit. We partnered on innovation projects with state and federal leadership, including participating in CMS' health care payment and learning action network (HCP LAN) and engaged as a data and thought partner with CMS on multiple other innovation projects.

Finally, we invested in unique projects to drive health outcomes in our communities, including two key partnerships to strengthen value-based care and maternal and child health outcomes: one partnership with the NACHC across the country, and a second project that unlocks approximately \$900 million of construction-related activity for low-income housing and community development services across the country.

Based on the evaluation of these key milestones, the Compensation and Talent Committee assigned a **130%** achievement level for this metric.

Top-Quartile Culture

Our final enterprise goal was centered on Centene's culture journey. Performance indicators were based on launching a validated culture assessment with above-benchmark participation, finalizing and introducing a behavior framework, deploying an accountability model, and meeting or exceeding Fortune 100 median engagement results. In assessing performance against this goal, the Compensation and Talent Committee recognized that we co-developed a first-of-its-kind, science-based culture assessment and outperformed an aggressive goal for company-wide participation. We introduced a behavior framework and have incorporated behaviors into the performance management program to hold ourselves accountable for measured culture progress. Engagement performance exceeded Fortune 100 Top Quartile for all indices.

As a result, the Compensation and Talent Committee assigned an achievement level of **140%** for this metric.

Evaluation of Quality Goals

We track internal forecast data around quality metrics for our business lines including Medicare Star ratings, National Committee for Quality Assurance (NCQA) accreditation, Consumer Assessment of Healthcare Providers and Systems survey results and Medicaid HEDIS measures. These metrics reflect the results derived from our comprehensive clinical programs designed to improve quality outcomes.

The Medicare Star ratings evaluated for the 2024 cash incentive plan are the result of efforts performed in 2023, impacting the 2026 revenue year. The target range was capped at 45% of Medicare members in a 3.5+ Star plan. The Medicaid HEDIS measures metric is based on a national average year-over-year improvement and performance on priority HEDIS measures. Both metrics are formula based with defined thresholds, targets and maximums. The priority HEDIS measures for 2024 included diabetes management, controlling high blood pressure, well child and adolescent visits, breast cancer screenings, and two measures focused on maternal medicine.

The Company exceeded its target with 55% of Medicare membership in 3.5+ Star plans, despite higher than industry-anticipated cut point changes. The Company met or outperformed on the Medicaid HEDIS measures in nearly all our health plans, resulting in aggregate year-over-year improvement on an overall average basis.

The Compensation and Talent Committee approved a quality metric payout of **169%**, based on the formulaic results of the quality Star ratings and HEDIS measures.

The result of our quality metric is shown below:



Evaluation of Individual Performance

The Compensation and Talent Committee assessed how each NEO contributed to achieving the Company's Adjusted Diluted EPS objective and enterprise goals established at the beginning of the year. Based on their assessment of each NEO's contributions toward our enterprise goals, two individual performance adjustments were made for 2024. Mr. Asher's payout was positively adjusted, reflecting his assumption of Medicaid and Markets oversight in 2024; this represented a significant scope increase without a corresponding base pay adjustment in 2024. Mr. Fasola's payout reflects his adjusted scope during 2024 as he transitioned to senior advisor in preparation for his July 2025 retirement.

The Compensation and Talent Committee approved the following annual cash incentive awards:

NEO	Target Opportunity % of Salary	Target Opportunity (\$)	Funding Rate	Payout (\$)
Sarah M. London	175%	\$ 2,450,000	158%	\$ 3,871,000
Andrew L. Asher	125%	1,281,250	200%	2,562,500
Kenneth J. Fasola	125%	1,375,000	100%	1,375,000
Christopher A. Koster	100%	750,000	158%	1,185,000
Susan R. Smith	100%	696,154	158%	1,099,923

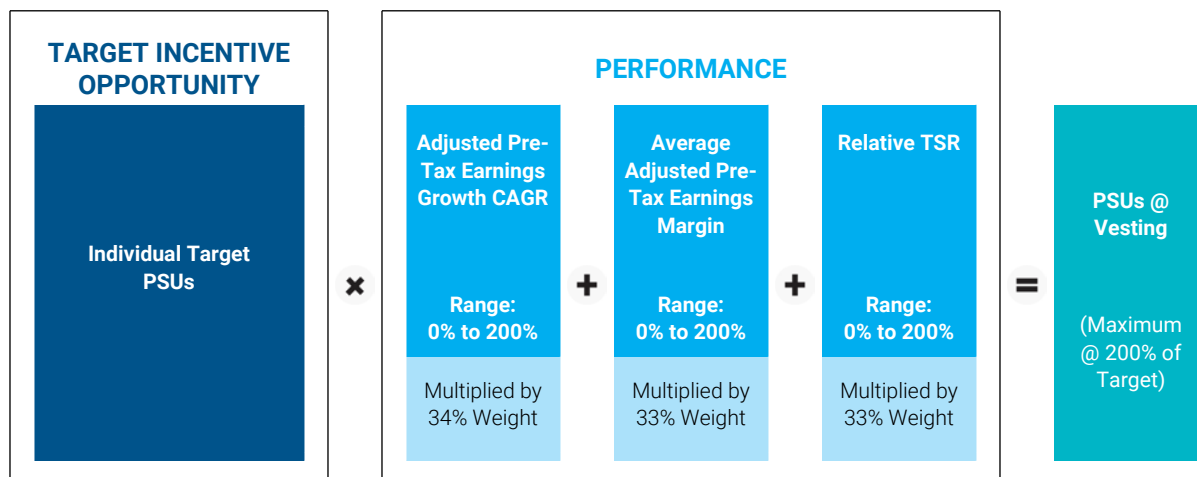
Long-Term Incentive Awards

2024 Annual Long-Term Incentives

In 2024, as a result of positive feedback from our stockholders and a desire for stability, we only made minor changes to our long-term incentive design and metrics. The 2024 awards were granted in March and consisted of the following:

- **Performance-based Restricted Stock Units (PSUs) (65% of shares granted)** - The metrics for the 2024-2026 performance period are three-year adjusted pre-tax earnings growth (34% weight), three-year average adjusted pre-tax earnings margin (33% weight) and three-year TSR relative to our peers (33% weight). Threshold, target and maximum metric achievement will result in 50%, 100% or 200% attainment of each metric, respectively. The threshold, target and maximum level of achievement for the TSR is set to 25th percentile, 55th percentile and 80th percentile, respectively. If the Company's TSR for the performance period is negative, then the payout for this component will not exceed 100% of target. If earned, PSUs will vest in February 2027.
- **Service-based Restricted Stock Units (RSUs) (35% of shares granted)** - One-third vest annually based on continued service with the Company.

Metric	Weight
Adjusted Pre-Tax Earnings Growth CAGR	34%
Average Adjusted Pre-Tax Earnings Margin	33%
Relative TSR	33%
	100%



Below is a summary of long-term target compensation awarded to our NEOs in 2024:

NEO	Performance-Based RSUs (\$)	Service-Based RSUs (\$)	Total Target Long-Term Compensation (\$)
Sarah M. London	\$ 9,677,604	\$4,952,528	\$14,630,132
Andrew L. Asher	4,749,023	2,430,330	7,179,353
Kenneth J. Fasola	4,120,709	2,108,714	6,229,423
Christopher A. Koster	1,932,158	988,726	2,920,884
Susan R. Smith	1,094,275	560,032	1,654,307

2022-2024 Performance-Based Restricted Stock Unit Award Results

In December 2021, the Compensation and Talent Committee established the following metrics, targets and weights for the 2022-2024 PSUs. The Company results of both targets are shown below with a total percentage earned at 44.6% of the target:

Metrics	Threshold	Target	Maximum	Weight	Metric Payout of Target	Weighted Payout %
2022-2024 Actual: \$7.17						
2024 Adjusted Diluted EPS ¹	\$7.00	\$7.62	\$8.25	70%	63.7%	44.6%
no payout						
2022-2024 Actual: 2.6%						
2024 Adjusted Net Earnings Margin ¹	3.00%	3.30%	3.60%	30%	—%	—%
no payout						

44.6%

¹ Adjusted net earnings margin and adjusted diluted EPS represent non-GAAP measures. Refer to Appendix A for reconciliations of non-GAAP measures throughout this proxy statement.

The number of shares earned by each NEO at 44.6% are reflected in the table below, demonstrating our rigorous goals:

Name	Target (#)	Vested Shares (#)
Sarah M. London	105,947	47,252
Andrew L. Asher	51,846	23,123
Kenneth J. Fasola	21,317	9,507
Christopher A. Koster	19,243	8,582
Susan R. Smith¹	—	—

¹ Ms. Smith did not have an award as she was not with the Company at the time of grant for this performance cycle.

2022-2024 Cash Long-Term Incentive Plan Award Results

In December 2021, the Compensation and Talent Committee established the following metrics, targets and weights for the 2022-2024 Cash LTIP. The Company results for each metric are shown below. The Company was below the threshold for the Adjusted Net Earnings Margin and relative TSR metrics. Only the Adjusted Diluted EPS metric exceeded the minimum threshold, resulting in a total percentage earned at 22.3% of the target reflecting our recent stock price performance:

Metrics	Threshold	Target	Maximum	Weight	Metric Payout of Target	Weighted Payout %
2024 Adjusted Net Earnings Margin ¹	3.00%	3.30%	3.60%	15%	—%	—%
2024 Adjusted Diluted EPS ¹	\$7.00	\$7.62	\$8.25	35%	63.7%	22.3%
HCI Peer Group Relative TSR Percentile Rank	25th	55th	90th	50%	—%	—%
						22.3%

¹ Adjusted net earnings margin and adjusted diluted EPS represent non-GAAP measures. Refer to Appendix A for reconciliations of non-GAAP measures throughout this proxy statement.

The amounts earned by each NEO at 22.3% are reflected in the table below:

Name	Target (\$)	Payout (\$)
Sarah M. London	\$1,875,000	\$ 418,125
Andrew L. Asher	975,000	217,425
Kenneth J. Fasola	1,000,000	223,000
Christopher A. Koster	750,000	167,250
Susan R. Smith¹	—	—

¹ Ms. Smith did not have an award as she was not with the Company at the time of grant for this performance cycle.

Status of LTI Award Programs

TSR-Based LTI Award Status Through December 31, 2024

LTI Performance Period	2022	2023	2024	Status
2022-2024 3-year LTI	100% Complete			●
2023-2025 3-year LTI	67% Complete			●
2024-2026 3-year LTI	33% Complete			●

Status Legend:

- Tracking Above Target / Above Target Payout
- Tracking On Target / On Target Payout
- Tracking Below Target / Below Target Payout

Other Benefits

We provide our NEOs with a defined contribution 401(k) retirement program, which is the same program that is generally provided to all our employees. We also provide our NEOs with a non-qualified deferred compensation plan to make up for matching contributions that are capped by compensation limits imposed on qualified retirement plans under the Internal Revenue Code. We do not provide our NEOs with a defined benefit retirement program. We also do not provide retiree medical coverage to our NEOs.

With respect to most other benefits, the benefits provided to NEOs and other executive officers are comparable to those provided to the majority of salaried and hourly Company employees. However, additional benefits to our NEOs can include relocation benefits and premiums for insurance benefits.

We believe that the personal safety and security of our NEOs is of the utmost importance to the Company and our stockholders. We provide security services to certain executives as part of proper risk management. Security services may include, in some cases, personal security services, including the use of Company provided aircraft. These protections are provided due to the range of security issues encountered by executive officers of large corporations in our industry.

2025 Compensation Decisions

In 2025, the Compensation and Talent Committee made minor updates to the annual cash incentive and long-term incentive plan design and structure based on positive feedback from stockholders. The Compensation and Talent Committee discussed and evaluated feedback from stockholders, considered peer practice and compensation trends, and considered Company-specific factors.

Based on this assessment, the Compensation and Talent Committee incorporated premium and service revenues into the annual cash incentive reflecting a philosophy that revenue growth is critical for profitable growth and adjusted the weighting of other metrics, reflecting an overall shift to more formulaic metrics. The Compensation and Talent Committee replaced the adjusted pre-tax growth CAGR with Medicare performance in our long-term incentive and adjusted the weighting of the metrics.

2025 Annual Cash Incentive

The Compensation and Talent Committee rewards NEOs with an annual cash incentive award for achieving the Company's predefined annual metrics. For the 2025 annual cash incentive awards, the Compensation and Talent Committee included Adjusted Diluted EPS, organic premium and service revenue, quality, and strategic goals.

The Adjusted Diluted EPS and organic premium and service revenue targets align with our 2025 guidance announced in connection with our 2024 year-end earnings release. Our annual cash incentive plan targets are developed each year based on a pay-for-performance approach with rigorous performance metrics that the Compensation and Talent Committee believes are challenging but attainable at target for our short-term and long-term incentive programs and include stretch goals to reach to pay above target.

2025 Annual Cash Incentive Metrics

Metric	Weight
Adjusted Diluted EPS	60%
Organic Premium and Service Revenue	20%
Quality and Strategic Goals	20%
	100%

The Compensation and Talent Committee will assess and evaluate how each NEO contributed to achieving this Adjusted Diluted EPS and organic premium and service revenue and the other pre-determined objectives stated above. Individual performance adjustments may be incorporated to reflect the executives' contributions towards the goals.

Individual awards under our annual cash incentive plan are approved by the Compensation and Talent Committee based primarily upon:

- business performance versus our business plan;
- the effectiveness of each executive's leadership performance and potential to enhance long-term stockholder value;
- targeted cash incentive amounts, which are based upon market data; and
- the recommendation of the Chief Executive Officer (for all NEOs other than the CEO).

Overall, 60% of each award is aligned with the Adjusted Diluted EPS target, 20% is based on meeting organic premium and service revenue targets, 20% is based on a combination of specific quality metrics and strategic goals of the overall company.

In 2025, we will continue to focus on long-term stockholder value through meeting our financial metrics that are measurable against key financial and operational priorities. We are focused on key initiatives related to profitable growth and talent & culture. As part of our quality objectives, we have goals that are tied to key Medicare and Medicaid quality metrics.

2025-2027 Long-Term Incentives

Our long-term incentive compensation is designed to attract and retain key executives, build an integrated management team, reward for innovation and appropriate risk-taking, balance short-term planning with long-term success and align executive and stockholder interests. This includes using adjusted pre-tax earnings margin, Medicare performance, and relative TSR. Annual grants are based on performance and are guided by market practices.

These long-term incentives take the form of the following:

- **PSUs (60% of stock granted)** that are based on meeting predetermined performance targets (average adjusted pre-tax earnings margins, Medicare performance, and a three-year relative TSR) vest at the end of the three-year performance period.
- **RSUs (40% of stock granted)** that vest ratably over three years.

Long-term incentives are provided through equity, ensuring that the maximum number of shares of common stock granted in any calendar year (excluding shares granted in connection with an acquisition) does not exceed a level associated with competitive practice. Excluding acquisitions, the Company does not annually grant equity compensation exceeding 2% of the outstanding shares of the Company. In 2024, our run rate was 0.7%. Due to growth of the Company, the competitive nature of our business and the necessity of retaining key management level employees, equity grants can be awarded to levels below senior executives. Annual PSU and RSU awards are granted in March to eligible employees but may also be approved at other times for a promotion, retention, a newly hired executive or as determined by the Compensation and Talent Committee.

Other Compensation Policies and Information

Individual Employment and Severance Agreements

The Company is party to employment agreements with each of Sarah M. London, Andrew L. Asher, and Kenneth J. Fasola. The Board has determined that it is in the best interests of the Company and our stockholders that such executives enter into employment agreements to ensure their commitment to individual duties, compliance with restrictive covenants and the continued dedication of the executive, notwithstanding the possibility, threat or occurrence of a termination of employment, in particular upon a change in control. The Board believes it is imperative to diminish the inevitable distraction of the executive by virtue of the personal uncertainties and risks created by a pending or threatened change in control, to encourage the executive's full attention and dedication to the Company and to provide the executive with compensation and benefits arrangements upon a change in control which (i) will satisfy the executive's compensation and benefits expectations and (ii) are competitive with those of other major corporations.

Ms. London is party to an employment agreement dated April 27, 2022, entered into in connection with her appointment to the role of CEO. Pursuant to an employment agreement dated April 28, 2022, Mr. Asher agreed to continue serving as our Chief Financial Officer. In an effort to further align our executives' compensation with the interests of stockholders and promote corporate best practices, Ms. London and Mr. Asher's employment agreements were amended on February 20, 2023, to eliminate multi-year guaranteed long-term compensation awards. Future long-term compensation awards shall be annually determined by the Compensation and Talent Committee in its sole discretion.

The Company entered into an employment agreement with Mr. Fasola on February 20, 2023, pursuant to which Mr. Fasola agreed to serve as our President. Mr. Fasola is adviser to the Company as of January 1, 2025, and is expected to retire as of July 1, 2025.

Under the terms of any employment agreement and under the Centene Corporation Amended and Restated Executive Severance and Change in Control Plan (the Executive Severance Plan), if any components or amounts payable under the agreement are deemed to be "excess parachute payments" within the meaning of Section 280G of the Code or similar provision, the amount shall be reduced to the extent necessary so that no amounts paid shall be deemed excess parachute payments or, if the net benefit is greater, no reduction will be made, however the executive will be required to pay any additional taxes. No agreement provides for an excise tax gross-up.

In their respective agreements, the executives agree to non-competition and non-solicitation provisions that may extend through the first anniversary of termination of employment (for Ms. London, the period is 24 months). In the event of a termination due to a change in control, Ms. London's non-competition and non-solicitation period will be reduced to 12 months and Mr. Asher will no longer be subject to such covenants. For a further description of the material terms of the employment agreements with Ms. London and Messrs. Asher and Fasola, see the "Individual Employment Agreements" section.

Executive Severance Plan

Christopher A. Koster and Susan R. Smith are each subject to restrictive covenant agreements and eligible for benefits under the Company's Executive Severance Plan.

Under the Executive Severance Plan, if Mr. Koster or Ms. Smith undergoes a termination of employment without cause (other than a change in control termination), he or she will receive the following: (i) a lump sum equal to one times his/her base salary plus prorated target bonus; (ii) the Company portion of COBRA premiums for medical and dental benefits for 12 months; (iii) outstanding equity awards will continue to vest and stock option and stock appreciation rights will continue to be exercisable (if not expired by their terms) for 12 months, with PSUs vesting based on actual performance; and (iv) outplacement assistance for six months following the termination. If Mr. Koster or Ms. Smith undergoes a termination of employment without cause or for good reason within 24 months after a change in control (or a termination without cause during the six months prior to a change in control, if requested by a third party participating in or causing the change in control), he or she will receive the following: (i) a lump sum equal to two times his/her base salary plus two times his/her average bonus plus a prorated target bonus; (ii) the Company portion of COBRA premiums for medical and dental benefits for 18 months; (iii) outstanding equity awards will fully vest and become exercisable as of the date of termination, and stock option and stock appreciation rights will continue to be exercisable until the earlier to occur of 12 months after the change in control termination or the expiration date of the award, with any applicable performance goals deemed achieved at the greater of target or actual performance prior to the change in control; and (iv) outplacement assistance for 6 months following the termination. Additionally, Mr. Koster and Ms. Smith are subject to a non-competition and non-solicitation (of Company employees or customers) obligation, each for a period of 12 months after termination for any reason, as well as ongoing confidentiality requirements. The non-competition obligation does not apply if Mr. Koster or Ms. Smith undergoes a change in control termination.

Retirement Provisions

In addition, for all Company employees, Company awards include a qualified retirement definition. NEOs who are at least 55 years of age and have 10 years of employment at the time of retirement are eligible for the following:

- A pro-rated number of PSUs vesting at the end of the performance period, based on the amount of time employed during the vesting period and actual performance outcomes.
- One-year continuation of vesting of RSUs upon a qualified retirement.
- A pro-rated annual paid bonus, if employed for six months of the calendar year, paid at actual performance generally at the same time when bonuses are paid to other employees.

Mr. Asher is eligible for qualified retirement treatment. His employment agreement also provides for the acceleration of equity awards upon retirement.

Clawback Policy

We have adopted the Clawback Policy in compliance with the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Pursuant to the Clawback Policy, in the event of an accounting restatement, any erroneously awarded compensation received during the three completed fiscal years prior to the accounting restatement (a) that is then-outstanding but has not yet been paid shall be automatically and immediately forfeited and (b) that has been paid to the executive officers shall be subject to reasonably prompt repayment to the Company. Recovery of any erroneously awarded compensation under the Clawback Policy is not dependent on fraud or misconduct by any person in connection with the accounting restatement.

Stock Ownership Guidelines

We utilize stock ownership guidelines for our NEOs, corporate officers and Board. We believe that ownership of our stock helps align the interests of our executives and stockholders and encourages executives to act in a manner that is expected to increase stockholder value. The stock ownership guidelines for our officers are as follows:

	Minimum Ownership Requirement as a Multiple of Base Salary
Chief Executive Officer	6x
President & Executive Vice Presidents	3x
Senior Vice Presidents	2x
Business Unit Leaders & Other Corporate Executives	1x

The Compensation and Talent Committee annually reviews the stock ownership levels of the Board and all officers. Future stock awards take into consideration the executive's level of attainment of the suggested stock ownership amount. The Compensation and Talent Committee may elect to award the annual incentive to an executive in stock instead of cash if the suggested stock ownership amount is not achieved.

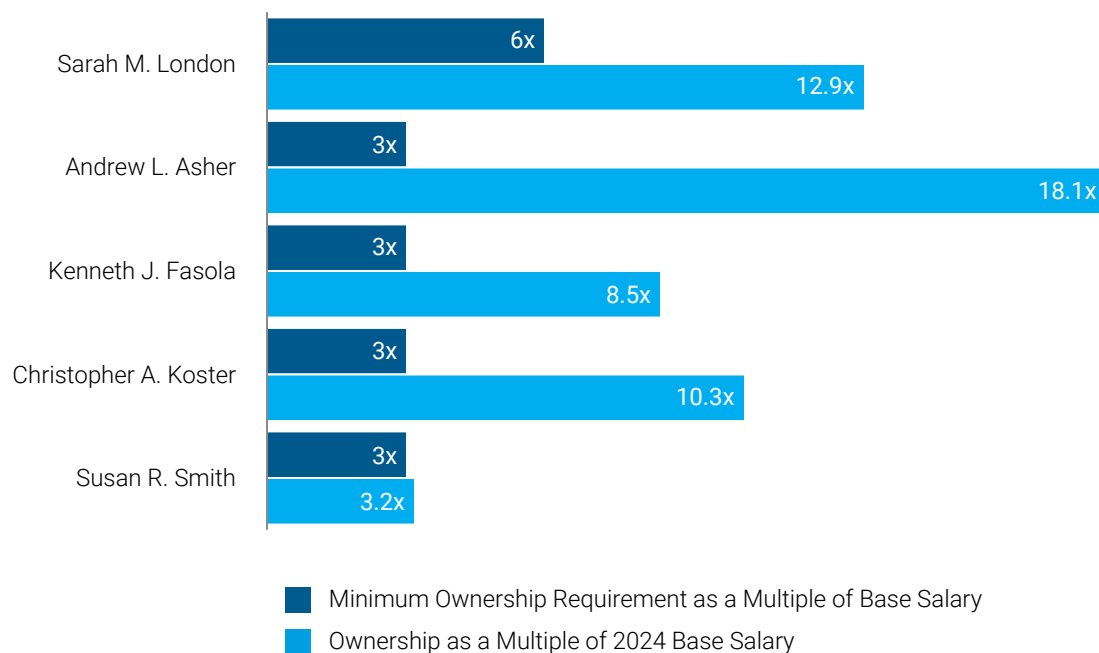
In 2024, the Compensation and Talent Committee increased the minimum ownership requirements from 5x base salary to 6x base salary for the Chief Executive Officer and from 2.5x to 3x for the President and Executive Vice Presidents. This was based on benchmarking to market and to increase alignment between the executives and stockholders.

Shares owned directly by the officer (including those held as a joint tenant or as tenant in common), unvested RSUs, shares owned in a self-directed IRA, "phantom shares" held in the deferred compensation plan and certain shares owned or held for the benefit of a spouse or minor children are counted toward the guidelines. Options and unearned PSUs are not counted toward the ownership guidelines.

The Board has established a policy requiring executive officers to retain ownership of the shares received from the vesting or payout of any RSU and PSU awards granted under our stock incentive plan (net of any shares used to satisfy tax obligations) for one year following such vesting or payout. An executive may substitute the tax basis of the shares under restriction for other shares held outright.

As of the close of the last fiscal year and the date of this report, all NEOs subject to the ownership guidelines are in compliance with the guidelines. At \$60.58 per share (the December 31, 2024 closing stock price), our NEOs held Company stock as of a multiple of their ending 2024 base salaries as follows:

Stock Ownership Achievement



Stock ownership guidelines for members of our Board require them to own 7.5 times the annual cash retainer within five years of being appointed to the Board. As of December 31, 2024, all directors were in compliance with this requirement.

Insider Trading Policy

The Company maintains insider trading policies and procedures governing the purchase, sale, and/or other dispositions of the Company's securities by directors, officers, and employees, as well as the Company itself, that we believe are reasonably designed to promote compliance with insider trading laws, rules, and regulations, as well as NYSE listing standards. A copy of our insider trading policy was filed as Exhibit 19 to our Annual Report on Form 10-K.

Hedging and Pledging Policy

The Board maintains the Company's insider trading policy, which prohibits hedging and pledging of shares by all employees, including executive officers, consultants, contractors, members of the Board and any persons that reside in the same household as any of the foregoing persons. Our insider trading policy also prohibits members of the Board and any employees from engaging in short-term or speculative transactions involving our securities. Our insider trading policy provides that members of the Board and employees may not engage in short sales of our securities, including short sales "against the box," or purchase sales of puts or calls for speculative purposes. Our insider trading policy also strictly prohibits trading in call or put options involving Centene securities and other derivative securities and holding Centene securities in a margin account. The Board also maintains a policy regarding material nonpublic information, which sets forth prohibition against trading in Centene's securities and entering into or amending 10b5-1 plans during a specified period for certain employees and pre-clearance procedures for section 16 officers. As of March 14, 2025, all executive officers and directors were in compliance with these policies.

Deductibility of Executive Compensation

Section 162(m)(6), which was enacted as part of the Patient Protection and Affordable Care Act, amended the Code to limit the amount that certain healthcare insurers and providers, including the Company, may deduct for compensation to any employee in excess of \$500,000 for a tax year beginning after December 31, 2012. This legislation does not create any exceptions for performance-based compensation and is not otherwise impacted by the adoption of the Tax Cuts and Jobs Act enacted on December 22, 2017. The Compensation and Talent Committee reserves the right to use its judgment to authorize compensation payments that may be subject to the limit when the Compensation and Talent Committee believes such payments are appropriate and in the best interests of our stockholders, after taking into consideration changing business conditions and the performance of its employees. We were subject to the limitation in 2024.

Policies on the Timing of Equity Awards

Item 402(x) of Regulation S-K requires us to discuss our policies and practices on the timing of awards of options in relation to the disclosure by us of material nonpublic information. We historically do not strategically time long-term incentive awards in coordination with the release of material nonpublic information and have never had a practice of doing so. Accordingly, we do not consider the release of material nonpublic information in relation to the grant of such awards, and do not time such release for the purpose of affecting the value of execution compensation. In addition, we do not currently grant stock options or similar awards and have not granted any such awards since 2021. Our equity award accounting complies with GAAP in the United States and is transparently disclosed in our SEC filings.

Compensation and Talent Committee Report

The Compensation and Talent Committee, comprised solely of independent directors, has reviewed and discussed the "Compensation Discussion and Analysis" with the Company's management. Based on this review and discussion, the Compensation and Talent Committee recommended to the Board of Directors that the "Compensation Discussion and Analysis" be included in this proxy statement on Schedule 14A and incorporated by reference into the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

COMPENSATION AND TALENT COMMITTEE

Christopher J. Coughlin, Chair

Monte E. Ford

Thomas R. Greco

Theodore R. Samuels

Executive Compensation Tables

Summary Compensation Table

The following table summarizes the compensation of our NEOs for the fiscal years ended December 31, 2024, 2023 and 2022. Additional descriptions of each component of compensation for our NEOs are included elsewhere in this proxy statement under the caption, "Compensation Discussion and Analysis."

For 2024, our NEOs included our Chief Executive Officer, Chief Financial Officer, Former President, Secretary and General Counsel, and Chief Operating Officer.

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ¹	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$) ²	All Other Compensation (\$) ³	Total (\$)
Sarah M. London Chief Executive Officer	2024	\$1,400,000	\$ —	\$14,630,132	—	\$4,289,125	\$282,891	\$20,602,148
	2023	1,400,000	—	13,573,031	—	3,298,600	285,335	18,556,966
	2022	1,359,038	—	7,624,974	—	4,041,866	220,569	13,246,447
Andrew L. Asher Chief Financial Officer	2024	1,025,000	—	7,179,353	—	2,779,925	198,134	11,182,412
	2023	1,025,000	—	6,539,668	—	2,320,263	27,133	9,912,064
	2022	1,007,115	—	5,999,942	—	2,687,777	44,376	9,739,210
Kenneth J. Fasola Former President/Strategic Advisor	2024	1,100,000	—	6,229,423	—	1,598,000	95,778	9,023,201
	2023	1,096,154	1,000,000	5,947,556	—	2,454,356	117,968	10,616,034
	2022	997,519	—	7,199,984	—	1,745,658	39,525	9,982,686
Christopher A. Koster Secretary and General Counsel	2024	750,000	—	2,920,884	—	1,352,250	40,404	5,063,538
	2023	750,000	—	2,591,281	—	1,424,100	78,956	4,844,337
	2022	747,115	—	—	—	1,627,452	47,961	2,422,528
Susan R. Smith Chief Operating Officer	2024	696,154	—	1,654,307	—	1,099,923	72,068	3,522,452

¹ The amounts reported as Stock Awards and Option Awards for Mes. London and Smith, and Messrs. Asher, Fasola, and Koster, reflect the grant date fair value of grants made during the current year under the 2012 Stock Incentive Plan computed in accordance with FASB ASC 718. Note 15 of the Notes to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2024, describes the assumptions used to determine the grant date fair value for Company equity awards. There can be no assurance that the grant date fair value of Stock Awards and Option Awards will ever be realized.

Stock awards granted to the NEOs include PSUs. PSUs are disclosed at target value. The 2024 PSUs have a maximum payout of 200%. If the maximum performance metrics are achieved, the grant date fair value of the performance awards would be \$19,355,209 for Ms. London, \$9,498,046 for Mr. Asher, \$8,241,417 for Mr. Fasola, \$3,864,317 for Mr. Koster and \$2,188,550 for Ms. Smith.

² The amounts shown in the Non-Equity Incentive Plan Compensation column include both the annual cash incentive and the Cash LTIP award payouts.

³ The following table shows the components of "All Other Compensation" for fiscal year 2024:

Name	401(k) Match (\$)	Non-qualified Deferred Compensation Match (\$)	Life Insurance (\$)	Personal Security (\$)^a	Personal Aircraft Usage (\$)^b	Liability Insurance and Other (\$)^c	Total Other Compensation (\$)
Sarah M. London	\$10,350	\$31,650	\$25,000	\$69,133	\$143,854	\$2,904	\$282,891
Andrew L. Asher	10,350	71,522	15,000	98,358	—	2,904	198,134
Kenneth J. Fasola	7,615	25,385	15,000	—	45,048	2,730	95,778
Christopher A. Koster	5,192	17,308	15,000	—	—	2,904	40,404
Susan R. Smith	10,350	10,535	15,000	33,244	—	2,939	72,068

^a Beginning in December 2024, we pay for costs related to personal security services for certain NEOs. Amounts reported herein represent the incremental cost to the Company for these services. Additional descriptions of security services for certain NEOs are included under "Compensation Discussion & Analysis - Other Benefits."

^b For flights on corporate aircraft, the cost is calculated based on an average cost-per-flight-hour charge, which reflects the operating and periodic maintenance costs of the aircraft, crew travel expenses and other miscellaneous costs, and represents the incremental cost to the Company.

^c "Liability Insurance and Other" includes \$2,730 of liability insurance.

Grants of Plan-Based Awards Table

The following table provides information on 2024 grants of PSUs and RSUs under the 2012 Stock Incentive Plan as well as 2024 cash-based grants under the Annual Cash Incentive Plan to each of our NEOs. The grant date fair values and incremental fair value of these RSUs and PSUs are included in the Summary Compensation Table. The vesting provisions of the equity awards are included in the footnotes to the Outstanding Equity Awards at Fiscal Year-End Table.

Name	Grant Date	Date of Board Action	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ¹			Estimated Future Payouts Under Equity Incentive Plan Awards ²			All Other Stock Awards: Number of Shares of Stock or Units (#) ³	Grant Date Fair Value of Stock and Option Awards (\$) ⁴
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Sarah M. London	2/16/2024	2/16/2024	\$ 122,500	\$ 2,450,000	\$ 4,900,000	—	—	—	—	\$ —
	3/15/2024	3/7/2024	—	—	—	20,560	41,120 ⁵	82,240	—	3,127,176
	3/15/2024	3/7/2024	—	—	—	19,955	39,910 ⁶	79,820	—	3,035,156
	3/15/2024	3/7/2024	—	—	—	19,955	39,910 ⁷	79,820	—	3,515,272
Andrew L. Asher	1/26/2024	1/26/2024	64,063	1,281,250	2,562,500	—	—	—	65,122	4,952,528
	3/15/2024	3/7/2024	—	—	—	10,089	20,178 ⁵	40,356	—	1,534,537
	3/15/2024	3/7/2024	—	—	—	9,793	19,585 ⁶	39,170	—	1,489,439
	3/15/2024	3/7/2024	—	—	—	9,793	19,585 ⁷	39,170	—	1,725,047
Kenneth J. Fasola	1/26/2024	1/26/2024	68,750	1,375,000	2,750,000	—	—	—	31,957	2,430,330
	3/15/2024	3/7/2024	—	—	—	8,754	17,508 ⁵	35,016	—	1,331,483
	3/15/2024	3/7/2024	—	—	—	8,497	16,994 ⁶	33,988	—	1,292,394
	3/15/2024	3/7/2024	—	—	—	8,497	16,994 ⁷	33,988	—	1,496,832
Christopher A. Koster	1/26/2024	1/26/2024	37,500	750,000	1,500,000	—	—	—	27,728	2,108,714
	3/15/2024	3/7/2024	—	—	—	4,105	8,210 ⁵	16,420	—	624,371
	3/15/2024	3/7/2024	—	—	—	3,984	7,968 ⁶	15,936	—	605,966
	3/15/2024	3/7/2024	—	—	—	3,984	7,968 ⁷	15,936	—	701,821
Susan R. Smith	1/26/2024	1/26/2024	34,808	696,154	1,392,308	—	—	—	13,001	988,726
	3/15/2024	3/7/2024	—	—	—	2,325	4,649 ⁵	9,298	—	353,556
	3/15/2024	3/7/2024	—	—	—	2,257	4,513 ⁶	9,026	—	343,214
	3/15/2024	3/7/2024	—	—	—	2,257	4,513 ⁷	9,026	—	397,505
	3/15/2024	3/7/2024	—	—	—	—	—	—	7,364	560,032

¹ The amounts shown in the Estimated Future Payouts Under Non-Equity Incentive Plan Awards columns represent the range of the annual cash incentive awards as described in the section titled "Annual Cash Incentive Plan" in the Compensation Discussion and Analysis above.

² The amounts shown in the Estimated Future Payouts Under Equity Incentive Plan Awards columns represent the range of shares that may be earned at the end of the 2024-2026 performance period applicable to our PSUs assuming achievement of the relevant performance objectives.

³ The amounts shown in the All Other Stock Awards column represent the RSUs described in the section titled "2024 Annual Long-Term Incentives" in the Compensation Discussion and Analysis above.

⁴ The amounts shown in the Grant Date Fair Value of Stock Awards column represent the grant date fair value, measured in accordance with FASB ASC 718.

⁵ Equity incentive grants contain a performance condition based upon our 2024-2026 Adjusted Pre-Tax Earnings Growth. For performance between the threshold and the target or the target and the maximum, the number of PSUs earned will be interpolated.

- ⁶ Equity incentive grants contain a performance condition based upon our 2024-2026 Average Adjusted Pre-Tax Earnings Margin. For performance between the threshold and the target or the target and the maximum, the number of PSUs earned will be interpolated.
- ⁷ Equity incentive grants contain a performance condition based upon our 2024-2026 relative TSR. For performance between the threshold and the target or the target and the maximum, the number of PSUs earned will be interpolated. If the Company's absolute TSR for the performance period is negative, the payout will not exceed 100% of target.

Individual Employment Agreements

The following is a description of the material terms of the employment agreements with Ms. London and Messrs. Asher and Fasola. The terms of payments they would receive upon termination of employment and restrictive covenants are described in "Potential Payments Upon Termination or Change in Control."

Sarah M. London

Ms. London's employment agreement, dated April 27, 2022, as amended on February 20, 2023, provides for (i) an annual base salary for the years 2022 and 2023 of \$1.4 million, (ii) an annual cash incentive bonus target of no less than 150% of base salary and (iii) long-term equity incentive awards with amounts and terms determined by the Compensation and Talent Committee.

Andrew L. Asher

Mr. Asher's employment agreement, dated April 28, 2022, as amended on February 20, 2023, provides for (i) an annual base salary of \$1,025,000, (ii) an annual cash incentive bonus target of 125% of base salary and (iii) long-term equity incentive awards with amounts and terms determined by the Compensation and Talent Committee.

Kenneth J. Fasola

Mr. Fasola's employment agreement, dated February 20, 2023, provides for (i) an annual base salary of \$1,100,000, (ii) an annual cash incentive bonus target of 125% of base salary, (iii) long-term equity incentive awards with amounts and terms determined by the Compensation and Talent Committee (with an aggregate grant date value of \$6,025,000 for 2023) and (iv) a one-time \$1,000,000 cash award paid in 2023, subject to an 18 month clawback that has lapsed.

Outstanding Equity Awards at Fiscal Year-End Table

The following table shows the number of shares covered by exercisable and unexercisable options and unvested RSUs and PSUs held by our NEOs on December 31, 2024.

Name	Option Awards					Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) ^{1,2}	Market Value of Shares or Units of Stock That Have Not Vested (\$) ³	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#) ^{1,4}	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ³	
Sarah M. London	—	—	13,449	\$ 81.85	12/15/2031 ⁵	163,027	\$ 9,876,176	262,043	\$ 15,874,565	
Andrew L. Asher	—	—	13,449	81.85	12/15/2031 ⁵	91,270	5,529,137	127,333	7,713,833	
Kenneth J. Fasola	—	—	—	—	—	81,960	4,965,137	113,326	6,865,289	
Christopher A. Koster	—	—	15,690	81.85	12/15/2031 ⁵	31,253	1,893,307	51,085	3,094,729	
Susan R. Smith	—	—	—	—	—	26,297	1,593,072	23,326	1,413,089	

¹ Upon the occurrence of a change in control and subsequent termination, any unvested RSUs and PSUs will vest, with the PSUs vesting at the greater of the actual or target level of performance.

² The amounts in this column represent the number of shares of unvested RSUs granted in 2022, 2023 and 2024 and the number of PSUs vesting in 2025 for the 2022-2024 PSU performance period at their actual payout amount. As of December 31, 2024, the relevant performance conditions had been satisfied, but the awards did not vest until February 4, 2025, or will not vest until April 26, 2025, as applicable.

³ Determined with reference to \$60.58, the closing stock price of a share of Centene common stock on December 31, 2024.

⁴ The amounts in this column represent the target number of PSUs granted to our NEOs in 2023 and 2024. The PSUs will vest or be forfeited based on whether the applicable three-year performance metrics are attained.

⁵ Performance Stock Option granted on December 15, 2021, may become exercisable on or after the third anniversary of the grant date if the average closing price of CNC's common stock equals or exceeds \$100 per share for 20 consecutive trading days following the grant date.

These unvested equity grants are detailed by vesting date in the table below.

Name	Vesting Date	Restricted Stock Units	Performance Stock Units Granted in 2021 ^a	Performance Stock Units Granted in 2022 ^a	Performance Stock Units Granted in 2023	Performance Stock Units Granted in 2024
Sarah M. London	2/4/2025	—	7,356	39,896	—	—
	3/15/2025	47,033	—	—	—	—
	3/15/2026	47,034	—	—	141,103	—
	3/15/2027	21,708	—	—	—	120,940
Andrew L. Asher	2/4/2025	—	7,356	—	—	—
	3/15/2025	22,855	—	—	—	—
	4/26/2025	11,784	—	15,767	—	—
	3/15/2026	22,855	—	—	67,985	—
	3/15/2027	10,653	—	—	—	59,348
Kenneth J. Fasola	1/19/2025	17,792	—	—	—	—
	2/4/2025	—	—	9,507	—	—
	3/15/2025	25,077	—	—	—	—
	3/15/2026	20,341	—	—	61,830	—
	3/15/2027	9,243	—	—	—	51,496
Christopher A. Koster	2/4/2025	—	8,582	—	—	—
	3/15/2025	9,168	—	—	—	—
	3/15/2026	9,169	—	—	26,939	—
	3/15/2027	4,334	—	—	—	24,146
Susan R. Smith	3/15/2025	2,454	—	—	—	—
	6/15/2025	17,200	—	—	—	—
	3/15/2026	2,455	—	—	9,651	—
	6/15/2026	1,733	—	—	—	—
	3/15/2027	2,455	—	—	—	13,675

^a These columns include the unvested PSUs granted for the 2022-2024 performance period. The number of PSUs reported in these columns reflects the number of shares earned for the 2022-2024 performance period, but the awards did not vest until February 4, 2025, or will not vest until April 26, 2025, as applicable.

Option Exercises and Stock Vested Table

The following table shows the number of shares of our stock acquired by our NEOs in 2024 upon vesting of RSUs or PSUs. No option awards were exercised by our NEOs in 2024.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Sarah M. London	—	\$ —	188,327	\$13,580,002
Andrew L. Asher	—	—	83,460	6,171,254
Kenneth J. Fasola	—	—	106,266	7,796,023
Christopher A. Koster	—	—	45,373	3,259,187
Susan R. Smith	—	—	17,200	1,185,596

Non-qualified Deferred Compensation Table

Under the Company's Deferred Compensation Plan, the NEOs may contribute a designated percentage of salary and/or bonus into the plan which serves as an excess savings plan due to tax limitations under our tax qualified 401(k) plan. The following table shows the change in the Non-qualified Deferred Compensation balances for our NEOs who participated for the fiscal year ended December 31, 2024:

Name	Executive Contributions in Last FY (\$) ¹	Registrant Contributions in Last FY (\$) ²	Aggregate Earnings (Losses) in Last FY (\$) ³	Aggregate Withdrawals / Distributions (\$)	Aggregate Balance at Last FYE (\$) ⁴
Sarah M. London	\$ 84,000	\$31,650	\$ 40,974	\$ —	\$ 858,665
Andrew L. Asher	177,316	71,522	415,079	—	2,317,160
Kenneth J. Fasola	66,000	25,385	(32,309)	—	370,355
Christopher A. Koster	75,000	17,308	217,456	—	1,537,340
Susan R. Smith	41,769	10,535	3,787	—	56,091

¹ Executive contributions were included in the Salary and/or Non-Equity Incentive Plan Compensation columns in the Summary Compensation Table to the extent the executive was named in the proxy statement in the fiscal year in which such contributions were earned.

² All registrant contributions are included in the All Other Compensation column in the Summary Compensation Table for 2024.

³ The Company does not pay above market interest or preferential dividends on investments in the Deferred Compensation Plan. Investment options in the Deferred Compensation Plan are substantially the same as the 401(k) plan, with the exception of the investment in Centene common stock. The returns on the investments available to employees during 2024 ranged from -18.4% to 35.8%, with a median return of 11.4% for the year ended December 31, 2024.

⁴ The amounts shown in the Aggregate Balance at Last Fiscal Year-End column include amounts the Company owes these individuals for salaries and incentive compensation they earned in prior years but did not receive because they elected to defer receipt of it until a later time. For prior years, all amounts contributed by a NEO in such years have been reported in the Summary Compensation Table in our previously filed proxy statements in the year earned, to the extent the executive was named in such proxy statements and the amounts were so required to be reported in such tables. The amounts reported in the Summary Compensation Table for the years ended December 31, 2024, 2023 and 2022 are summarized below.

Name	2024 Summary Compensation Table (\$)	2023 Summary Compensation Table (\$)	2022 Summary Compensation Table (\$)
Sarah M. London	\$ 115,650	\$ 100,604	\$ 388,618
Andrew L. Asher	133,022	115,816	18,339
Kenneth J. Fasola	91,385	42,470	237,258
Christopher A. Koster	92,308	129,656	139,020
Susan R. Smith	52,304	— ¹	— ¹

¹ Ms. Smith was not a Named Executive Officer in the Company's 2023 proxy statement and was not an employee during 2022.

Potential Payments Upon Termination or Change in Control

As previously discussed, Ms. London and Messrs. Asher and Fasola are party to employment agreements, pursuant to which they will receive severance payments and benefits upon certain terminations of employment. Mr. Koster and Ms. Smith are not party to individual employment agreements providing for severance, and instead, are party to the Executive Severance Plan.

Sarah M. London

Upon a termination without cause, with good reason or due to the Company's non-renewal of Ms. London's term, absent a change in control, Ms. London will receive the following payments and benefits: (i) an amount equal to two times the sum of base salary and the greater of target annual bonus then in effect or the average of the annual bonuses earned for the two most recent calendar years for which a bonus had been determined, (ii) a prorated annual bonus, (iii) 24 months of medical coverage, (iv) continued vesting of performance-vested restricted stock units granted on March 29, 2022, and (v) immediate acceleration of the vesting of all other time-vested equity and equity-based awards that would otherwise vest during the 24 month period following the termination, pro-rata vesting and payment of all other performance-based awards based upon adding an additional 24 months service and the greater of target or Company performance. Upon a termination without cause, with good reason or due to the non-renewal of Ms. London's term within 2 years following or 120 days prior to a change in control, Ms. London will receive the following payments and benefits: (a) an amount equal to 2.99 times the sum of base salary and the greater of target annual bonus then in effect or the average of the annual bonuses earned for the two most recent calendar years for which a bonus had been determined, (b) a prorated annual bonus, (c) 36 months of medical coverage and (d) full vesting of any outstanding equity or equity-based awards. Upon a termination due to death or disability, Ms. London will receive the same benefits as with good reason or due to non-renewal except for the benefit described in (i) above. Under her employment agreement, Ms. London is required to execute a general release and waiver of claims against the Company and to resign from her position upon termination of her employment for any reason in order to receive any severance payments. Ms. London is subject to a non-competition provision, a non-solicitation (of Company employees) obligation and an obligation not to interfere with Company customer relationships for a period of 24 months after termination for any reason (or in the event of a change in control, 12 months). Additionally, Ms. London is subject to ongoing non-disparagement and confidentiality requirements.

Andrew L. Asher

Upon a termination without cause, with good reason absent a change in control, or due to death or disability, Mr. Asher will receive the following payments and benefits: (i) an amount equal to annual base salary, (ii) a prorated annual bonus, (iii) 12 months of medical coverage and (iv) acceleration of the vesting of any cash award granted in 2021, vesting of RSUs and PSUs, and an additional year of service for outstanding cash awards. Mr. Asher is eligible for qualified retirement, which allows for the vesting of outstanding RSUs and PSUs as previously described on page 96. Upon a termination without cause or with good reason within 2 years following or 120 days prior to a change in control, Mr. Asher will receive the following payments and benefits: (a) an amount equal to two times the sum of base salary and the average of the last two annual bonuses, (b) a prorated target bonus, (c) 18 months of medical coverage and (d) full vesting of any outstanding equity or equity-based awards. Under his employment agreement, Mr. Asher is required to execute a general release and waiver of claims against the Company and to resign from his position upon termination of his employment for any reason in order to receive any severance payments. Mr. Asher is subject to a non-competition provision and a non-solicitation (of Company employees or customers) obligation for a period of 12 months after termination for any reason (other than if a change in control occurs). Additionally, Mr. Asher is subject to ongoing non-disparagement and confidentiality requirements.

Kenneth J. Fasola

Upon a termination without cause, with good reason or due to death or disability, absent a change in control, Mr. Fasola will receive the following payments and benefits: (i) an amount equal to annual base salary, (ii) a prorated annual bonus, (iii) 12 months of medical coverage, (iv) the continued vesting of all long-term incentive compensation awards pursuant to their terms, (v) continued vesting of all long-term compensation granted after February 20, 2023 without proration and (vi) six months of outplacement services. Upon a termination without cause, with good reason or due to death or disability within 2 years following or 120 days prior to a change in control, Mr. Fasola will receive the following payments and benefits: (a) an amount equal to two times the sum of base salary and the average of the last two annual bonuses, (b) a prorated target bonus, (c) 18 months of medical coverage and (d) full vesting of any outstanding equity or equity-based awards. Upon a termination of employment by the Company or by the executive whether voluntary or involuntary (other than for cause), Mr. Fasola will receive full vesting of all long-term compensation granted after February 20, 2023. Under his employment agreement, Mr. Fasola is required to execute a general release and waiver of claims against the Company and to resign from his position upon termination of his employment for any reason in order to receive any severance payments. Mr. Fasola is subject to a non-competition provision and a non-solicitation (of Company employees or customers) obligation for a period of 12 months after termination for any reason. Additionally, Mr. Fasola is subject to ongoing non-disparagement and confidentiality requirements.

Christopher A. Koster and Susan R. Smith

Mr. Koster and Ms. Smith are covered by the Company's Executive Severance Plan. Under the Executive Severance Plan, upon a termination other than for cause, Mr. Koster and Ms. Smith will receive (i) a lump sum equal to one times base salary plus prorated target bonus, (ii) 12 months of medical coverage and (iv) 12 months of continued vesting of the executive's existing equity awards. Upon a termination other than for cause or for good reason within 24 months following a change in control, Mr. Koster and Ms. Smith will receive (a) a lump sum equal to two times base salary plus two times the average of the executive's last two annual bonuses and prorated target bonus (b) 18 months of medical coverage and (c) full vesting of any outstanding equity awards, including stock options. Additionally, Mr. Koster and Ms. Smith are subject to a non-competition and non-solicitation (of Company employees or customers) obligation, each for a period of 12 months after termination for any reason, as well as ongoing confidentiality requirements. The non-competition obligation does not apply if Mr. Koster or Ms. Smith undergoes a change in control termination.

Retirement Provisions

As of December 31, 2024, Mr. Asher is eligible for qualified retirement treatment as described in the Other Compensation Policies and Information section under Compensation Discussion and Analysis.

Termination and Change-in-Control Tables

The section below describes the payments that may be made to our NEOs upon termination or a change in control. Our NEOs may also be entitled to payments under the Company's Deferred Compensation Plan as set forth in the Non-qualified Deferred Compensation Table section above.

The amounts presented below assume the termination or change in control occurred as of December 31, 2024, based on the employment agreements and the Executive Severance Plan in place at December 31, 2024, in accordance with the applicable SEC rules. The change in control cash payments are subject to the conditions of the "double-trigger" criteria in each of the NEO's employment agreement or Executive Severance Plan, meaning they are only entitled to payment if there is a change in control and the executive officer's employment is terminated without "cause" or the executive officer terminates his or her employment for "good reason" within twenty-four months of the change in control. The equity award acceleration amounts below were calculated using the closing price of our common stock on December 31, 2024 of \$60.58. In the Change in Control column, the Cash LTIP and PSU awards are generally included at the greater of the target or actual level of performance as of December 31, 2024. Our equity award agreements include a "double-trigger" provision, which provides for accelerated vesting only if there is a change in control and the executive officer's employment is terminated without "cause" or the executive officer terminates his or her employment for "good reason" within twenty-four months of the change in control.

Sarah M. London

Executive Benefits and Payments Upon Terminations	Voluntary Termination/Retirement (\$)	Involuntary Not for Cause Termination (\$)	For Cause Termination (\$)	Death (\$)	Disability (\$)	Termination Following a Change in Control (\$)
Cash Severance	\$ —	\$ 9,276,466	\$ —	\$ —	\$ —	\$13,914,699
Pro rata Bonus Payment	—	3,238,233	—	3,238,233	3,238,233	3,238,233
Unvested RSUs and PSUs	—	24,378,664	—	24,378,664	24,378,664	29,306,484
Cash LTIP	—	1,875,000	—	1,875,000	1,875,000	1,875,000
Welfare Benefits Values	—	49,174	—	1,139,174	49,174	73,761

Andrew L. Asher

Executive Benefits and Payments Upon Terminations	Voluntary Termination/Retirement (\$)	Involuntary Not for Cause Termination or Voluntary with Good Reason (\$)	For Cause Termination (\$)	Death (\$)	Disability (\$)	Termination Following a Change in Control (\$)
Cash Severance	\$ —	\$ 1,025,000	\$ —	\$ 1,025,000	\$ 1,025,000	\$ 6,057,840
Pro rata Bonus Payment	2,562,500	2,562,500	—	2,562,500	2,562,500	1,281,250
Unvested RSUs and PSUs	8,960,872	8,960,872	—	8,960,872	8,960,872	14,983,009
Cash LTIP	217,425	217,425	—	975,000	975,000	975,000
Welfare Benefits Values	—	24,587	—	454,587	24,587	474,832
Outplacement	—	25,000	—	—	—	—

Kenneth J. Fasola

Executive Benefits and Payments Upon Terminations	Voluntary Termination/Retirement (\$)	Involuntary Not for Cause Termination or Voluntary with Good Reason (\$)	For Cause Termination (\$)	Death (\$)	Disability (\$)	Termination Following a Change in Control (\$)
Cash Severance	\$ —	\$ 1,100,000	\$ —	\$ 1,100,000	\$ 1,100,000	\$ 5,768,014
Pro rata Bonus Payment	—	1,375,000	—	1,375,000	1,375,000	1,375,000
Unvested RSUs and PSUs	6,038,069	7,978,810	—	8,694,260	8,694,260	12,545,876
Cash LTIP	—	223,000	—	1,000,000	1,000,000	1,000,000
Welfare Benefits Values	—	8,380	—	158,380	8,380	169,656
Outplacement	—	25,000	—	—	—	—

Christopher A. Koster

Executive Benefits and Payments Upon Terminations	Voluntary Termination/Retirement (\$)	Involuntary Not for Cause Termination (\$)	For Cause Termination (\$)	Death (\$)	Disability (\$)	Termination Following a Change in Control (\$)
Cash Severance	\$ —	\$ 1,500,000	\$ —	\$ —	\$ —	\$ 4,554,952
Unvested RSUs and PSUs	—	1,075,318	—	2,899,990	2,899,990	5,633,879
Cash LTIP	—	167,250	—	750,000	750,000	750,000
Welfare Benefits Values	—	23,462	—	340,000	—	35,192
Outplacement	—	25,000	—	—	—	25,000

Susan R. Smith

Executive Benefits and Payments Upon Terminations	Voluntary Termination/Retirement (\$)	Involuntary Not for Cause Termination (\$)	For Cause Termination (\$)	Death (\$)	Disability (\$)	Termination Following a Change in Control (\$)
Cash Severance	\$ —	\$ 1,400,000	\$ —	\$ —	\$ —	\$ 3,500,000
Unvested RSUs and PSUs	—	1,190,639	—	1,158,593	1,158,593	3,006,161
Welfare Benefits Values	—	24,225	—	250,000	—	36,338
Outplacement	—	25,000	—	—	—	25,000

Pay Versus Performance

The following table illustrates the relation between executive compensation and certain Company performance metrics for the fiscal years ended December 31, 2024, 2023, 2022, 2021 and 2020. Amounts disclosed below reflect compensation to our Principal Executive Officers (PEO) and Non-PEO Named Executive Officers (Non-PEO NEO), including compensation reflected on the Summary Compensation Table (SCT) and Compensation Actually Paid (CAP). Performance metrics include TSR for the Company, TSR for the S&P Health Care Index effective as of December 31, 2024, Company Net Income and Adjusted Diluted EPS, which is the measure selected by the Company as the most important financial metric for determining CAP in the current year. Additional description of Compensation Actually Paid is outlined in a footnote to the table below.

Year	Summary Compensation Table Total for First PEO ¹ (\$)	Summary Compensation Table Total for Second PEO ² (\$)	Compensation Actually Paid to First PEO ^{1,3} (\$)	Compensation Actually Paid to Second PEO ^{2,3} (\$)	Average Summary Compensation Table Total for Non-PEO NEO ⁴ (\$)	Average Compensation Actually Paid to Non-PEO NEO ^{4,5} (\$)	Value of Initial Fixed \$100 Investment Based On:		Net Income (\$)	Adjusted Diluted EPS ⁷ (\$)
							Total Shareholder Return (\$)	Peer Group Total Shareholder Return ⁶ (\$)		
2024	\$20,602,148	\$ —	\$ 5,380,644	\$ —	\$7,197,901	\$2,470,464	\$ 96.36	\$ 146.87	\$3,305	\$ 7.17
2023	18,556,966	—	13,968,419	—	7,571,326	6,661,957	118.04	143.18	2,702	6.68
2022	13,246,447	7,599,513	12,622,902	6,829,908	6,659,921	6,508,126	130.44	140.29	1,202	5.78
2021	—	20,637,990	—	42,314,846	9,904,692	8,682,563	131.06	143.09	1,347	5.15
2020	—	24,956,777	—	24,990,265	8,575,674	8,110,409	95.48	113.45	1,808	5.00

¹ Represents compensation for Ms. London, the Company's current CEO.

² Represents compensation for Mr. Neidorff, the Company's former CEO.

³ PEO Compensation Actually Paid. The amounts in the following table represent each of the amounts deducted and added to the equity award values for the PEOs for 2024 for purposes of computing the "compensation actually paid" amounts appearing in this column of the Pay Versus Performance table:

	2024
PEO Summary Compensation Table Total	\$ 20,602,148
SCT "Stock Awards Total" column value	(14,630,132)
Year-end fair value of outstanding equity awards granted in applicable year	9,182,403
Change in fair value of outstanding equity awards granted in prior years	(9,378,030)
Change in fair value of prior-year equity awards vested in applicable year	(395,745)
PEO Compensation Actually Paid	\$ 5,380,644

⁴ Non-PEO NEOs for the applicable years were as follows: 2024 - Andrew Asher, Kenneth Fasola, Christopher Koster and Susan Smith; 2023 - Andrew Asher, Kenneth Fasola, Christopher Koster, David Thomas and James Murray; 2022 - Andrew Asher, Kenneth Fasola, Christopher Koster, Brent Layton, James Murray and David Thomas; 2021 - Andrew Asher, Jesse Hunter, Christopher Koster, Brent Layton, Sarah London and Jeffrey Schwaneke; and 2020 - Mark Brooks, Kenneth Burdick, Brandy Burkhalter, Jesse Hunter and Jeffrey Schwaneke.

⁵ Average Non-PEO NEO Compensation Actually Paid. The amounts in the following table represent each of the amounts deducted and added to the equity award values for the non-PEO NEOs for 2024 for purposes of computing the "compensation actually paid" amounts appearing in this column of the Pay Versus Performance table:

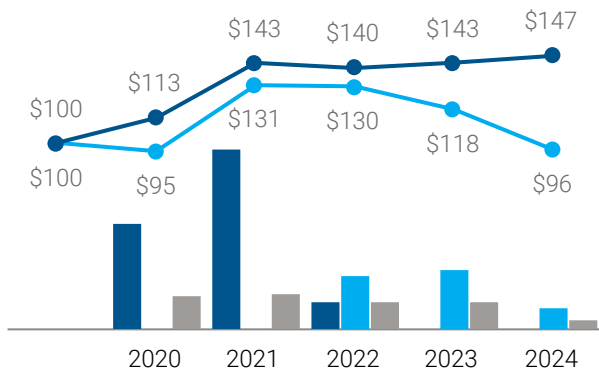
	2024
Average Non-PEO NEO Summary Compensation Table Total	\$ 7,197,901
SCT "Stock Awards Total" column value	(4,495,992)
Year-end fair value of outstanding equity awards granted in applicable year	2,821,839
Change in fair value of outstanding equity awards granted in prior years	(2,971,254)
Change in fair value of prior-year equity awards vested in applicable year	(82,030)
Average Non-PEO NEO Compensation Actually Paid	\$ 2,470,464

⁶ Represents the TSR for the S&P Health Care Index.

⁷ The Company has identified Adjusted Diluted EPS, a non-GAAP measure, as our company-selected measure, as it represents the most important financial performance measure used to link compensation actually paid to the PEO and the non-PEO NEOs in 2024 to the Company's performance. See Appendix A for reconciliation of non-GAAP measures.

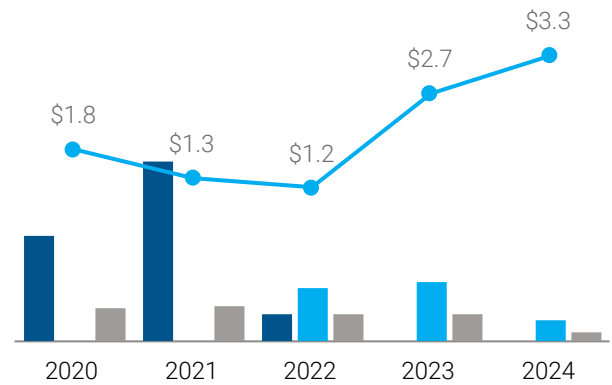
The graphs below describe the relationship between the PEO and Non-PEO NEOs' Compensation Actually Paid to the Company's TSR, Net Income and Adjusted Diluted EPS.

Compensation Actually Paid vs. TSR



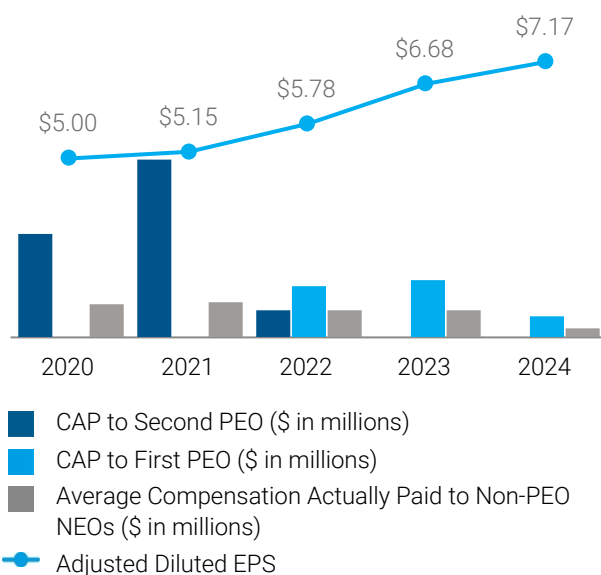
- CAP to Second PEO (\$ in millions)
- CAP to First PEO (\$ in millions)
- Average Compensation Actually Paid to Non-PEO NEOs (\$ in millions)
- Company TSR
- S&P Health Care Index TSR

Compensation Actually Paid vs. Net Income



- CAP to Second PEO (\$ in millions)
- CAP to First PEO (\$ in millions)
- Average Compensation Actually Paid to Non-PEO NEOs (\$ in millions)
- Net Income (\$ in billions)

Compensation Actually Paid vs. Adjusted Diluted EPS¹



¹ Represents non-GAAP measure. Refer to Appendix A for reconciliation of non-GAAP measures.

The following table lists the five financial performance measures that we believe represent the most important performance measures we used during 2024 to link compensation actually paid to our NEOs to our performance:

Most Important Performance Measures

Adjusted Diluted EPS	Adjusted Net Earnings Margin	Total Shareholder Return (TSR)
Adjusted Pre-tax Margin	Revenue Growth	Compound Annual Growth

CEO to Median Employee Pay Ratio Information

Pursuant to Item 402(u) of Regulation S-K, we have included below a disclosure of the ratio of the median employee's annual total compensation to the annual total compensation of our CEO, Ms. London. Since the applicable SEC rules allow companies to use a variety of methods to determine this ratio, the ratio disclosed by the Company may not be comparable to the ratio disclosed by other companies.

Ms. London's annual total compensation for the year ended December 31, 2024 was \$20,612,148, which reflects the amount reported in the Summary Compensation Table, plus \$10,000 of the Company-paid portion of Ms. London's medical plan premiums. The annual total compensation for the median employee for the year ending December 31, 2024 was \$91,902, inclusive of \$10,000 of the Company-paid portion of the employee's medical plan premiums. Ms. London's annual total compensation was 224 times that of our median employee's pay.

We determined the median employee by examining the total cash compensation for individuals, excluding our CEO, who were employed by the Company as of October 11, 2024. During this analysis, the compensation for employees hired during the year was annualized. We included all employees, whether employed on a full-time or part-time basis, except for approximately 100 employees who had anomalous pay characteristics. This resulted in 59,378 employees being included in our median employee calculation.

After identifying the median employee, we calculated annual total compensation of the employee using the same methodology used for our NEOs within the Summary Compensation Table of this proxy statement, plus company-paid medical plan premiums capped at \$10,000.

3

PROPOSAL

Ratification of Appointment of Independent Registered Public Accounting Firm

KPMG LLP audited our financial statements for the fiscal year ended December 31, 2024. The Audit and Compliance Committee is directly responsible for the appointment, compensation, retention and oversight of the independent external audit firm retained to audit our financial statements. The Audit and Compliance Committee has appointed KPMG LLP to serve as our independent registered public accounting firm for the current fiscal year, and we are asking stockholders to ratify this appointment.

KPMG LLP has been retained as our external auditor continuously since 2005. The Audit and Compliance Committee believes the continued retention of KPMG LLP to serve as our independent registered public accounting firm is in the best interests of the Company and our stockholders, because of the quality of accounting firm, the level of service provided by the firm, its efficient and innovative audit processes and competitive fee structure.

Stockholder ratification of this selection is not required by our By-laws or other applicable legal requirements. Our Board of Directors is, however, submitting the selection of KPMG LLP to stockholders for ratification as a matter of good corporate practice. In the event that stockholders fail to ratify the selection, the Audit and Compliance Committee will consider whether or not to retain that firm. Even if the selection is ratified, the Audit and Compliance Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit and Compliance Committee believes that a change would be in the best interests of the Company and our stockholders.

We expect that representatives of KPMG LLP will be present at our Annual Meeting of Stockholders to answer appropriate questions. They will have the opportunity to make a statement if they desire to do so.

The affirmative vote of the holders of a majority of the votes cast at the meeting is being sought to ratify the selection of KPMG LLP as our independent registered public accounting firm for the current fiscal year.



The Board recommends that stockholders vote "**FOR**" the ratification of the selection of KPMG LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2025.

Evaluation of the Independent Auditor

The Audit and Compliance Committee regularly considers the independence, qualifications, compensation and performance of its independent auditor. The Audit and Compliance Committee considered the following factors in its annual review and determination of whether to retain KPMG LLP as the Company's independent auditor during 2025.

Quality of the Independent Audit Firm and Audit Process

- The risks associated with the independent audit firm based on their financial stability, compliance with applicable laws and professional standards, pending litigation or judgments against the independent audit firm and results of applicable independent audit firm inspections.
- Results of the most recent PCAOB inspection report.

Level of Service Provided by the Independent Audit Firm

- Results of annual satisfaction surveys distributed to management with high interactions with the independent audit firm as well as the Audit and Compliance Committee.
- Open access and engagement with KPMG subject matter experts providing valuable insights on matters important to the Company.

Good Faith Negotiation of Fees

- Robust fee negotiation process resulting in rationalization of fees through identification of areas of opportunity and improvement, including the use of technology.
- Review of fees incurred for reasonableness against the annually approved fees and reported current fee estimates provided to the Committee.

Independence and Tenure

The committee engaged in an assessment of KPMG's independence controls through the provision of its required communications. Representatives of KPMG will participate in the annual meeting to answer questions and will have the opportunity to make a statement.

KPMG LLP has served as the Company's independent auditor since 2005. In considering the independence and tenure of KPMG as our independent auditor, the Audit and Compliance Committee carefully considers the benefits of auditor experience in light of the robust controls in place to safeguard independence.

Benefits of Tenure

- **Enhanced Audit Quality.** KPMG's deep familiarity with the healthcare insurance industry and Centene's business and operations, accounting policies and practices and internal controls over financial reporting is valuable to the Company and its stockholders. Their institutional knowledge and experience is balanced by the fresh perspective delivered by changes in the audit team resulting from mandatory audit partner rotation and routine turnover with the team that provides for new perspectives while still keeping the historic understanding of the Company.
- **Continuity.** Changing independent auditors, without reasonable cause, would require management to devote significant resources and time to educating a new independent auditor to reach a comparable level of familiarity with our business and control framework, potentially distracting from management's focus on financial reporting and controls.
- **Efficient Audit Plans.** KPMG's knowledge of our business and control framework allows them to develop and implement efficient and innovative audit processes, enabling the provision of services for fees considered by the committee to be competitive.

Key Independence Controls

- **Committee Oversight.** The Audit and Compliance Committee and its chair hold regular private sessions with the independent auditor; the Audit and Compliance Committee regularly discusses with the independent auditor the scope of their audit; the Committee reviews with the independent auditor any problems or difficulties they may have encountered. Additionally, on at least an annual basis, KPMG provides the Committee reports regarding their independence.
- **Lead Partner Rotation.** Under current legal requirements, the lead engagement partner for the independent audit firm may not service in that role for more than five consecutive fiscal years, and the Audit and Compliance Committee ensures the regular rotation of the audit engagement team partner as required by law. The Audit and Compliance Committee has been directly involved in the appointment of a new lead engagement partner for 2025 and has planned ahead to help ensure a smooth transition.
- **Limits on Non-audit Services.** The Audit and Compliance Committee has exclusive authority to pre-approve non-audit services and determine whether such services are consistent with auditor independence.
- **Independence Assessment.** On at least an annual basis, KPMG provides the Audit and Compliance Committee reports regarding independence, conducts periodic internal reviews of its audit and other work and assesses the adequacy of partners and other staff serving the Company's account consistent with independence requirements.

Independent Registered Public Accounting Firm Fees & Services

The following table discloses the aggregate fees for services related to 2024 and 2023 by KPMG LLP, our independent registered public accounting firm (\$ in thousands):

	KPMG	
	2024	2023
Audit Fees	\$ 13,665	\$ 13,303
Audit-Related Fees	1,465	1,455
Tax Fees	5	4
All Other Fees	—	—

Audit-related fees in 2024 and 2023 consist primarily of fees for operational control reviews.

The Audit and Compliance Committee is responsible for the audit fee negotiations associated with our retention of KPMG LLP. When assessing services rendered by our auditor and evaluating the quality of their work, the Audit and Compliance Committee considers a variety of factors, including: independence, insight provided to the Audit and Compliance Committee, ability to meet deadlines and respond to issues, management feedback and relative costs of services.

Audit and Non-Audit Services Pre-Approval Policy

The Audit and Compliance Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy that is designed to assure that the services performed for us by our independent registered public accounting firm do not impair its independence from the Company. This policy sets forth guidelines and procedures the Audit and Compliance Committee follows when retaining an independent registered public accounting firm to perform audit, audit-related, tax and other services. The policy provides detailed descriptions of the types of services that may be provided under these four categories and also sets forth a list of services that our independent registered public accounting firm may not perform for us.

Prior to engagement, the Audit and Compliance Committee pre-approves the services and fees of the independent registered public accounting firm within each of the above categories. During the year, it may become necessary to engage the independent registered public accounting firm for additional services not previously contemplated as part of the engagement. In those instances, the Audit and Non-Audit Services Pre-Approval Policy requires that the Audit and Compliance Committee specifically approve the services prior to the independent registered public accounting firm's commencement of those additional services. Under the Audit and Non-Audit Services Pre-Approval Policy, the Audit and Compliance Committee has delegated the ability to pre-approve audit and non-audit services to the Audit and Compliance Committee chairman, provided the chairman reports any pre-approval decision to the Audit and Compliance Committee at its next scheduled meeting. The policy does not provide for a de minimis exception to the pre-approval requirements. Accordingly, all of the 2024 and 2023 fees described above were pre-approved by the Audit and Compliance Committee in accordance with the Audit and Non-Audit Services Pre-Approval Policy.

Audit and Compliance Committee Report

The Audit and Compliance Committee operates under a written charter adopted by the Board of Directors. The charter outlines the Audit and Compliance Committee's duties and responsibilities. The Audit and Compliance Committee reviews the charter annually and works with the Board to amend the charter, as necessary, based on the Audit and Compliance Committee's evolving responsibilities. The Audit and Compliance Committee charter is available on the Company's website at investors.centene.com.

The Audit and Compliance Committee consists of five non-employee directors. Each member of the Audit and Compliance Committee is an independent director under the SEC rules for audit committees and "financially literate" under New York Stock Exchange standards. Each of Jessica L. Blume, Christopher J. Coughlin, Wayne S. DeVeydt and Kenneth Y. Tanji is an "audit committee financial expert" under SEC rules. The Audit and Compliance Committee assists the Board in its oversight of the integrity of the Company's financial statements, the qualifications and independence of the Company's independent auditor and the performance of the Company's internal audit function and independent registered public accountant and the Company's compliance with legal and regulatory requirements. Specifically, the Audit and Compliance Committee has responsibility for providing independent, objective oversight of the accounting and financial reporting process of the Company. These responsibilities include:

- appointing, evaluating and retaining the independent registered public accounting firm, which reports directly to the Audit and Compliance Committee;
- reviewing and discussing with the auditing firm, and recommending that the Board include, the audited financial statements in the Company's Annual Report on Form 10-K;
- reviewing the Company's other financial disclosures; and
- assisting the Board in its oversight of the Company's internal control over financial reporting, disclosure controls and procedures, code of business ethics and conduct and the performance of the Company's internal audit function.

Management is responsible for the preparation of the Company's financial statements and the overall reporting process, for maintaining adequate internal control over financial reporting and, with the assistance of the Company's internal auditors, for assessing the effectiveness of the Company's internal control over financial reporting. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's financial statements in accordance with the standards of the Public Company Accounting Oversight Board (the PCAOB), expressing an opinion as to the conformity of the financial statements with generally accepted accounting principles in the United States of America and auditing management's assessment of the effectiveness of internal control over financial reporting. KPMG LLP has served as the Company's independent registered public accounting firm since 2005.

Management represented to the Audit and Compliance Committee that the financial statements were prepared in accordance with generally accepted accounting principles and that there were no material weaknesses in its internal control over financial reporting. The Audit and Compliance Committee met and held discussions with management and KPMG LLP to review and discuss the financial statements and the Company's internal control over financial reporting. The Audit and Compliance Committee has also discussed with KPMG LLP the firm's judgments as to the quality and the acceptability of the Company's financial reporting and such other matters as are required to be discussed by the applicable requirements of the PCAOB and the SEC. KPMG LLP also provided the Audit and Compliance Committee with the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit and Compliance Committee concerning independence. The Audit and Compliance Committee has discussed with KPMG LLP their independence with respect to the Company, including a review of audit and non-audit fees and services and concluded that KPMG LLP is independent.

In fulfilling its oversight responsibilities for reviewing the services performed by KPMG LLP, the Audit and Compliance Committee has the sole authority to select, evaluate and replace the outside auditors. The Audit and Compliance Committee discusses the overall scope of the annual audit, the proposed audit fee and annually evaluates the qualifications, performance and independence of KPMG LLP as independent registered public accountants and the performance of its lead audit partner. The Audit and Compliance Committee meets regularly with the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their respective examinations, the evaluation of the Company's internal control over financial reporting and the overall quality of the Company's accounting.

Based upon the review and discussions with the Company's management and KPMG LLP referred to above, and its review of the representations and information provided by management and KPMG LLP, the Audit and Compliance Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, for filing with the SEC. The Audit and Compliance Committee also reappointed KPMG LLP to serve as the Company's independent registered public accounting firm for 2025.

AUDIT AND COMPLIANCE COMMITTEE

Wayne S. DeVeydt, Chair

Jessica L. Blume

Christopher J. Coughlin

H. James Dallas

Kenneth Y. Tanji

4 PROPOSAL

Approval of the 2025 Stock Incentive Plan

The Board of Directors recommends for approval of the Centene Corporation 2025 Stock Incentive Plan (the 2025 Plan or the Plan), to succeed the Centene Corporation 2012 Stock Incentive Plan (the 2012 Plan) and the Magellan Health, Inc. 2016 Management Incentive Plan and Magellan Health Services, Inc. 2011 Management Incentive Plan (the Magellan Plans, and together with the 2012 Plan, the Prior Plans). The Prior Plans are the only long-term incentive plans under which equity-based awards can be granted to our executives and employees. On February 21, 2025, upon the recommendation of the Compensation and Talent Committee, the Board unanimously approved and adopted the 2025 Plan, subject to approval by our stockholders. If the 2025 Plan is approved, shares that remain available under the Prior Plans will be cancelled. If the 2025 Plan is not approved by our stockholders, the Prior Plans will remain in effect in its current form, and we will continue to be able to grant equity incentive awards under the Prior Plans until their expiration.

Summary of the 2025 Plan

A summary of the principal features of the Plan is below. This summary does not purport to be complete and is subject to, and qualified in its entirety by, the Plan. The full plan is set forth in Appendix B to this proxy statement which has been filed with the SEC.

Purpose

The purpose of the 2025 Plan is to attract, retain and motivate key employees who make, or are expected to make, important contributions to us, by providing such persons with equity ownership opportunities and performance-based incentives and thereby better aligning the interests of such persons with those of our stockholders. We believe it is critical to align the interests of key employees with the success of the Company.

Shares Subject to the Plan

In connection with the design and adoption of the Plan, our Board and Compensation and Talent Committee carefully considered our anticipated future equity needs, our historical equity compensation practices and the advice of the Compensation and Talent Committee's independent compensation consultant, FW Cook. As of March 15, 2025, there were 6,202,973 shares available to grant to employees under the Prior Plans, inclusive of 2,259,315 shares assumed by the 2012 Plan from the Magellan Plans, all of which plans will be cancelled if the 2025 Plan is approved. The aggregate number of shares being requested for authorization under the 2025 Plan is 15,000,000.

The following table sets forth certain information as of March 15, 2025, unless otherwise noted, with respect to the Company's outstanding equity awards other than the Director Plan as described below:

Shares subject to outstanding stock options	419,810
Weighted-average exercise price of outstanding stock options	\$ 71.49
Weighted-average remaining term of outstanding stock options (in years)	4.4
Shares subject to outstanding full-value stock awards	8,418,853
Shares available for grant	6,202,973
Shares requested for approval under the 2025 Plan*	15,000,000
Shares of common stock outstanding as of the Record Date	496,060,052

Note: The information included herein is subsequent to any share activity occurring on March 15, 2025.

* The proposed share reserve under the 2025 Plan is subject to the reduction for any awards granted under the Prior Plans after March 15, 2025, and prior to the approval date of the 2025 Plan. Upon shareholder approval of the 2025 Plan, no further awards will be made under the Prior Plans.

Additionally, our non-employee directors may elect to receive deferred RSUs in lieu of their annual cash retainers on a dollar-for-dollar basis under the Centene Corporation Non-Employee Directors Deferred Stock Compensation Plan (the Director Plan). The Director Plan is a separate plan that is not an equity compensation plan under NYSE rules and is not subject to shareholder approval. As of March 15, 2025, 191,946 deferred RSUs were outstanding under the Director Plan and 771,892 shares remained available for future deferrals. These shares are not included in the table above. The Director Plan which will remain in effect in accordance with its terms and conditions.

The following table sets forth information regarding stock-settled, time-vested equity awards and performance-based equity awards granted over each of the last three fiscal years:

	2024	2023	2022	3-Year Average
Stock Options/SARs Granted	—	—	60,000	20,000
Restricted Shares/Units & Performance-Based Awards Granted	3,741,414	4,252,330	2,944,044	3,645,929
Weighted-Average Basic Common Shares Outstanding	521,790,047	543,319,291	575,190,982	546,766,773
Share Usage Rate*	0.72 %	0.78 %	0.52 %	0.67 %

* For purposes of the foregoing table, we calculate the share usage rate based on the applicable number of performance-based awards granted during each applicable year.

Our Board recognizes the impact of dilution on our shareholders and has evaluated this share request carefully in the context of the need to motivate, retain and ensure that our leadership team and key employees are focused on our strategic priorities. The total fully-diluted overhang as of March 15, 2025 would be 5.3%. In this context, fully-diluted overhang is calculated as the sum of grants outstanding and shares available for future awards (numerator) divided by the sum of the numerator and basic common shares outstanding, with all data effective as of March 15, 2025. Our Board believes that the proposed share reserve represents a reasonable amount of potential equity dilution to accommodate our long-term strategic and growth priorities.

We expect that the share reserve under the 2025 Plan, if this proposal is approved by our shareholders, will be sufficient for awards for approximately three years. Expectations regarding future share usage could be impacted by a number of factors such as award type mix; hiring and promotion activity at the executive level; the rate at which shares are returned to the 2025 Plan's reserve under permitted addbacks; the future performance of our stock price; the consequences of acquiring other companies; and other factors. While we believe that the assumptions we used are reasonable, future share usage may differ from current expectations.

If the Plan is approved by our stockholders, the Plan will replace the Prior Plans, and the Company will cease granting any new awards under the Prior Plans. If the Plan is not approved by our stockholders, the Prior Plans will remain in effect in their current form, and the Company will continue to grant equity incentive awards under the Prior Plans until their expiration. Without the Plan, however, we will be unable to maintain our current equity grant practices and, therefore, will be at a significant competitive disadvantage in attracting, retaining and motivating talented individuals who contribute to our success. The Company will also be compelled to replace equity incentive awards with cash awards, which may not align the interests of our executives and employees with those of our stockholders as effectively as equity incentive awards.

Authorized Shares

Subject to adjustment (as described below), the maximum number of shares of common stock that may be subject to awards granted under the Plan will not exceed 15,000,000 shares of common stock less the number of shares subject to any award granted under the Prior Plans after March 15, 2025 and prior to the effective date of the Plan.

If an award granted under the Plan expires or is canceled or forfeited, or is otherwise settled without the issuance of shares, the shares covered by the award will again be available for issuance under the Plan. If, after March 15, 2025, an award granted under the Prior Plans is forfeited, expires or is otherwise settled without the issuance of shares, the shares covered by the award will again be available for issuance under the Plan. Shares surrendered or withheld in payment of taxes related to an award other than an option or stock appreciation right or, after March 15, 2025, an award other than an option or stock appreciation right under the Prior Plans, will become available again for issuance under the Plan. The following shall not be made available for issuance under the Plan: (i) shares tendered or withheld in payment of the purchase price of an option granted under the Plan or under the Prior Plans, (ii) shares subject to a stock appreciation right granted under the Plan or under the Prior Plans not issued in connection with its stock settlement and (iii) shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of options granted under the Plan or under the Prior Plans. Shares underlying Substitute Awards (as defined below) and shares remaining available for grant under a plan of an acquired company or of a company with which we combine (whether by way of amalgamation, merger, sale and purchase of shares or other securities or otherwise) will not reduce the number of shares available for issuance under the Plan.

Eligibility

Our employees, officers, directors, consultants and advisors are eligible to receive awards under the Plan. Holders of equity compensation awards granted by a company that is acquired by us (or whose business is acquired by us) or with which we combine are eligible for awards granted in assumption of, or in substitution for, such awards (Substitute Awards) under the Plan to the extent permitted under applicable regulations of any stock exchange on which we are listed. As of March 15, 2025, there were approximately 2,650 employees and 11 non-employee directors with awards under the Company's stock plans. The basis of participation in the Plan is the Compensation and Talent Committee's decision, in its sole discretion, that an award to an eligible participant will further the Plan's stated purpose (as described above). In exercising its discretion, the Compensation and Talent Committee will consider the recommendations of management and the purpose of the Plan.

Corporate Governance Best Practices

The Plan incorporates certain corporate governance best practices to further align our equity compensation program with the interests of our stockholders. The following is a list of some of these best practices, which are intended to protect the interests of our stockholders:

Key Features of the 2025 Plan

✓ **Minimum Vesting Requirements**

Awards under the Plan are subject to a minimum vesting period of one year from the date of grant, with only narrow exceptions, which we believe strengthen our employees' interest in creating long-term value for our stockholders.

✓ **Clawback of Awards**

The Committee has the authority to subject awards granted under the Plan to any clawback or recoupment policies that the Company has in effect from time to time.

✓ **Share Ownership Guidelines**

Our executive officers (including all of our NEOs) and directors are subject to share ownership guidelines to ensure that they face the same downside risk and upside potential as our stockholders.

✓ **Restricted Dividends and Dividend Equivalents**

The Plan permits payment of dividend equivalents on awards subject to a vesting condition only if and when the underlying award vests.

✗ **No Repricing**

Repricing of stock options and stock appreciation rights awards is not permitted without stockholder approval, except for adjustments with respect to certain specified extraordinary corporate transactions.

✗ **No "Reload" Options or Stock Appreciation Rights**

The Plan does not permit the use of reload options or stock appreciation rights which provide that the exercise of a stock option or stock appreciation right can automatically trigger the grant of a new stock option or stock appreciation right.

✗ **No Tax Gross-Ups**

No participant is entitled under the Plan to any tax gross-up payments for any excise tax pursuant to Sections 280G or 4999 of the Code that may be incurred in connection with awards under the Plan.

✗ **No Evergreen Provisions**

The Plan does not contain an "evergreen" feature pursuant to which the shares authorized for issuance under the plan can be increased automatically without stockholder approval.

✗ **No "Liberal" Change-in-Control Definition**

The change in control definition under the Plan is only be triggered in those instances where an actual change in control occurs (as further described below).

✗ **No "Liberal" Share Recycling**

The Plan does not allow share recycling of option awards or SARS.

Individual Limits

The maximum number of shares that may be issued pursuant to incentive stock options is 15,000,000.

A participant who is a non-employee director may not receive compensation in the aggregate, including cash payments and awards, in excess of \$1,000,000 during each calendar year while serving in such capacity. Any compensation granted, paid or awarded for services other than as a non-employee director (including as an officer, employee or consultant of the Company or its affiliates) shall not count towards such limit.

Administration

The Plan is administered by the Compensation and Talent Committee unless another committee is designated by the Board. To the extent necessary to comply with applicable regulatory regimes, any action by such committee will require the approval of Compensation and Talent Committee members who are:

- independent, within the meaning of and to the extent required (unless controlled company status applies) by applicable rulings and interpretations of the applicable stock market or exchange on which our shares are quoted or traded; and
- non-employee directors within the meaning of Rule 16b-3 under the Exchange Act.

The Compensation and Talent Committee has authority under the Plan to:

- designate participants;
- determine the types of awards to grant, the number of shares to be covered by awards, the terms and conditions of awards, whether awards may be settled or exercised in cash, shares, other awards, other property or net settlement, the circumstances under which awards may be canceled, forfeited or suspended, whether, to what extent and under what circumstances cash shares, other stock-based awards, other property and other amounts payable with respect to an award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Compensation and Talent Committee;
- amend the terms or conditions of any outstanding awards;
- correct any defect, supply any omission or reconcile any inconsistency in the Plan or any award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency;
- interpret and administer the Plan and any instrument or agreement relating to, or award made under, the Plan;
- establish, amend, suspend or waive such rules and regulations and appoint such agents, trustees, brokers, depositories and advisors and determine such terms of their engagement as it shall deem appropriate for the proper administration of the Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations; and
- make any other determination and take any other action that the Compensation and Talent Committee deems necessary or desirable for the administration of the Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations.

The Compensation and Talent Committee may delegate the authority to grant awards under the Plan, to the extent permitted by applicable law, to (i) one or more officers of the Company (except that such delegation will not be applicable to any award for a person then covered by Section 16 of the Exchange Act) and (ii) one or more committees or subcommittees of the Board.

Types of Awards

The Plan provides for grants of restricted stock units, stock options, stock appreciation rights, restricted stock, and any other stock-based awards that have values based on the values of shares, including but not limited to grants of stock and grants of rights to receive stock in the future.

- **RSUs.** A restricted stock unit represents a contractual right to receive a share (or cash in an amount equal to the value of a share) at a future date, subject to specified vesting and other restrictions.
- **Performance Awards.** Performance awards will be earned on the satisfaction of performance goals specified by the committee.
- **Stock Options.** A stock option is a contractual right to purchase shares at a future date at a specified exercise price. The per share exercise price of a stock option (other than a replacement award) will be determined by the Compensation and Talent Committee and may not be less than the closing price of a share on the trading day immediately preceding the date of determination or on the applicable date of determination on the principal stock market or exchange on which the shares are quoted or traded. The Compensation and Talent Committee will determine the date after which each stock option may be exercised and the expiration date of each stock option, provided that no stock option will be exercisable more than ten years after the grant date. Stock options that are intended to qualify as incentive stock options must meet the requirements of Section 422 of the Code.
- **SARs.** A stock appreciation right represents a contractual right to receive, in cash or shares, an amount equal to the appreciation of one share from the grant date. Any stock appreciation rights will be granted subject to the same terms and conditions as apply to stock options.
- **Restricted Stock.** Restricted stock is an award of shares that are subject to restrictions on transfer and a substantial risk of forfeiture.
- **Other Stock-Based Awards.** The Compensation and Talent Committee is authorized to grant other stock-based awards, which may be denominated in shares or factors that may influence the value of our shares, including convertible or exchangeable debt securities, other rights convertible or exchangeable into shares, purchase rights for shares, dividend rights or dividend equivalent rights or awards with value and payment contingent on our performance or that of our business units or any other factors that the Compensation and Talent Committee designates.

Minimum Vesting Requirements

Each award granted pursuant to the Plan (other than cash-based awards, Substitute Awards, shares of common stock delivered in lieu of fully vested cash obligations and awards to non-employee directors that vest on the earlier of the one-year anniversary of the date of grant and the next annual meeting of stockholders) will vest over a period of not less than one year following the date of grant. However, the Compensation and Talent Committee may, in its sole discretion, accelerate the vesting of an award or otherwise lapse or waive this requirement upon the participant's death, disability, retirement or a change in control. In addition, the Compensation and Talent Committee may grant awards that are not subject to these minimum vesting requirements with respect to five percent or less of the maximum aggregate number of shares available for issuance under the Plan (as may be adjusted in accordance with the terms of the Plan).

Adjustments

In the event the Compensation and Talent Committee determines that, as a result of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off, any reorganization or other similar change in capitalization or event, or any distribution to holders of common stock other than a normal cash dividend, or of changes in applicable laws, regulations or accounting principles, an adjustment is necessary to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, the Compensation and Talent Committee will adjust equitably any or all of: (i) the number and class of securities available under the Plan; (ii) the number and class of and/or price of shares of common stock subject to outstanding awards granted under the Plan; (iii) the repurchase price per share subject to each outstanding restricted stock and restricted stock unit; (iv) the grant, acquisition, exercise or hurdle price with respect to any award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding award and (v) the terms and conditions of any outstanding awards, including the performance criteria of any performance awards.

Termination of Service and Change in Control

The Compensation and Talent Committee will determine the effect on outstanding awards of a termination of employment or service prior to the end of a performance period or vesting, exercise or settlement, including whether the awards will vest, become exercisable, settle or be paid or forfeited. In the event of a "change in control" (as defined in the Plan and described below), the Compensation and Talent Committee may, in its sole discretion may provide for any of the following:

- continuation or assumption of such award by the Company (if it is the surviving corporation) or by the successor or surviving entity or its parent;
- substitution or replacement of such award by the successor or surviving entity or its parent with cash, securities, rights or other property to be paid or issued, as the case may be, by the successor or surviving entity (or a parent or subsidiary thereof), with substantially the same terms and value as such award (including any applicable performance targets or criteria with respect thereto); and
- acceleration of the vesting of such award and the lapse of any restrictions thereon and, in the case of a stock option or stock appreciation right, acceleration of the right to exercise such award during a specified period (and the termination of such stock option or stock appreciation right without payment of any consideration therefor to the extent such award is not timely exercised), in each case, either (A) immediately prior to or as of the date of the change in control, (B) upon a participant's involuntary termination of service (including upon a termination of the participant's employment by the Company (or a successor corporation or its parent) without Cause, by a participant for "good reason" and/or due to a participant's death or "disability", as such terms may be defined in the applicable award agreement and/or a participant's service agreement, as the case may be) on or within a specified period following the change in control or (C) upon the failure of the successor or surviving entity (or its parent) to continue or assume such award.

Notwithstanding the foregoing, in the event of a change in control under the terms of which holders of common stock will receive upon consummation thereof a cash payment for each share of common stock surrendered pursuant to such change in control (the Acquisition Price), then the Compensation and Talent Committee may instead provide that all outstanding stock options shall terminate upon consummation of such change in control and that each participant shall receive, in exchange therefore, a cash payment equal to the amount (if any) by which (A) the Acquisition Price multiplied by the number of shares of common stock subject to such outstanding stock options and stock appreciation rights (whether or not then exercisable), exceeds (B) the aggregate exercise price of such stock options, and each participant awarded any other award which is denominated in shares of common stock (as set forth in the applicable award agreement) shall be paid in cash as determined by the Board in its sole discretion to be consistent with the treatment of stock options.

Under the Plan, a "change in control" generally means the occurrence of one or more of the following events:

- any Person (as defined in section 3(a)(9) of the Exchange Act, and as such term is modified in sections 13(d) and 14(d) of the Exchange Act), excluding a group of persons including the participant, is or becomes the "beneficial owner" (as defined in Rule 13(d)(3) under the Exchange Act), directly or indirectly, of securities representing forty percent or more of the combined voting power of the Company's then outstanding securities;
- individuals who, as of the effective date of the Plan, constitute the Board of Directors of the Company (the Incumbent Board), cease for any reason to constitute a majority thereof (provided, however, that an individual becoming a director subsequent to the effective date of the Plan whose election, or nomination for election by the Company's stockholders, was approved by at least a majority of the directors then comprising the Incumbent Board shall be included within the definition of Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual election contest (or such terms used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board); or
- the stockholders of the Company consummate a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation.

Notwithstanding the foregoing, solely for the purpose of determining the timing of any payments pursuant to any award constituting a "deferral of compensation" subject to Section 409A of the Code, a change in control shall be limited to a "change in the ownership" of the Company, a "change in the effective control" of the Company, or a "change in the ownership of a substantial portion of the assets" of the Company as such terms are defined in Section 1.409A-3(i)(5) of the U.S. Treasury Regulations.

Amendment and Termination

Our Board may amend, suspend or terminate the Plan, subject to approval of our stockholders if required by the rules of the stock exchange on which our shares are principally traded. The Compensation and Talent Committee may amend, adjust, modify or terminate any outstanding award. However, no such board or committee action that would materially adversely affect the rights of a holder of an outstanding award may be taken without the holder's consent, except (i) to the extent that such action is taken to cause the Plan to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or (ii) to impose any "clawback" or recoupment provisions on any awards in accordance with the terms of the Plan. In addition, the Compensation and Talent Committee may amend the Plan in such manner as may be necessary or desirable to enable the plan to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local rules and regulations.

Prohibition on Repricing

The Compensation and Talent Committee may not without the approval of the stockholders of the Company, (i) reduce the exercise price of any previously granted option or stock appreciation right, (ii) cancel any previously granted option or stock appreciation right in exchange for another option or stock appreciation right with a lower exercise price, or (iii) cancel any previously granted option or stock appreciation right in exchange for cash or another award if the exercise price of such option or stock appreciation right exceeds the fair market value of a share of common stock on the date of such cancellation, in each case, other than in connection with a change in control or the adjustment provisions set forth in the Plan.

Cancellation or "Clawback" of Awards

The Compensation and Talent Committee may, to the extent permitted by applicable law and stock exchange rules or by any of our policies (including the Clawback Policy; see "Compensation Discussion and Analysis – Clawback Policy"), cancel or require reimbursement of any awards granted, shares issued or cash received upon the vesting, exercise or settlement of any awards granted under the Plan or the sale of shares underlying such awards.

Term

The Plan expires after ten years unless, prior to that date, the maximum number of shares available for issuance under the plan has been issued or our Board terminates the plan.

U.S. Federal Income Tax Consequences

The following is a general summary under current law of certain United States federal income tax consequences to the Company and participants who are citizens or individual residents of the United States relating to awards granted under the Plan. This summary deals with the general tax principles that apply to such awards and is provided only for general information. Certain kinds of taxes, such as foreign taxes, state and local income taxes, payroll taxes and the alternative minimum tax, are not discussed. This summary is not tax advice and it does not discuss all aspects of federal taxation that may be relevant to the Company and participants. Accordingly, the Company urges each participant to consult his or her own tax advisor as to the specific tax consequences of participation in the Plan under federal, state, local and other applicable laws.

- **Restricted Stock Units.** A participant generally does not recognize income at the time a restricted stock unit is granted. At the time of settlement of the award, the participant will generally recognize ordinary income equity to the fair market value of the restricted stock units at the time of settlement of the award, and the Company generally will be allowed a corresponding tax deduction at that time, subject to any limits imposed under Section 162(m) of the Code. We will withhold any Federal Insurance Contribution Act (FICA) taxes due in respect of the restricted stock units in the year the restricted stock units vest based on the fair market value of the shares and/or cash underlying the award on the vesting date. Any gain or loss recognized upon a subsequent sale or exchange of the shares (if settled in shares) is generally treated as a capital gain or loss (short-term or long-term depending on the applicable holding period).

- **Non-Qualified Stock Options.** A non-qualified stock option is a stock option that does not meet the requirements of Section 422 of the Code. A participant generally will not recognize taxable income when granted a non-qualified stock option. When the participant exercises the non-qualified stock option, he or she generally will recognize taxable ordinary income equal to the excess of the fair market value of the shares received on the exercise date over the aggregate exercise price of the shares. The participant's tax basis in the shares acquired on exercise of the non-qualified stock option will be increased by the amount of such taxable income. We generally will be entitled to a federal income tax deduction in an amount equal to the ordinary income that the participant recognizes, subject to any limits imposed under Section 162(m) of the Code. When the participant sells the shares acquired on exercise, the participant generally will realize long-term or short-term capital gain or loss, depending on whether the participant holds the shares for more than one year before selling them. Special rules apply if all or a portion of the exercise price is paid in the form of shares.
- **Incentive Stock Options.** An incentive stock option is a stock option that meets the requirements of Section 422 of the Code. A participant generally will not have taxable income when granted an incentive stock option or when exercising the stock option. If the participant exercises the stock option and does not dispose of the shares until the later of two years after the grant date and one year after the exercise date, the entire gain, if any, realized when the participant sells the shares generally will be taxable as long-term capital gain. We generally will not be entitled to any corresponding tax deduction.

If a participant disposes of the shares received upon exercise of an incentive stock option within the one-year or two-year periods described above, it will be considered a "disqualifying disposition," and the stock option will be treated as a non-qualified stock option for federal income tax purposes. If a participant exercises an incentive stock option more than three months after the participant's employment or service with us terminates, the stock option will be treated as a non-qualified stock option for federal income tax purposes. If the participant is disabled and terminates employment or service because of his or her permanent and total disability, the three-month period is extended to one year. The three-month period does not apply in the case of the participant's death.

- **Stock Appreciation Rights.** A participant generally does not recognize income at the time a stock appreciation right is granted. At the time cash or stock representing the amount of the appreciation is transferred to the participant pursuant to exercise of the stock appreciation right, the participant will generally be required to recognize as income an amount equal to the amount of cash or fair market value of the shares paid or transferred to the participant. Such amount will be taxable as ordinary income and we generally will be entitled to a corresponding tax deduction, subject to any limits imposed under Section 162(m) of the Code.
- **Restricted Stock.** A participant generally will not recognize any income upon the receipt of unvested shares or restricted stock unless the participant elects under Section 83(b) of the Code, within thirty days after receipt of the shares, to recognize ordinary income in an amount equal to the fair market value of the shares at the time of receipt, less any amount paid for the shares, and the Company generally will be allowed a corresponding tax deduction at that time, subject to any limits imposed under Section 162(m) of the Code. A participant who makes the election will not be allowed a deduction for the value of any shares subsequently forfeited. A participant who does not make the election generally will recognize ordinary income on the date of the lapse of the restrictions applicable to the shares, which may be at the time of grant, in an amount equal to the fair market value of the shares on such date, less any amount paid for the shares. We will withhold any FICA taxes due in respect of the shares in the year the restrictions applicable to the shares lapse, based on the fair market value of the shares on the vesting date, unless the participant elects under Section 83(b) of the Code, in which case we will withhold any FICA taxes due in respect of the shares in the year of grant based on the fair market value of the shares on the grant date.

Generally, upon a sale or other disposition of restricted stock with respect to which a participant has recognized ordinary income (i.e., a Section 83(b) election was previously made or the restrictions previously lapsed), the participant will recognize capital gain or loss in an amount equal to the difference between the amount realized on such sale or other disposition and the basis in such shares. Such gain or loss will be long-term capital gain or loss if the participant holds such shares for more than one year.

- **Other Stock-Based Award.** The tax consequences associated with any other stock-based award will vary depending on the specific terms of the award, including whether the award has a readily ascertainable fair market value, whether or not the award is subject to forfeiture provisions or restrictions on transfer, any applicable holding period and the participant's tax basis.

- **Early-Exercise Alternative.** The Compensation and Talent Committee may permit a participant to exercise the unvested portion of a stock option, subject to our right to repurchase the unvested shares. In general, a participant who exercises the unvested portion of a stock option and then makes a valid election under Section 83(b) of the Code within thirty days of the exercise date should be taxed as if the underlying shares were vested shares with the consequences described above under “non-statutory stock options” or “incentive stock option” (whichever is applicable). A participant who exercised the unvested portion of a stock option and does not make a valid Section 83(b) election within thirty days of the exercise date generally will be treated as having exercised the stock option to the extent that our repurchase right lapses with respect to the underlying shares. Otherwise, the participant will be taxed as described above under “non-statutory stock options” or “incentive stock option,” whichever is applicable.
- **Section 409A.** Acceleration of income inclusion, additional taxes and interest apply to non-qualified deferred compensation that is not compliant with Section 409A of the Code. To be compliant with Section 409A of the Code, rules with respect to the terms of awards, timing of elections to defer compensation, distribution events and funding must all be satisfied. Most awards under the Plan are exempt from the Section 409A rules. However, with respect to those awards under the Plan which could be subject to the Section 409A rules, the Plan includes provisions which are intended to prevent awards under the Plan from triggering the adverse tax consequences applicable to deferred compensation under Section 409A of the Code.
- **Section 280G and Section 4999.** Under Section 280G and Section 4999 of the Code, the Company is prohibited from deducting any “excess parachute payment” to an individual, and the individual must pay a twenty percent excise tax on any “excess parachute payment.” An individual’s “parachute payments” which exceed his or her average annual compensation will generally be treated as “excess parachute payments” if the present value of such payments equals or exceeds three times the individual’s average annual compensation. A payment generally may be considered a “parachute payment” if it is contingent on a change in control of the Company.

Registration with the SEC

If our stockholders approve the Plan, we will file with the SEC a registration statement on Form S-8, as soon as reasonably practicable after the approval, to register the shares available for issuance under the Plan.

New Plan Benefits

The granting of awards under the Plan is discretionary, and we cannot now determine the number or type of awards to be granted in the future to any particular person or group for 2025 or any other year, and no information is provided concerning the benefits to be delivered under the Plan to any individual or group of individuals. Such awards will be granted at the discretion of our Compensation and Talent Committee and at this time the Compensation and Talent Committee has not determined future awards or who might receive them. Therefore, it is not possible to determine the amount or form of any award that will be granted to any individual in the future. We note that information regarding our recent practices with respect to equity-based compensation is presented elsewhere in this proxy statement. See “Compensation Discussion and Analysis – Long-Term Incentive Awards.” The number of awards granted to our NEOs in 2024 is disclosed in the Grants of Plan-Based Awards Table and the grant date fair values of such awards are included in the Summary Compensation Table.

Vote Required

The affirmative vote of a majority of the votes cast at the annual general meeting at which a quorum is present, is required to approve Proposal 4. In the event the Plan is not approved at the meeting, the Prior Plans would continue in effect in accordance with their existing terms.



The Board recommends that stockholders vote **"FOR"** the approval of the 2025 Stock Incentive Plan.

5

PROPOSAL

Stockholder Proposal

In November 2024, the Company received correspondence from a stockholder, John Chevedden, 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278, beneficial owner of at least \$2,000 in market value, of Centene common stock since November 20, 2021 and for the requisite period, who intends to propose the following resolution on disclose plan to reduce total contribution to climate change at the annual meeting.

Stockholder Statement Regarding Proposal to Disclose Plan to Reduce Total Contribution to Climate Change

Proposal Five — Disclose Plan to Reduce Total Contribution to Climate Change



WHEREAS: The Intergovernmental Panel on Climate Change has advised that greenhouse gas (GHG) emissions must be halved by 2030 and reach net zero by 2050 in order to limit global warming to 1.5 °C. Every incremental increase in temperature above 1.5 °C will entail increasingly severe physical, transition, and systemic risks for companies and investors alike.

The health sector accounts for an estimated 8.5% of U.S. carbon emissions.¹ Climate change is expected to increase the cost of healthcare services, making it more expensive for healthcare organizations to operate due to damage to infrastructure, supply chain disruptions, and increased complexity of care. Climate-related health conditions are also expected to increase and drive up the total cost of care, affecting profits for both healthcare systems and plans.² In its 10-K, Centene acknowledges that the "the effects of climate change ... could reduce our ability to accurately predict and effectively control the costs of providing health benefits."

Despite acknowledging this risk, the Company has not published GHG or other relevant targets aimed at reducing its emissions. By contrast, peers Cigna, CVS Health, Humana, and UnitedHealth Group have set or committed to set science-based targets with the Science Based Targets initiative. HCA Healthcare aims to reduce its scope 1 and 2 emissions by 2030 in line with 1.5 °C, Elevance Health plans to decrease direct operational emissions by 50% by 2030 and reach net zero by 2050, as well as have 75% of indirect spend suppliers set science-based targets by 2028.

Centene must take additional action to catch up with peers, comprehensively address its climate impact, and mitigate both the physical risks to its operations and the transition risks associated with the global shift to a clean energy economy.

RESOLVED: Shareholders request that Centene issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's ambition of limiting global temperature rise.

SUPPORTING STATEMENT: In the report shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Adopting science-based GHG emission reduction targets for the Company's full range of operational and value chain emissions, taking into consideration criteria used by advisory groups like the Science Based Targets initiative;
- Developing a transition plan that shows how the Company plans to meet its goals, taking into consideration criteria used by advisory groups such as the Transition Plan Taskforce, Task Force for Climate-Related Financial Disclosures, CDP, Climate Action 100+, and Ceres; and
- Adopting supporting targets for renewable energy, energy efficiency, supply chain engagement, or other measures deemed appropriate by management.

¹ <https://www.nejm.org/doi/full/10.1056/NEJMp2115675>

² <https://www2.deloitte.com/us/en/insights/industry/health-care/climate-change-and-health.html>

Board of Directors' Statement in Opposition to Proposal Five

The Board of Directors and management of Centene are committed to evaluating and responding to environmental challenges as we pursue the Company's primary mission of providing our members with access to high-quality and cost-effective healthcare, thereby transforming the health of the communities we serve. Our commitment to managing our operations in an environmentally conscious manner is demonstrated in the wide range of environmental initiatives we regularly pursue and, most importantly, in the remarkable results we have achieved in reducing greenhouse gas (GHG) emissions since 2019 through changes in our operations.

On an annual basis, Centene publishes detailed summaries of our environmental efforts and results in our Corporate Responsibility Report, our Task Force on Climate-related Financial Disclosures Index (TCFD Report), and our Sustainability Accounting Standards Board Index (SASB Index) that are now part of the International Sustainability Standards Board (ISSB), all of which are publicly available on our Company website. Additionally, in the Company's quarterly earnings release and on earnings calls, Centene's management routinely highlights our efforts to improve the environment and conditions in which our members and employees live and work.

Centene's Corporate Responsibility and TCFD reports include the Company's Scope 1, 2 and 3 GHG emissions results, in alignment with the Greenhouse Gas Protocol. **The Board of Directors and management are committed to continuing, on an annual basis, the publication of these results so that we can share with our stockholders our continued management of the Company's greenhouse gas emissions.**

Beginning in Centene's baseline year of 2019, the Company has achieved the following results¹:

GHG Emissions	2019	2020	2021	2022	2023	2024	Percent Reduction
Scope 1	18,879	18,042	20,511	13,694	9,998	7,825	59%
Scope 2	100,041	107,375	98,193	77,574	54,959	36,389	64%
Scope 3	2,756,367	2,714,424	1,714,606	1,861,003	1,337,192	1,184,419	57%

¹ Reflects recalculations for divestitures.

The Company's transparency regarding our progress is demonstrated by the fact that our results over the past 5 years have not been uniformly linear. For example, the Company's Scope 3 emissions increased slightly from 2021 to 2022. Nonetheless, the Company's commitment to achieving meaningful reduction of greenhouse gas emissions is clearly demonstrated by our success, achieving Scope 1 reductions of 59%, Scope 2 reductions of 64% and Scope 3 reductions of 57% since 2019. To date, the majority of stockholders have expressed support for the Company's efforts, with approximately 64% of voted shares voting against a similar proposal in 2024.

Centene is currently on track to meet or exceed the Intergovernmental Panel on Climate Change goal of reducing GHG emissions by 43% by 2030.

In addition to annually publishing our Scope 1, 2 and 3 emissions results, Centene regularly updates stockholders regarding environmental efforts in both our operations and on behalf of our members as we pursue improving the lives of our members in the local markets we serve. These projects include:

Operational Efforts:

- Reducing our real estate footprint by 80% as of December 31, 2024, compared to December 31, 2021.
- Implementing vendor sustainability questionnaires to understand and track our strategic suppliers' progress on environmental and climate-related strategies and actions.
- Increasing the use of ACH and electronic checks to providers to reduce the use of paper by 8% in 2024 compared to 2022.
- Recycling office furniture for buildings or spaces no longer in use, resulting in over two million pounds of waste diverted from landfills since 2022.

- Using native plantings and green roofing at our St. Louis headquarters, thereby decreasing energy consumption, reducing stormwater runoff and mitigating urban heat.
- Adopting environmentally friendly strategies in Company cafeterias to convert waste into renewable resources, such as turning food scraps into compost for local farms and converting cooking oils and grease into biofuels.
- Providing electric vehicle charging stations at the Company's owned headquarters.
- Supporting the Environmental Employee Engagement Group, an employee-led initiative that engages in sustainability-focused projects, programs and practices.
- Conducting internal education and engagement focused on environmental sustainability.

Member-Focused Efforts

- Increasing access to virtual and telehealth care for our members, thereby decreasing automotive emissions. In 2024, Centene partnered with telehealth vendors to provide over 13 million virtual visits to Centene's members.
- Increasing electronic document delivery to our members, which saved over 123 million sheets of paper in 2024 alone, leading to reduced waste and carbon emissions.
- Contributing over 3,500 volunteer hours since 2022 and over \$2.5 million since 2019, through the Centene Foundation, to respond to environmental disasters such as hurricanes, floods, tornadoes and wildfires.
- Working with traditional and nonprofit partners to provide housing for members that meets environmental review standards for green features and sustainability.
- Providing financial assistance to members to purchase fresh fruits and vegetables at farmers markets.

In the near term, we believe that maintaining flexibility to choose from among appropriate sustainability initiatives and the timing for the implementation of those initiatives aligns with the Company's mission to prioritize serving its members and government partners. We are continually assessing the rapidly evolving and uncertain regulatory and political landscape and the priorities of our government partners as we develop our sustainability plans and assess our climate-related risks. We are also mindful of the wide variations in costs associated with this rapidly changing landscape. We hope the meaningful results we have achieved over the past 6 years have earned your continued trust.

Centene is proud of the environmental initiatives it has pursued and the results it has achieved on behalf of members, governmental partners and stockholders. The Board of Directors recommends that stockholders vote "AGAINST" Proposal No. 5 because:

- the Company is **currently on track to meet or exceed the Intergovernmental Panel on Climate Change goal of reducing greenhouse gas emissions by 43% in 2030**; and
- the Company is committed to continuing its annual update to stockholders regarding the Company's progress in reducing Scope 1, 2 and 3 GHG emissions through its publication of the Corporate Responsibility Report and other environmental reports, as well as through senior management's ongoing dialogues with stockholders, analysts and the media;
- the Company's exemplary record of responding to the environmental needs of our members and government partners highlights the company's past and future commitment to providing our members with high-quality and cost-effective healthcare in a manner that considers the environmental impacts of our operations; and
- the increasing regulatory and political uncertainty regarding disclosure and management of climate-related risks.



The Board recommends that stockholders vote "AGAINST" Proposal No. 5.

6

PROPOSAL

Stockholder Proposal

As You Sow has advised us that they intend to present the following proposal for consideration on behalf of The Pleiades Trust, which owns 1,313 shares, Frances L. Bell T/Wfbo Graham de Freitas, which owns 71 shares, and Laird Norton Family Foundation who owns 169 shares.

Stockholder Statement Regarding Proposal for Report on Climate Risk to Retirement Investments

WHEREAS: Greenhouse gas emissions and the resulting warming are causing significant, deleterious consequences for the global economy. Those harms are predicted to grow. Prior studies estimate that unmitigated climate change will cut the world economy by \$23 trillion by 2050, with climate-related damages already costing the global economy an estimated \$16 million per hour.¹

These effects will have a particularly significant impact on workers saving for retirement. Retirement plan beneficiaries have long investment horizons, and “[t]he longer term the investment horizon, the more likely it is that climate will not only be a material risk, but the most material risk.”² Additionally, climate portfolio risk to retirement plans will be difficult to mitigate. An International Finance Corporation report concludes that “the traditional way of managing risk through a shift in asset allocation into increased holdings of more conservative, lower risk, lower return asset classes may do little to offset climate risks.”³

While our Company has taken actions to address its environmental footprint, it has not acted to meaningfully address the emissions generated by its retirement plan investments.⁴ The plan’s most popular option by total assets invested is the Fidelity Freedom Blend series, which accounts for 68% of plan assets.⁵ These funds invest heavily in high-carbon companies and companies contributing to deforestation.⁶

High-carbon and deforestation-risk retirement plan investments are especially perverse when viewed from the perspective of younger workers with longer-term investment time horizons.⁷ Such investments help fuel the climate crisis and lock in future temperature increases, making worst-case economic scenarios more likely. The retirement savings of younger workers will therefore suffer relatively higher impact from climate-related declines in global GDP than older workers’ retirement savings. Centene employees are likely already experiencing the anticipated financial costs of climate change. A recent report found that 401(k) participants at 12 major companies could have earned an estimated \$5.1 billion in additional returns had their plans not been invested in fossil fuels over the past ten years.⁸

The Company’s high-carbon retirement plan may also contribute to difficulty in worker recruitment and retention, as polling indicates employee demand for responsible retirement options.⁹

Federal law requires that retirement plan fiduciaries act in beneficiaries’ best interests and ensure prudence of the plan’s investments. Recent regulatory amendments have confirmed that managing material climate risk is an appropriate consideration for retirement plan fiduciaries.¹⁰ The Company can best ensure that it is meeting its obligations to employees – especially younger employees – by appropriately mitigating climate risk in its retirement plan investments.

RESOLVED: Shareholders request Centene publish a report disclosing if and how the Company is protecting retirement plan beneficiaries – especially those with a longer investment time horizon – from increased future portfolio risk created by present-day investments in high-carbon companies.

¹ <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/>

² <https://www.plansponsor.com/in-depth/climate-change-benchmarking-risk-retirement-plans/>

³ <https://www.calpers.ca.gov/docs/forms-publications/mercer-asset-allocation-report.pdf>, p.2

⁴ <https://www.centene.com/why-were-different/corporate-sustainability/healthy-environment/environmental-sustainability.html>

⁵ <https://investyourvalues.org/retirement-plans/centene>

⁶ <https://investyourvalues.org/retirement-plans/centene>

⁷ <https://www.bloomberg.com/news/features/2022-10-20/how-to-purge-fossil-fuel-investments-from-your-401-k-or-ira#xj4y7vzkg>

⁸ <https://www.asyousow.org/reports/the-impact-of-energy-sector-investments-on-the-financial-value-of-tech-401ks>

⁹ <https://www.benefitnews.com/news/employees-want-retirement-plans-to-include-esg-investing>

¹⁰ <https://www.federalregister.gov/>

Board of Directors' Statement in Opposition to Proposal Six

The Board believes that the report requested by the shareholder proposal does not protect participants in the Centene 401(k) plan, provide any useful information to our stockholders and in fact poses risks by putting pressure on the plan fiduciary to prioritize climate issues over plan participants' financial interests. As described in more detail below, the Board recommends a vote "AGAINST" the proposal for the following reasons:

Our 401(k) Plan Offers Flexibility to Participants.

Our 401(k) plan provides participants with a diverse array of investment options for their retirement funds, including target date retirement trusts, index-based funds, a money market fund and actively managed funds. As a result, participants in our 401(k) plan are able to choose investments that align with their financial goals, risk tolerances and investment preferences and personal objectives. It is our plan participants, not the Company, that decide where to invest their retirement savings. In addition, the Company's internal investment committee is in the process of allowing participants to invest in a self-directed brokerage option that gives participants access to mutual funds from hundreds of fund families, which will include ESG-related fund options, increasing our participants' choice and flexibility.

Investment Determinations are Required to be Based on Relevant Risk-Return Factors

A plan fiduciary is responsible for selecting 401(k) investment options. Federal law requires that our plan fiduciary make investment determinations in a prudent manner and based on relevant risk-return investment options. By focusing too narrowly on climate risks, the proposal risks putting undue pressure on the plan fiduciary to make decisions that may not be the best interests of the participants.

An internal investment committee is the named investment fiduciary of our 401(k) plan, in accordance with the requirements of the Employer Retirement Security Act of 1974, as amended (ERISA). This investment committee, in consultation with an external investment advisor, governs the strategic direction of the 401(k) plan investment lineup and is responsible for selecting, reviewing, and retaining or changing the investment options available under the Plan. Under ERISA, the investment committee and its advisor must discharge their duties prudently, carefully, and solely in the interest of Plan participants and their beneficiaries.

The U.S. Department of Labor's investment duties regulation mandates that an ERISA retirement plan fiduciary select investment options, including the default investment option, based on factors the fiduciary "reasonably determines are relevant to a risk and return analysis." The law requires that a fiduciary may not sacrifice the interest of 401(k) plan participants' retirement income or other financial benefits by compromising investment returns or taking on additional investment risks to promote unrelated benefit or goals. The weight given to a risk factor should be based on the facts and a reasonable assessment of its impact on risk and return.

In addition, the recent United States federal court decision in *Spence vs. American Airlines* suggests that considering factors other than investment return, especially ESG factors, are not permissible and a violation of the committee's fiduciary duty of loyalty to plan participants. The impact of this decision is unclear at this time, but it would not be prudent for the Company to take actions that could increase litigation risks against the Company for implementing the request in the proposal.

In discharging this fiduciary duty, the investment committee thoughtfully constructs, and closely and regularly monitors, investment options across a variety of different asset classes and investment styles, carefully weighing the potential risks, rewards, and goals for a wide range of employees. We believe this proposal, and the report it requests with its focus on climate risks and carbon emissions is not consistent with this duty. By overlooking the legally-mandated risk and return evaluation of the 401(k) plan, the proposal risks putting undue pressure on the investment committee to make changes that are imprudent or not in the best interests of 401(k) plan participants.



The Board recommends that stockholders vote "AGAINST" Proposal No. 6.

Security Ownership of Certain Beneficial Owners and Management

Five Percent Beneficial Owners of Common Stock

The following table sets forth the beneficial ownership of our common stock as of March 14, 2025, by (a) each person known to us to be the beneficial owner of more than five percent of the Company's common stock, (b) each of our NEOs and directors, including our director nominees and (c) all directors and executive officers as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership			
	Outstanding Shares (#)	Shares Acquirable Within 60 Days (#)	Total Beneficial Ownership (#)	Percent of Class (%) ¹
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	61,190,588	—	61,190,588	12.3
BlackRock, Inc. 50 Hudson Yards New York, NY 10001	45,659,856	—	45,659,856	9.2
Harris Associates, Inc. 11 South Wacker Drive Suite 4600 Chicago, IL 60606	26,314,183	—	26,314,183	5.3
Norges Bank Bankplassen 2 PO Box 1179 Sentrum NO-0107 Oslo, Norway	25,444,853	—	25,444,853	5.1
Kenneth A. Burdick	442,231	16,685	458,916	² *
Frederick H. Eppinger	176,322	175,877	352,199	² *
Andrew L. Asher	242,013	50,406	292,419	*
Sarah M. London	207,733	47,033	254,766	*
Kenneth J. Fasola	95,451	25,077	120,528	*
Christopher A. Koster	106,165	9,168	115,333	*
H. James Dallas	33,047	18,949	51,996	² *
Theodore R. Samuels	30,860	16,177	47,037	² *
Christopher J. Coughlin	30,098	16,757	46,855	² *
Jessica L. Blume	22,120	22,916	45,036	*
Wayne S. DeVeydt	7,860	16,942	24,802	² *
Thomas R. Greco	17,000	2,309	19,309	*
Lori J. Robinson	11,455	2,916	14,371	*
Monte E. Ford	4,340	9,582	13,922	*
Susan Smith	11,216	2,454	13,670	*
Kenneth Y. Tanji	59	864	923	*
All directors and executive officers as a group (17 persons)	1,376,548	423,338	1,799,886	*

* Represents less than 1% of outstanding shares of common stock.

¹ The ownership percentages set forth in this column are based on the assumption that each beneficial owner of more than five percent of the Company's common stock continued to own the number of shares reflected in the table above on March 14, 2025.

² Shares beneficially owned by Messrs. Eppinger, Dallas, DeVeydt, Coughlin, Burdick and Samuels include 171,016, 6,033, 4,026, 3,841, 3,769 and 3,261, respectively, RSUs acquired through the Non-Employee Directors Deferred Stock Compensation Plan.

As of March 14, 2025, there were 496,060,052 shares of our common stock outstanding. Beneficial ownership is determined in accordance with the rules of the SEC. To calculate a stockholder's percentage of beneficial ownership, we include in the numerator and denominator those shares underlying options and stock units beneficially owned by that stockholder that are vested or that will vest within 60 days of March 14, 2025. Options held by other stockholders, however, are disregarded in the calculation of beneficial ownership. Therefore, the denominator used in calculating beneficial ownership among our stockholders may differ.

Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, except to the extent authority is shared by spouses under applicable community property laws.

No director, executive officer, affiliate or owner of record, or beneficial owner of more than five percent of any class of our voting securities, or any associate of such individuals or entities, is a party adverse to us or any of our subsidiaries in any material proceeding or has any material interest adverse to us or any of our subsidiaries.

Information with respect to the outstanding shares beneficially owned by The Vanguard Group, Inc. is based on Schedule 13G/A filed with the SEC on February 13, 2024, by such firm, related to their Centene ownership. The Vanguard Group, Inc. beneficially owns 61,190,588 shares. Of the shares The Vanguard Group, Inc. owns, it has shared voting power over 717,036 shares, shared dispositive power over 2,313,336 shares and sole dispositive power over 58,877,252 shares.

Information with respect to the outstanding shares beneficially owned by BlackRock, Inc. is based on Schedule 13G/A filed with the SEC on November 12, 2024 by such firm, related to their Centene ownership. BlackRock, Inc. beneficially owns 45,659,856 shares. Of the shares BlackRock, Inc. owns, it has sole voting power over 40,647,930 shares and sole dispositive power over 45,659,856 shares.

Information with respect to the outstanding shares beneficially owned by Harris Associates, Inc. is based on Schedule 13G/A filed with the SEC on November 14, 2024, by such firm, related to their Centene ownership. Harris Associates, Inc. beneficially owns 26,314,183 shares. Of the shares Harris Associates, Inc. owns, it has sole voting power over 22,211,406 and sole dispositive power over 26,314,183 shares.

Information with respect to the outstanding shares beneficially owned by Norges Bank is based on Schedule 13G/A filed with the SEC on February 11, 2025, by such firm, related to their Centene ownership. Norges Bank beneficially owns 25,444,853 shares. Of the shares Norges Bank owns, it has sole voting power over 25,441,866 shares, shared dispositive power over 87,189 shares and sole dispositive power over 25,357,664 shares.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act, requires our directors, executive officers and persons who beneficially own more than 10% of our outstanding common stock to file reports of their stock ownership and changes in their ownership of our common stock with the SEC. In 2024, one Form 4 disclosing one transaction was filed late on behalf of one of our directors, Christopher Coughlin. Based on Company records and other information, Centene believes that all other SEC filing requirements applicable to its directors and executive officers were complied with for 2024.

Equity Compensation Plan Information

The following table provides information as of December 31, 2024, about the securities authorized for issuance under our equity compensation plans consisting of our 2012 Stock Incentive Plan, the Magellan Plans, and the 2002 Employee Stock Purchase Plan.

Plan Category¹	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (#)	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	(c) Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#)
Equity compensation plans approved by stockholders	6,713,636	\$ 77.72	11,087,075
Equity compensation plans not approved by stockholders	—	—	2,259,315 ²
Total	6,713,636	\$ 77.72	13,346,390

¹ Does not include 3,682 shares of common stock issuable pursuant to outstanding restricted stock units and 258,987 of stock options with a weighted average remaining life of 3.0 years and weighted average price of \$66.17 granted under the Magellan Plans, which were assumed by the Company in connection with the acquisition on January 4, 2022.

² Pursuant to 303A of the NYSE Listed Company Manual, consists of shares of common stock that the Company may grant under the 2012 Stock Incentive Plan that were available for grant under the Magellan Plans at the time the Company acquired Magellan. Shares assumed by Centene from the Magellan Plans are available only for awards to legacy Magellan employees and employees joining the Company after January 4, 2022. In addition, the table above does not include 191,946 deferred RSUs outstanding under the Director Plan (described above on page 121) and 771,892 shares that remained available for future deferrals under the Director Plan.

The number of securities in column (a) and footnote 1 include 434,877 options with a weighted-average remaining life of 4.4 years and 6,541,428 shares of restricted stock and restricted stock units.

The number of securities in column (c) includes 2,925,700 shares available for future issuance under the 2002 Employee Stock Purchase Plan.

Commonly Asked Questions and Answers About the Annual Meeting

1. Why am I receiving these materials?

These materials are being sent to you on behalf of our Board. You are receiving these materials because you are a stockholder of Centene that is entitled to receive notice of the Annual Meeting and to vote on matters that are properly presented at the Annual Meeting.

2. What is the purpose of the Annual Meeting?

Our stockholders meet annually to elect directors and to vote on other matters that are presented at the Annual Meeting.

3. What is a proxy?

If you designate another person to vote your shares, that other person is called a proxy. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card. If you complete the enclosed proxy card to give us your proxy, you will have designated Sarah London, the Company's Chief Executive Officer, and Christopher Koster, the Company's Secretary, or their designees or such other individuals as the Board may later designate, as your proxies to vote your shares as directed.

4. What is the purpose of this proxy statement?

This proxy statement provides information regarding matters to be voted on by stockholders at the Annual Meeting and other information regarding the governance of the Company.

5. Where is the Annual Meeting?

The Annual Meeting will be held at 10:00 AM, Central Time, on Tuesday, May 13, 2025, at our corporate headquarters in the Centene Auditorium at 7700 Forsyth Boulevard, St. Louis, Missouri 63105.

6. How do I gain admission to the Annual Meeting?

Preregistration will be required if you desire to attend the annual meeting in person. To be admitted to the 2025 annual meeting, you must have been a stockholder at the close of business on the record date of March 14, 2025 or be the legal proxy holder or qualified representative of a stockholder, preregister for the annual meeting by 11:59 AM Eastern Time on May 9, 2025, and bring with you a valid government-issued photo identification card (federal, state or local), such as a driver's license or passport. Persons failing to preregister for the annual meeting or failing to provide proper identification may be denied admission to the annual meeting.

To preregister for the annual meeting, go to www.proxyvote.com. You will need to enter your 16-digit control number, which can be found on your Notice of Internet Availability of Proxy Materials (the Availability Notice), voter instruction form and proxy card. The deadline to preregister to attend the annual meeting is 11:59 AM Eastern Time on May 9, 2025.

Please note that you will need to preregister in order to attend the annual meeting whether you vote before or at the meeting, and regardless of whether you are a registered or beneficial stockholder. If you are attending the meeting as a proxy or qualified representative for a stockholder, you will need to bring your legal proxy or authorization letter, in addition to having preregistered for the annual meeting and bringing your government-issued photo identification card.

Stockholders must provide advance written notice to the Company if they intend to have a legal proxy (other than the persons appointed as proxies on the Company's proxy card) or qualified representative attend the annual meeting on their behalf. The notice must include the name and address of the legal proxy or qualified representative and must be received by 11:59 AM Eastern Time on May 9, 2025 in order to allow enough time for the preregistration of such person.

Requests for preregistration will be processed in the order received. Please note that seating is limited, and requests for preregistration will be handled on a first-come, first-served basis.

To ensure the safety of all persons, in person attendees will also be required to enter through a security check point before being granted access to the meeting. Security measures may include bag, metal detector and hand-wand searches. The use of cameras (including cell phones with photographic capabilities), recording devices, smart phones and other electronic devices is strictly prohibited. We strongly encourage you not to bring any bags to the meeting. Any bags brought to the meeting will be subject to inspection and must be clear plastic, vinyl or PVC and not exceed 12" x 6" x 12" or 30.5 x 15.25 x 30.5 cm. Any other bags will not be allowed.

We appreciate the opportunity to hear the views of our stockholders. In fairness to all stockholders and participants at our annual meeting, and in the interest of an orderly and constructive meeting, stockholder comments at our annual meeting will be subject to rules of conduct that will be enforced. Copies of these rules will be available at our annual meeting. Only stockholders, their valid proxy holders or other previously authorized representatives may address our annual meeting. Only proposals that meet the requirements of Rule 14a-8 of the Exchange Act or our by-laws will be eligible for consideration at our annual meeting.

7. What does it mean if I receive more than one package of proxy materials?

This means that you have multiple accounts holding Centene shares. These may include: accounts with our transfer agent, Broadridge Corporate Issuer Solutions, Inc., accounts holding shares that you have acquired under the Company's stock plans; and accounts with a broker, bank or other holder of record. Please vote all proxy cards and voting instruction forms that you receive with each package of proxy materials to ensure that all of your shares are voted.

8. Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of printed proxy materials?

Under rules adopted by the SEC, we provide access to our proxy materials on the internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the Availability Notice) to some of our stockholders. If you received an Availability Notice by mail, you will not receive a printed copy of the proxy materials unless you request one. The Availability Notice will tell you how to access and review the proxy materials on the internet at www.ProxyVote.com. The Availability Notice also tells you how to access your proxy card to vote on the internet. If you received an Availability Notice by mail and would like to receive a printed copy of our proxy materials, please follow the instructions on the Availability Notice.

9. What is the record date and what does it mean?

The record date for the Annual Meeting is March 14, 2025. Holders of the Company's common stock at the close of business on the record date are entitled to receive notice of the Annual Meeting and to vote at the meeting.

10. Is there a minimum number of shares that must be represented in person or by proxy to hold the Annual Meeting?

Yes. A quorum is the minimum number of shares that must be present to conduct business at the Annual Meeting. The quorum requirement is the number of shares that represent a majority of the voting power of the outstanding shares of the Company and entitled to vote thereat as of the record date, present in person or represented by proxy. Shares necessary to meet the quorum requirement may be present in person or represented by proxy. There were 496,060,052 shares of our common stock issued and outstanding on the record date. Therefore, at least 248,030,027 shares of our common stock must be present in person or represented by proxy at the Annual Meeting to satisfy the quorum requirement.

Your shares will be counted to determine whether there is a quorum if you submit a valid proxy card or voting instruction form, give proper instructions over the telephone or on the internet or register to attend the Annual Meeting in person. Pursuant to Delaware law, proxies received but marked as abstentions and broker non-votes (which are discussed in Question 17 below) are counted as present for purposes of determining a quorum.

11. Who can vote on matters that will be presented at the Annual Meeting?

You can vote if you were a stockholder of the Company at the close of business on the record date of March 14, 2025.

12. What is the difference between a registered stockholder and a beneficial owner?

Many Centene stockholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own names. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

- **Registered stockholder:** If your shares are registered directly in your name with the Company's transfer agent, Broadridge Corporate Issuer Solutions, Inc., you are considered, with respect to those shares, the "stockholder of record" or a "registered stockholder," and these proxy materials are being sent directly to you by the Company. As the stockholder of record, you have the right to deliver your voting proxy directly to the Company or to vote in person at the Annual Meeting.
- **Beneficial owner:** If your shares are held in a stock brokerage account or by a bank, trustee or other nominee, you are considered the "beneficial owner" of those shares, and these proxy materials are being forwarded to you by your broker, bank or other holder of record who is considered, with respect to those shares, the stockholder of record. As the beneficial owner you have the right to direct your broker, bank or other holder of record on how to vote your shares and you are invited to register to attend the Annual Meeting. Your broker, bank, trustee or nominee is obligated to provide you with a voting instruction form for you to use.

13. How many votes am I entitled to per share?

Each share of common stock outstanding on the record date is entitled to one vote on each matter properly presented at the Annual Meeting. Stockholders do not have a right to cumulate their votes.

14. Who will count the vote?

Broadridge Investor Communications Solutions, Inc. was appointed by our Board to tabulate the vote and act as Inspector of Election. Information about Broadridge Investor Communications Solutions, Inc. is available at www.broadridge.com.

15. How do I cast my vote?

Registered stockholders: There are four ways you can cast your vote:

- Vote on the internet at www.ProxyVote.com using the control number provided to you by 11:59 PM. Eastern Time on May 12, 2025;
- Vote by telephone at 1-800-690-6903 using the control number provided to you by 11:59 PM. Eastern Time on May 12, 2025;
- If you received a proxy card, complete and properly sign, date and return it in the postage paid envelope provided. If voting by mail, please allow sufficient time for the postal service to deliver your proxy card before the Annual Meeting; or
- Preregister to attend the Annual Meeting by 11:59 AM Eastern Time on May 9, 2025 and deliver your completed proxy card or complete a ballot in person.

Beneficial owners: Your proxy materials should include a voting instruction form from the institution holding your shares. There are up to four ways you can cast your vote:

- Vote on the internet at www.ProxyVote.com using the control number provided to you by the institution holding your shares by 11:59 PM. Eastern Time on May 12, 2025;
- Vote by telephone using the telephone number and the control number provided to you (note: the availability of telephone voting will depend upon the institution's voting processes);
- Complete and properly sign, date and return a voting instruction form from the institution holding your shares. Please allow sufficient time for your instructions to be received by the institution before the Annual Meeting; or
- Preregister to attend the annual meeting in person as described in Question 6 above by 11:59 AM Eastern Time on May 9, 2025 and obtain a legal proxy from the institution holding your shares to vote in person at the Annual Meeting.
- Please contact the institution holding your shares for additional information, including its deadline for voting.

16. What is the voting requirement to approve each of the proposals? How do abstentions and broker non-votes affect the vote outcome?

Proposal 1: Each director will be elected by a majority of votes cast, which means a majority of the votes cast "for" the particular director. As discussed further on page 31, our Corporate Governance Guidelines provide that any director nominee who receives a greater number of votes "against" his or her election than votes "for" such election shall, promptly following certificate of the vote, offer his or her resignation to the Board, the acceptance or rejection of which will be subject to Board action and subsequent disclosure.

Proposals 2, 3, 4, 5 and 6: Proposals 2, 3, 4, 5 and 6 will pass with the votes of a majority of votes cast, which means a majority of the votes cast "for" the proposal.

A broker non-vote (a broker non-vote is explained in the answer to Question 17) on a proposal is considered a share not entitled to vote on that proposal and is not a vote cast. Accordingly, a broker non-vote will have no effect on the vote outcome of any proposal.

Abstentions are considered shares entitled to vote on a proposal but are not considered as having been cast "for" or "against" a proposal. Therefore, abstentions will have no effect on the vote outcome of any proposal.

Discretionary voting by brokers will be permitted by the New York Stock Exchange only in connection with Proposal 3. Discretionary voting is explained in the answer to Question 17.

17. What if I return my proxy card or voting instruction form but do not provide voting instructions?

Registered stockholders: If you are a registered stockholder and you return your signed proxy card, your shares will be voted as you designate on the proxy card. If you do not return your voted proxy card, vote by phone or the internet or if you submit your proxy card with an unclear voting designation, your shares will not be voted. If you return your signed proxy card and do not provide a voting designation, your shares will be voted FOR the election of all director nominees listed in Proposal 1; FOR Proposals 2, 3 and 4; and AGAINST Proposals 5 and 6. The proxy holders will vote in their discretion as to any other matters that arise at the Annual Meeting.

Beneficial owners: In limited instances, your shares may be voted if they are held in the name of a broker, bank or other intermediary, even if you do not provide the holder with voting instructions. This is called "*discretionary voting*." Brokerage firms and banks generally have the authority, under NYSE rules, to vote shares on certain "routine" matters for which their customers do not provide voting instructions. Of the six proposals scheduled to be presented at the Annual Meeting, only Proposal 3, Ratification of the Appointment of Independent Registered Public Accounting Firm, is considered a routine matter under the NYSE's rules. Proposals 1, 2, 4, 5 and 6 and any other matter that may be presented at the Annual Meeting, are not considered routine. When a proposal is not a routine matter and the institution holding the shares has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the institution cannot vote the shares on that proposal. This is called a "*broker non-vote*." In tabulating the voting result for any particular proposal, shares represented at the Annual Meeting that constitute broker non-votes will not be included in vote totals. As a result, they will have no effect on the outcome of any vote.

18. Can I change my mind after I submit my proxy?

Yes, if you vote by proxy, you may revoke that proxy by:

- voting again on the internet or by telephone prior to the applicable deadline for the votes to be tabulated at the Annual Meeting;
- signing another proxy card with a later date and mailing it, provided it is *received* prior to the Annual Meeting; or
- preregistering to attend the Annual Meeting in person as described in Question 6 above by 11:59 AM Eastern Time on May 9, 2025, and delivering your proxy or casting a ballot in person.

If you are a beneficial owner of our stock, you must obtain a legal proxy from the institution holding your shares to vote in person at the Annual Meeting and preregister to attend the annual meeting in person as described in Question 6 above by 11:59 AM Eastern Time on May 9, 2025.

19. Where can I find the voting results of the Annual Meeting?

We intend to announce preliminary voting results at the Annual Meeting and publish voting results on a Current Report on Form 8-K within four business days after the conclusion of the Annual Meeting. The Form 8-K will be accessible at the SEC's website at www.sec.gov or on our website at www.centene.com.

20. What if I have additional questions that are not addressed here?

You may call Investor Relations at (212) 549-1306, e-mail Investor Relations at investors@centene.com or call the Office of the Secretary at (314) 725-4477.

Other Matters

Committee Reports

The information contained in the Compensation and Talent Committee Report and the Audit and Compliance Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other of our filings under the Securities Act of 1933 or the Exchange Act, except to the extent the filing specifically incorporates such information by reference therein.

Proxy Solicitation Costs

This proxy solicitation is sent on behalf of our Board, and all costs and expenses associated with soliciting proxies will be borne by the Company. In addition to the use of the mailings, our directors, executive officers and our associates by personal interview, telephone or telegram may solicit proxies. Such directors, executive officers and associates will not be additionally compensated for such solicitation but may be reimbursed for out-of-pocket expenses incurred in connection therewith. Arrangements will also be made with custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of our common stock held of record by such persons, and we will reimburse such custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses incurred in connection therewith. We have retained Saratoga Proxy Consulting, LLC, a proxy soliciting firm, to assist with the solicitation of proxies for a fee of \$12,500 plus fees for any retail stockholder outreach services and reimbursement for out-of-pocket expenses.

Stockholder Proposals and Director Nominations

Stockholder Proposals for Inclusion in our 2026 Proxy Statement. For our 2026 Annual Meeting of Stockholders, to be eligible for inclusion in our 2026 proxy statement under the SEC's Rule 14a-8 requirements, any stockholder proposals under Rule 14a-8 must be submitted to Christopher A. Koster, our Secretary, at 7700 Forsyth Boulevard, St. Louis, Missouri 63105, no later than November 27, 2025.

Director Nominations under our Proxy Access By-laws. Our By-laws provide for a right of proxy access. This enables stockholders, under specified conditions, to include their nominees for election as directors in our proxy statement. Under our By-laws, a stockholder (or group of up to 20 stockholders) who has continuously owned at least 3% of the outstanding shares of our common stock for at least three consecutive years and has complied with the other requirements in our By-laws may nominate up to the greater of two individuals or 20% of the Board and have such nominee(s) included in our proxy statement. Notice of nominees for our 2026 annual meeting of stockholders must be received by the Secretary not later than February 12, 2026 and not earlier than January 13, 2026.

Director Nominations and other Stockholder Proposals for Presentation at the 2026 Annual Meeting. Our advance notice By-laws also provide procedures regarding nominations of directors and other proposals that a stockholder wishes to have considered at a meeting of stockholders. Under our By-laws, written notice of such stockholder nominations to the Board of Directors or any other business proposed by a stockholder must be delivered to our Secretary not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. Accordingly, any stockholder who wishes to nominate a director other than under our proxy access By-law or propose other business to be considered at the 2026 annual meeting of stockholders must deliver a written notice (containing the information specified in our By-laws regarding the stockholder and the proposed action) to Christopher A. Koster, our Secretary, at 7700 Forsyth Boulevard, St. Louis, Missouri 63105, not later than February 12, 2026 and not earlier than January 13, 2026.

Please be aware that merely submitting a proposal to us is not a guarantee that it will either be included in our 2026 proxy statement or considered at our 2026 Annual Meeting of Stockholders.

Multiple Stockholders Having the Same Address

We have adopted a process called "householding" for mailing proxy materials in order to reduce costs. Householding means that stockholders who share the same last name and address will receive only one copy of our 2024 Annual Report on Form 10-K and this proxy statement (collectively, the proxy materials) unless we receive contrary instructions. For those stockholders receiving our Notice of Internet Availability of Proxy Materials (Availability Notice), we will provide a separate Availability Notice for each stockholder. For those households receiving copies of our Annual Report on Form 10-K and proxy statement, we will continue to mail a proxy card to each stockholder of record. If you prefer to receive multiple copies of the proxy materials at the same address, additional copies will be provided to you promptly upon request. If you hold your shares in street name or are a registered holder, you should direct your request to Broadridge, Householding Department, 51 Mercedes Way, Edgewood, NY 11717, telephone number (800) 542-1061. You may also request copies of our proxy materials or notify us that you wish to receive a separate copy of these documents for each stockholder, or a single copy for each address, by writing to Investor Relations Department, Centene Corporation, 7700 Forsyth Boulevard, St. Louis, Missouri 63105, or by calling (314) 725-4477. The Company's Annual Report on Form 10-K for the year ended December 31, 2024 and this proxy statement are also available at www.ProxyVote.com.

Requests for Additional Information

We will provide without charge to each beneficial holder of our common stock on the record date, upon the written request of any such person, a copy of our Annual Report on Form 10-K (without exhibits) for the fiscal year ended December 31, 2024, as filed with the SEC. We will provide copies of any exhibit(s) to our Annual Report on Form 10-K upon request and upon payment of a reasonable fee not to exceed our costs in providing such copy. We will also provide to any person without charge, upon request, a copy of our Code of Conduct, our Corporate Governance Guidelines and our Board Committee Charters. Any such requests should be made in writing to Investor Relations, Centene Corporation, 7700 Forsyth Boulevard, St. Louis, Missouri 63105. A copy of these documents and our other SEC filings are also available on our website at www.centene.com. We intend to disclose future amendments to, or waivers, if any, from the provisions of the Code of Conduct made with respect to any of our directors and executive officers on our website. The information contained in any website or report referenced in this proxy statement is not incorporated by reference into, and does not form a part of, this proxy statement.

Forward-Looking Statements

All statements, other than statements of current or historical fact, contained in this proxy statement are forward-looking statements. Without limiting the foregoing, forward-looking statements often use words such as "believe," "anticipate," "plan," "expect," "estimate," "guidance," "intend," "seek," "target," "goal," "may," "will," "would," "could," "should," "can," "continue" and other similar words or expressions (and the negative thereof). Centene Corporation and its subsidiaries (Centene, the Company, our, or we) intends such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with these safe-harbor provisions. In particular, these statements include, without limitation, statements about our expected future operating or financial performance, changes in laws and regulations (including but not limited to, renewal and modification of the enhanced advance premium tax credits associated with the Marketplace product), market opportunity, competition, expected contract start dates and terms, expected activities in connection with completed and future acquisitions and dispositions, our investments and the adequacy of our available cash resources. These forward-looking statements reflect our current views with respect to future events and are based on numerous assumptions and assessments made by us in light of our experience and perception of historical trends, current conditions, business strategies, operating environments, future developments and other factors we believe appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties and are subject to change because they relate to events and depend on circumstances that will occur in the future, 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 in this proxy statement are based on information available to us on the date hereof. Except as may be otherwise required by law, we undertake no obligation to update or revise the forward-looking statements included in this proxy statement, whether as a result of new information, future events, or otherwise, after the date hereof. You should not place undue reliance on any forward-looking statements, as actual results may differ materially from projections, estimates, or other forward-looking statements due to a variety of important factors, variables and events including, but not limited to: our ability to design and price products that are competitive and/or actuarially sound including but not limited to any impacts resulting from Medicaid redeterminations; our ability to maintain or achieve improvement in the Centers for Medicare and Medicaid Services (CMS) Star ratings and maintain or achieve improvement in other quality scores in each case that could impact revenue and future growth; our ability to accurately predict and effectively manage health benefits and other operating expenses and reserves, including fluctuations in medical utilization rates; competition, including for providers, broker distribution networks, contract reprocurments and organic growth; our ability to adequately anticipate demand and timely provide for operational resources to maintain service level requirements in compliance with the terms of our contracts and state and federal regulations; our ability to manage our information systems effectively; disruption, unexpected costs, or similar risks from business transactions, including acquisitions, divestitures, and changes in our relationships with third-party vendors; impairments to real estate, investments, goodwill, and intangible assets; changes in senior management, loss of one or more key personnel or an inability to attract, hire, integrate and retain skilled personnel; membership and revenue declines or unexpected trends; rate cuts, insufficient rate changes or other payment reductions or delays by governmental payors and other risks and uncertainties affecting our government businesses; changes in healthcare practices, new technologies, and advances in medicine; our ability to effectively and ethically use artificial intelligence and machine learning in compliance with applicable laws; increased healthcare costs; inflation and interest rates; the effect of social, economic, and political conditions and geopolitical events, including as a result of changes in U.S. presidential administrations or Congress; changes in market conditions; changes in federal or state laws or regulations, including changes with respect to income tax reform or government healthcare programs as well as changes with respect to the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act (collectively referred to as the ACA) and any regulations enacted thereunder, including the timing and terms of renewal or modification of the enhanced advance premium tax credits or program integrity initiatives that could have the effect of reducing membership or profitability of our products; uncertainty concerning government shutdowns, debt ceilings or funding; tax matters; disasters, climate-related incidents, acts of war or aggression or major epidemics; changes in expected contract start dates and terms; changes in provider, broker, vendor, state, federal and other contracts and delays in the timing of regulatory approval of contracts, including due to protests and our ability to timely comply with any such changes to our contractual requirements or manage any unexpected delays in regulatory approval of contracts; the expiration, suspension, or termination of our contracts with federal or state governments (including, but not limited to, Medicaid, Medicare or other customers); the difficulty of predicting the timing or outcome of legal or regulatory audits, investigations, proceedings or matters, including, but not limited to, our ability to resolve claims and/or allegations made by states with regard to past practices on acceptable terms, or at all, or whether additional claims, reviews or investigations will be brought by states, the federal government or shareholder litigants, or government investigations; challenges to our contract awards; cyber-attacks or other data security incidents or our failure to comply with applicable privacy, data or security laws and regulations; the exertion of management's time and our resources, and other expenses incurred and business changes required in connection with complying with the terms of our contracts and the undertakings in connection with any regulatory, governmental, or third party consents or approvals for acquisitions or dispositions; any changes in expected closing dates, estimated purchase price, or accretion for acquisitions or dispositions; losses in our investment portfolio; restrictions and limitations in connection with our indebtedness; a downgrade of our corporate family rating, issuer rating or credit rating of our indebtedness; the availability of debt and equity financing on terms that are favorable to us and risks and uncertainties discussed in the reports that Centene has filed with the Securities and Exchange Commission (SEC). This list of important factors is not intended to be exhaustive. We discuss certain of these matters more fully, as well as certain other factors that may affect our business operations, financial condition, and results of operations, in our filings with the SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Due to these important factors and risks, we cannot give assurances with respect to our future performance, including without limitation our ability to maintain adequate premium levels or our ability to control our future medical and selling, general and administrative costs.

Appendix A - Reconciliation of Non-GAAP Measures

This proxy statement includes certain non-GAAP financial measures as the Company believes that these figures are helpful in allowing investors to more accurately assess the ongoing nature of the Company's operations and measure the Company's performance more consistently across periods. The Company uses the presented non-GAAP financial measures internally in evaluating the Company's performance and for planning purposes, by allowing management to focus on period-to-period changes in the Company's core business operations, and in determining employee incentive compensation. Therefore, the Company believes that this information is meaningful in addition to the information contained in the GAAP presentation of financial information. The Company strongly encourages investors to review its consolidated financial statements and publicly filed reports in their entirety and cautions investors that the non-GAAP financial measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP.

Specifically, the Company believes the presentation of non-GAAP financial measures that excludes amortization of acquired intangible assets, acquisition and divestiture related expenses, as well as other items, allows investors to develop a more meaningful understanding of the Company's core performance over time. The tables and discussion below provide reconciliations of non-GAAP items.

The tables below provide reconciliations of non-GAAP items (\$ in millions, except per share data):

	Year Ended December 31,				
	2024	2023	2022	2021	2020
GAAP net earnings attributable to Centene	\$ 3,305	\$ 2,702	\$ 1,202	\$ 1,347	\$ 1,808
Amortization of acquired intangible assets	692	718	817	770	719
Acquisition and divestiture related expenses	82	70	213	185	602
Other adjustments ¹	(117)	464	1,540	1,275	29
Income tax effects of adjustments ²	(209)	(308)	(410)	(537)	(262)
Adjusted net earnings	\$ 3,753	\$ 3,646	\$ 3,362	\$ 3,040	\$ 2,896

	Year Ended December 31,				
	2024	2023	2022	2021	2020
GAAP diluted EPS attributable to Centene	\$ 6.31	\$ 4.95	\$ 2.07	\$ 2.28	\$ 3.12
Amortization of acquired intangible assets	1.32	1.32	1.40	1.31	1.24
Acquisition and divestiture related expenses	0.16	0.13	0.36	0.31	1.04
Other adjustments ¹	(0.22)	0.85	2.65	2.16	0.05
Income tax effects of adjustments ²	(0.40)	(0.57)	(0.70)	(0.91)	(0.45)
Adjusted diluted EPS	\$ 7.17	\$ 6.68	\$ 5.78	\$ 5.15	\$ 5.00

¹ Other adjustments include the following items:

2024 - net gain on the previously reported divestiture of Magellan Specialty Health due to the achievement of contingent consideration and finalization of working capital adjustments of \$83 million, or \$0.16 per share (\$0.12 after-tax), net gain on the sale of property of \$24 million, or \$0.04 per share (\$0.03 after-tax), gain on the previously reported divestiture of Circle Health Group (Circle Health) of \$20 million, or \$0.04 per share (\$0.12 after-tax), gain on the sale of Collaborative Health Systems (CHS) of \$17 million, or \$0.03 per share (\$0.02 after-tax), Health Net Federal Services asset impairment due to the 2024 final ruling on the TRICARE Managed Care Support Contract of \$14 million, or \$0.03 per share (\$0.02 after-tax), severance costs due to a restructuring of \$13 million, or \$0.02 per share (\$0.01 after-tax), an additional loss on the divestiture of our Spanish and Central European businesses of \$7 million, or \$0.01 per share (\$0.01 after-tax) and gain on the previously reported divestiture of HealthSmart due to the finalization of working capital adjustments of \$7 million, or \$0.01 per share (\$0.01 after-tax).

2023 - Circle Health impairment of \$292 million, or \$0.53 per share (\$0.47 after-tax), Operose Health Group (Operose Health) impairment of \$140 million, or \$0.26 per share (\$0.24 after-tax), real estate impairments of \$105 million, or \$0.19 per share (\$0.16 after-tax), gain on the sale of Apixio of \$93 million, or \$0.17 per share (\$0.12 after-tax), severance costs due to a restructuring of \$79 million, or \$0.15 per share (\$0.11 after-tax), gain on the sale of Magellan Specialty Health of \$79 million, or \$0.14 per share (\$0.11 after-tax), a reduction to the previously reported gain on the sale of Magellan Rx of \$22 million, or \$0.04 per share (\$0.02 after-tax), gain on the previously reported divestiture of Centurion of \$15 million, or \$0.03 per share (\$0.02 after-tax) and an additional loss on the divestiture of our Spanish and Central European businesses of \$13 million, or \$0.02 per share (\$0.01 after-tax).

2022 - real estate impairments of \$1,642 million, or \$2.82 per share (\$2.08 after-tax), PANTHERx Rare (PANTHERx) divestiture gain of \$490 million, or \$0.84 per share (\$0.65 after-tax), impairments of assets associated with the divestitures of our Spanish and Central European, Centurion and HealthSmart businesses of \$458 million, or \$0.78 per share (\$0.60 after-tax), Magellan Rx divestiture gain of \$269 million, or \$0.46 per share (\$0.17 after-tax), Health Net Federal Services asset impairment of \$233 million, or \$0.40 per share (\$0.39 after-tax), gain on debt extinguishment of \$27 million, or \$0.04 per share (\$0.03 after-tax), increase to the previously reported gain on the divestiture of U.S. Medical Management (USMM) due to the finalization of working capital adjustments of \$13 million, or \$0.02 per share (\$0.02 after-tax), and costs related to the pharmacy benefits management (PBM) legal settlement of \$6 million, or \$0.01 per share (\$0.00 after-tax).

2021 - PBM legal settlement expense of \$1,264 million, or \$2.14 per share (\$1.76 after-tax), gain related to the acquisition of the remaining 60% interest of Circle Health of \$309 million, or \$0.52 per share (\$0.52 after-tax), impairment of our equity method investment in RxAdvance of \$229 million, or \$0.39 per share (\$0.32 after-tax), gain related to the divestiture of USMM of \$150 million or \$0.25 per share (\$0.23 after-tax), debt extinguishment costs of \$125 million, or \$0.21 per share (\$0.16 after-tax), reduction to the previously reported gain on divestiture of certain products of our Illinois health plan of \$62 million, or \$0.10 per share (\$0.08 after-tax), and severance costs due to a restructuring of \$54 million, or \$0.09 per share (\$0.06 after-tax).

2020 - Gain related to the divestiture of certain products of our Illinois health plan of \$104 million, or \$0.18 per share (\$0.10 after-tax); and non-cash impairment of our third-party care management software business of \$72 million, or \$0.12 per share (\$0.10 after-tax); and debt extinguishment costs of \$61 million, or \$0.11 per share (\$0.07 after-tax).

² The income tax effects of adjustments are based on the effective income tax rates applicable to each adjustment. In addition, the year ended December 31, 2024, includes a tax benefit of \$1 million, or \$0.00 per share, related to tax adjustments on previously reported divestitures. The year ended December 31, 2023 includes a one-time income tax benefit of \$69 million, or \$0.13 per share, resulting from the distribution of long-term stock awards to the estate of the Company's former CEO and tax expense of \$3 million, or \$0.01 per share, related to tax adjustments on previously reported divestitures. The year ended December 31, 2022, includes tax expense of \$107 million, or \$0.18 per share, related to the Magellan Specialty Health divestiture and a \$15 million, or \$0.03 per share, tax benefit related to the RxAdvance impairment.

Reconciliation of GAAP net earnings to adjusted EBITDA (\$ in millions):

	Year Ended December 31,	
	2024	2021
GAAP net earnings attributable to Centene	\$ 3,305	\$ 1,347
Income tax expense	963	477
Interest expense	702	665
Depreciation	549	565
Amortization	692	770
Stock compensation expense	212	203
Other adjustments ¹	(130)	1,207
Adjusted EBITDA	\$ 6,293	\$ 5,234

¹ Other adjustments include the following pre-tax items:

- ^a for the year ended December 31, 2024: net gain on the previously reported divestiture of Magellan Specialty Health due to the achievement of contingent consideration and finalization of working capital adjustments of \$83 million, net gain on the sale of property of \$24 million, gain on the previously reported divestiture of Circle Health of \$20 million, gain on the sale of CHS of \$17 million, Health Net Federal Services asset impairment due to the 2024 final ruling on the TRICARE Managed Care Support Contract of \$14 million, an additional loss on the divestiture of our Spanish and Central European businesses of \$7 million, and gain on the previously reported divestiture of HealthSmart due to the finalization of working capital adjustments of \$7 million.
- ^b for the year ended December 31, 2021: PBM legal settlement expense of \$1,250 million; gain related to the acquisition of the remaining 60% interest of Circle Health of \$309 million, impairment of our equity method investment in RxAdvance of \$229 million, gain related to the divestiture of USMM of \$150 million, debt extinguishment costs of \$125 million, and reduction to the previously reported gain on divestiture of certain products of our Illinois health plan of \$62 million.

The Company also references adjusted pre-tax margin for the 2022-2024 performance year metrics, which is derived from pre-tax net income divided by premium and service revenues. Pre-tax net income excludes acquisition and divestiture related expenses and specific one-time items consistent with those outlined in our adjusted diluted EPS calculation.

Appendix B - 2025 Stock Incentive Plan

CENTENE CORPORATION

2025 Stock Incentive Plan

1. Purpose

The purpose of this 2025 Stock Incentive Plan (the "Plan") of Centene Corporation, a Delaware corporation (the "Company"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company, by providing such persons with equity ownership opportunities and performance-based incentives and thereby better aligning the interests of such persons with those of the Company's stockholders. Except where the context otherwise requires, the term "Company" shall include any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code") and any other business venture (including joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the "Board"). This Plan is a successor to the Centene Corporation 2012 Stock Incentive Plan, as amended, and the Magellan Health, Inc. 2016 Management Incentive Plan and Magellan Health Services, Inc. 2011 Management Incentive Plan (the "Centene Prior Plan" and the "Magellan Plans," and together, the "Prior Plans") and, provided that this Plan is approved by the Company's stockholders, no further grants shall be made pursuant to the Prior Plans.

2. Eligibility

All of the Company's employees, officers, directors, consultants and advisors are eligible to be granted stock options ("Options"), Restricted Stock (as hereinafter defined), Restricted Stock Units ("RSUs"), Stock Appreciation Rights ("SARs") and any other stock based awards that have values based on the values of shares, including but not limited to grants of stock and grants of rights to receive stock in the future ("Other Stock Based Awards") (each, an "Award") under the Plan, to the extent that an offer or receipt of an Award is permitted by applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations. Holders of equity compensation Awards granted by a company that is acquired by the Company (or whose business is acquired by the Company) or with which the Company combines are eligible for Awards granted in assumption of, or in substitution for, an outstanding Award previously granted by a company or other business acquired by the Company or with which the Company combines ("Substitute Awards") under the Plan to the extent permitted under applicable regulations of any stock exchange on which the Company is listed. Each person who has been granted an Award under the Plan shall be deemed a "Participant."

3. Administration and Delegation

- (a) *Administration by Compensation Committee of the Board of Directors.* The Plan will be administered by the Compensation Committee of the Board. The Compensation Committee shall have authority to: (i) designate Participants, (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Plan, (iii) determine the number of shares to be covered by (or with respect to which payments, rights or other matters are to be calculated in connection with) Awards, (iv) determine the terms and conditions of any Award and prescribe the form of each Award agreement, which need not be identical for each Participant, (v) determine whether, to what extent, under what circumstances and by which methods Awards may be settled or exercised in cash, shares, Other Stock Based Awards, other property, net settlement (including broker-assisted cashless exercise), or any combination thereof, or canceled, forfeited or suspended, (vi) determine whether, to what extent and under what circumstances cash, shares, Other Stock Based Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Compensation Committee, (vii) amend terms or conditions of any outstanding Awards, (viii) correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency, (ix) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the

Plan, (x) establish, amend, suspend or waive such rules and regulations and appoint such agents, trustees, brokers, depositories and advisors and determine such terms of their engagement as it shall deem appropriate for the proper administration of the Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations and (xi) make any other determination and take any other action that the Compensation Committee deems necessary or desirable for the administration of the Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations. Awards to a director or an "officer" of the Company (as defined by Rule 16a-1 under the Securities Exchange Act of 1934, as amended (a "Section 16 Officer" and the "Exchange Act")) may only be recommended by a committee comprised solely of independent directors. All decisions by the Compensation Committee shall be made in the Compensation Committee's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award. No director or person acting pursuant to the authority delegated by the Compensation Committee shall be liable for any action or determination relating to or under the Plan made in good faith.

- (b) *Appointment of Committees.* To the extent permitted by applicable law, including under Section 157(c) of the Delaware General Corporation Law, the Compensation Committee may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a "Committee"). All references in the Plan to the "Compensation Committee" shall mean the Compensation Committee or a subcommittee or the executive officers referred to in Section 3(c) to the extent that the Compensation Committee's powers or authority under the Plan have been delegated to such Committee or executive officers.
- (c) *Delegation to Executive Officers.* To the extent permitted by applicable law, the Compensation Committee may delegate to one or more executive officers of the Company the power to grant Awards to employees or officers of the Company or any of its present or future subsidiary corporations and to exercise such other powers under the Plan as the Compensation Committee may determine, *provided* that the Compensation Committee shall fix the terms of the Awards to be granted by such executive officers (including the exercise price of such Awards, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to Awards that the executive officers may grant; *provided further, however*, that no executive officer shall be authorized to grant Awards to any "executive officer" of the Company, as defined by Rule 3b-7 under the Exchange Act, or to any Section 16 Officer.

4. Stock Available for Awards

- (a) *Initial Share Reserve.* Subject to adjustment under Section 8, Awards may be made under the Plan for up to 15,000,000 shares of common stock, \$.001 par value per share, of the Company ("Common Stock"), less one (1) share for every one (1) share of Common Stock subject to an award granted under the Prior Plans after March 15, 2025.
- (b) *Permitted Addbacks to Share Reserve.* If (i) any shares of Common Stock subject to an Award are forfeited, an Award expires or an Award is settled for cash (in whole or in part), or (ii) after March 15, 2025, any shares of Common Stock subject to an award under the Prior Plans are forfeited, expire or are settled for cash (in whole or in part), then in each such case the shares subject to such Award or award under the Prior Plans shall, to the extent of such forfeiture, expiration or cash settlement, be added to the shares of Common Stock authorized for grant under Section 4(a) above. In the event that withholding tax liabilities arising from an Award other than an Option or SAR or, after March 15, 2025, an award other than an option or stock appreciation right under the Prior Plans are satisfied by the tendering of shares of Common Stock (either actually or by attestation) or by the withholding of shares of Common Stock by the Company, the shares of Common Stock so tendered or withheld shall be added to the shares of Common Stock authorized for grant under Section 4(a) above; provided, however, that shares that again become available for issuance under the Plan pursuant to the preceding clause shall not increase the numbers of shares that may be granted under the Plan in connection with ISOs (as hereinafter defined).
- (c) *No Recycling of Options or SARs.* Notwithstanding anything to the contrary contained herein, the following shares of Common Stock shall not be added to the shares authorized for grant under Section 4(a): (i) shares tendered or withheld in payment of the purchase price of an Option or an option granted under the Prior Plans, (ii) shares tendered or withheld to satisfy any tax withholding obligation with respect to Options or SARs or options or stock appreciation rights granted under the Prior Plans, (iii) shares subject to a SAR or a stock appreciation right granted under the Prior Plans that are not issued in connection with its stock settlement on exercise thereof, and (iv) shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options or options granted under the Prior Plans.

- (d) *Source of Shares.* Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.
- (e) *Substitute Awards.* Shares underlying Substitute Awards and shares remaining available for grant under a plan of an acquired company or of a company with which the Company combines (whether by way of amalgamation, merger, sale and purchase of shares or other securities or otherwise), appropriately adjusted to reflect the acquisition or combination transaction, shall not reduce the number of shares remaining available for grant hereunder.
- (f) *Director compensation limit.* Subject to adjustment under Section 8, a Participant who is a non-employee director may not receive compensation in the aggregate, including cash payments and Awards but excluding any vested deferred compensation from any prior year, in excess of \$1,000,000 during each calendar year while serving in such capacity (it being understood that for this purpose the value of any Awards shall be determined at the time of grant). Any compensation granted, paid or awarded for services other than as a non-employee director (including as an officer, employee or consultant of the Company or its affiliates) shall not count towards such limit.

5. Options

- (a) *General.* The Compensation Committee may grant options to purchase Common Stock (each, an "Option") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable. An Option that is not intended to be an ISO shall be designated a "Nonstatutory Stock Option."
- (b) *ISOs.* An Option that the Compensation Committee intends to be an "incentive stock option" as defined in Section 422 of the Code (an "ISO") shall only be granted to employees of Centene Corporation, any of Centene Corporation's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive ISOs under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an ISO is not an ISO. The maximum number of shares that may be issued pursuant to the exercise of ISOs under the Plan shall be 15,000,000.
- (c) *Exercise Price.* The Compensation Committee shall establish the exercise price at the time each Option is granted and specify it in the applicable Award agreement, *provided, however,* that the exercise price shall be not less than 100% of the Fair Market Value (as hereinafter defined) of the Common Stock, as determined by the Compensation Committee, at the time the Option is granted.
- (d) Notwithstanding the foregoing, an Option may be granted with an exercise price lower than 100% of the Fair Market Value of the Common Stock if such Option is a Substitute Award and is granted in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code.
- (e) *Duration of Options.* Each Option shall be exercisable at such times and subject to such terms and conditions as the Compensation Committee may specify in the applicable Award agreement, *provided, however,* that no Option will be granted for a term in excess of 10 years.
- (f) *Exercise of Option.* Options may be exercised by delivery to the Company of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Compensation Committee together with payment in full as specified in Section 5(f) for the number of shares for which the Option is exercised. To the extent an Option is not previously exercised as to all of the shares subject thereto, and, if the Fair Market Value of one share of Common Stock is greater than the exercise price then in effect, then the Option shall be deemed automatically exercised immediately before its expiration, unless prohibited by applicable policy of the Company, its subsidiaries or affiliates or otherwise provided in any applicable Award agreements.

- (g) *Payment Upon Exercise.* Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

in cash or by check, payable to the order of the Company;

except as the Compensation Committee may, in its sole discretion, otherwise provide in an applicable Award agreement, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

when the Common Stock is registered under the Exchange Act, by delivery of shares of Common Stock owned by the Participant valued at their Fair Market Value, taking into account the requirements of Section 409A of the Code and any other applicable laws, rules, or regulations, but in no event shall the Compensation Committee apply discounts to the Fair Market Value for the lack of marketability or controlling interest;

“Fair Market Value” means (i) with respect to shares, the closing price of the share on the trading day immediately preceding the date of determination or on the applicable date of determination on the principal stock market or exchange on which the shares are quoted or traded, or if shares are not so quoted or traded, the fair market value of a share as determined by the Compensation Committee, and (ii) with respect to any property other than shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Compensation Committee.

such other lawful consideration as the Compensation Committee may determine in its sole discretion, *provided* that (i) at least an amount equal to the par value of the Common Stock being purchased shall be paid in cash and (ii) no such consideration shall consist in whole or in part of a promissory note or other evidence of indebtedness; or by any combination of the above permitted forms of payment.

6. Restricted Stock; RSUs; Other Stock Based Awards

- (a) *Grants.* The Compensation Committee may grant Awards entitling recipients to acquire shares of Common Stock (“Restricted Stock”), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares or repurchase of such shares for a nominal amount if issued at no cost) from the recipient in the event that conditions specified by the Compensation Committee in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Compensation Committee for such Award. The Compensation Committee may provide in an Award agreement that an Award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to an Award under Section 83(b) of the Code. If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Restricted Stock, such Participant shall be required to file promptly a copy of such election with the Company and the applicable Internal Revenue Service office. Instead of granting Awards for Restricted Stock, the Compensation Committee may grant Awards entitling the recipient to receive shares of Common Stock to be delivered in the future (“RSUs”) subject to such terms and conditions on the delivery of the shares of Common Stock as the Compensation Committee shall determine (each Award for Restricted Stock or RSUs, a “Restricted Stock Award”). The Compensation Committee may also permit an exchange of unvested shares of Common Stock that have already been delivered to a Participant for an instrument evidencing the right to future delivery of Common Stock at such time or times, and on such conditions, as the Compensation Committee shall specify. In addition, the Compensation Committee may issue Other Stock Based Awards. The Compensation Committee is additionally authorized to grant Awards to Participants that may be earned upon achievement or satisfaction of performance conditions specified by the Compensation Committee (“Performance Awards”). The Compensation Committee may, in its discretion, adjust the amount of a settlement otherwise to be made in connection with a Performance Award.
- (b) *Terms and Conditions.* The Compensation Committee shall determine the terms and conditions of any such Restricted Stock Award, including the conditions for repurchase (or forfeiture) and the issue price, if any. The Compensation Committee shall also determine the terms and conditions of any Other Stock Based Awards. The Compensation Committee may issue an Other Stock Based Award which includes, but is not limited to, the right to receive upon grant fully vested shares of stock.

- (c) *Stock Certificates.* Any stock certificates issued in respect of a Restricted Stock Award, if applicable, shall be registered in the name of the Participant and, unless otherwise determined by the Compensation Committee, deposited by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the beneficiary designated, in a manner determined by the Compensation Committee, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death (the "Designated Beneficiary"). In the absence of an effective designation by a Participant, Designated Beneficiary shall mean the Participant's estate.

7. Stock Appreciation Rights

- (a) *General.* A Stock Appreciation Right ("SAR") is an Award entitling the holder, upon exercise, to receive an amount in Common Stock determined by reference to appreciation, from and after the date of grant, in the Fair Market Value of a share of Common Stock. The date as of which such appreciation or other measure is determined shall be the exercise date.
- (b) *Grants.* SARs may be granted under the Plan. The Compensation Committee shall establish the exercise price at the time each SAR is granted and specify it in the applicable SAR agreement, *provided, however*, that the exercise price shall be not less than 100% of the Fair Market Value of the Common Stock, as determined by the Compensation Committee, at the time the SAR is granted. Notwithstanding the foregoing, a SAR may be granted with an exercise price lower than 100% of the Fair Market Value of the Common Stock if such SAR is a Substitute Award and is granted in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code. No SAR will be granted for a term in excess of 10 years. A SAR will become exercisable at such time or times, and on such conditions, as the Compensation Committee may specify in the SAR Award.
- (c) *Exercise.* SARs may be exercised by delivery to the Company of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Compensation Committee, together with any other documents required by the Compensation Committee. To the extent a SAR is not previously exercised as to all of the shares subject thereto, and, if the Fair Market Value of one share of Common Stock is greater than the exercise price then in effect, then the SAR shall be deemed automatically exercised immediately before its expiration, unless prohibited by applicable policy of the Company, its subsidiaries or affiliates or otherwise provided in any applicable Award agreements.

8. Adjustments for Changes in Common Stock and Certain Other Events

- (a) *Changes in Capitalization.* In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off, any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a normal cash dividend, (i) the number and class of securities available under the Plan, (ii) the number and class of and/or price of shares of Common Stock subject to outstanding Awards granted under the Plan, (iii) the repurchase price per share subject to each outstanding Restricted Stock Award, (iv) the grant, acquisition, exercise or hurdle price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award, and (v) the terms and conditions of any outstanding Awards, including the performance criteria of any Performance Awards shall be appropriately adjusted by the Company (or substituted Awards may be made, if applicable) to the extent the Compensation Committee shall determine, in good faith, that such an adjustment (or substitution) is necessary and appropriate; *provided, however*, that the number of shares subject to any Award denominated in shares shall always be a whole number. Furthermore, in such event, the Compensation Committee shall be permitted to (A) cancel and terminate any outstanding Award by making provisions for payments of cash, property or a combination thereof having an aggregate value equal to the value of such outstanding Award, as determined by the Compensation Committee in its sole discretion, and (B) in the case of any Option or SAR having a per-share exercise price equal to, or in excess of, the Fair Market Value of a share of Common Stock subject thereto, cancel such Option or SAR without any payment or consideration therefor.

- (a) *Liquidation or Dissolution.* In the event of a proposed liquidation or dissolution of the Company, the Compensation Committee shall upon written notice to the Participants provide that all then unexercised Options, Other Stock Based Awards and SARs will (i) become exercisable in full as of a specified time at least 10 business days prior to the effective date of such liquidation or dissolution and (ii) terminate effective upon such liquidation or dissolution, except to the extent exercised before such effective date. The Compensation Committee may specify the effect of a liquidation or dissolution on any Restricted Stock Award granted under the Plan at the time of the grant.

9. General Provisions Applicable to Awards

- (a) *Transferability of Awards.* Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an ISO, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant; *provided* that the Compensation Committee may permit or provide in an Award for the gratuitous transfer of the Award by the Participant to or for the benefit of any immediate family member, family trust or family partnership established solely for the benefit of the Participant and/or an immediate family member thereof if, with respect to such proposed transferee, the Company would be eligible to use a registration statement on Form S-8 for the registration of the sale of the Common Stock subject to such Award under the Securities Act of 1933, as amended, and *provided further* that the Company shall not be required to recognize any such transfer until such time as the Participant and such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.
- (b) *Documentation.* Each Award shall be evidenced in such form (written, electronic or otherwise) as the Compensation Committee shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.
- (c) *Compensation Committee Discretion.* Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Compensation Committee need not treat Participants uniformly.
- (d) *Termination of Status.* The Compensation Committee shall determine the effect on an Award of the disability, death, retirement, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award; *provided* that a termination of employment with respect to unvested Awards shall be deemed to occur for a Participant employed by, or performing services for, a subsidiary when such subsidiary ceases to be a subsidiary unless such Participant's employment or service continues with the Company or another subsidiary. With respect to any Award subject to Section 409A of the Code (and not exempt therefrom), a termination of service occurs when a Participant experiences a "separation from service" (as such term is defined under Section 409A of the Code).
- (e) *Withholding.* Each Participant shall pay to the Company or make provision satisfactory to the Compensation Committee for payment of, any taxes required by law to be withheld in connection with Awards to such Participant no later than the date of the event creating the tax liability. Except as the Compensation Committee may otherwise provide in an Award, when the Common Stock is registered under the Exchange Act, Participants may satisfy such tax obligations in whole or in part by delivery of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; *provided, however*, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the rate of withholding that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another applicable governmental entity. The Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to a Participant.

- (f) *Amendment of Award.* Subject to any applicable law or government regulation and to the rules of the applicable stock market or exchange, the Compensation Committee may amend, adjust, modify or terminate any outstanding Award, including but not limited to, substituting therefore another Award of the same or a different type, changing the date of exercise or realization, and converting an ISO to a Nonstatutory Stock Option, *provided* that the Participant's consent to such action shall be required unless the Compensation Committee determines that the action, taking into account any related action, would not materially and adversely affect the Participant, and would not cause adverse tax consequences to the Participant under Section 409A of the Code.
- (g) *Conditions on Delivery of Stock.* The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.
- (h) *Minimum Vesting of Awards.* Notwithstanding any other provision of the Plan to the contrary, Awards granted under the Plan (other than cash-based awards) shall vest no earlier than the first anniversary of the date on which the Award is granted; *provided*, that the following Awards shall not be subject to the foregoing minimum vesting requirement: any (i) Substitute Awards, (ii) shares of Common Stock delivered in lieu of fully vested cash obligations, (iii) Awards to non-employee directors that vest on earlier of the one-year anniversary of the date of grant and the next annual meeting of stockholders which is at least 50 weeks after the immediately preceding year's annual meeting, and (iv) any additional Awards the Compensation Committee may grant, up to a maximum of five percent (5%) of the available share reserve authorized for issuance under the Plan pursuant to Section 4(a); and, *provided, further*, that the foregoing restriction does not apply to the Compensation Committee's discretion to provide for accelerated exercisability or vesting of any Award, including in cases of retirement, death, disability or a Change in Control, in the terms of the Award agreement or otherwise.
- (i) *No Repricing of Awards.* The Compensation Committee may not without the approval of the stockholders of the Company, (i) reduce the exercise price of any previously granted Option or SAR, (ii) cancel any previously granted Option or SAR in exchange for another Option or SAR with a lower exercise price, or (iii) cancel any previously granted Option or SAR in exchange for cash or another Award if the exercise price of such Option or SAR exceeds the Fair Market Value of a share of Common Stock on the date of such cancellation, in each case, other than in connection with a Change in Control or the adjustment provisions set forth in Section 8.
- (j) *Change in Control.* The following provisions will apply to Awards in the event of a Change in Control (as hereinafter defined) unless otherwise provided in an Award agreement, in any other written agreement between the Company or any affiliate and the Participant, in any director compensation policy of the Company or unless otherwise expressly provided by the Compensation Committee at the time of grant of an Award:
- (i) In the event that the Company, the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) assumes or continues any Awards that are outstanding under the Plan immediately prior to the Change in Control or substitutes similar awards for such Awards (including but not limited to, awards to acquire the same consideration paid to stockholders of the Company pursuant to the Change in Control), and any repurchase rights held by the Company in respect of Common Stock issued pursuant to such Awards remain in effect or are assigned by the Company to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) in connection with such Change in Control, in each case, with appropriate adjustments as to the number and kinds of shares and, if applicable, exercise price and performance conditions, in each case, that the Compensation Committee determines prior to the Change in Control will equitably preserve the material terms and conditions of such Awards as in effect immediately prior to the Change in Control (including, without limitation, with respect to the vesting schedules, the intrinsic value of the awards (if any) as of the Change in Control, difficulty of achieving performance conditions (if applicable) and transferability of the shares underlying such Awards), then such Awards shall remain outstanding and continue to vest in accordance with their terms following the Change in Control, subject to the terms of the applicable Award agreement.

- (ii) In the event that the Company, the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards in accordance with subsection (i), then with respect to Awards that have not been assumed, continued or substituted, the vesting of such Awards (and, with respect to Options and SARs, the time when such Awards may be exercised) will be accelerated in full as of immediately prior to the effective time of such Change in Control (contingent upon the effectiveness of the Change in Control). With respect to the vesting of Awards that will accelerate upon the occurrence of a Change in Control pursuant to this subsection (ii) and are settled in the form of cash or property, such cash or property will be paid no later than 30 days following the occurrence of the Change in Control or such later date as required to comply with Section 409A.

For purposes of the foregoing, a "Change in Control" shall be deemed to have occurred if any of the events set forth in any one of the following clauses shall occur: (A) any Person (as defined in section 3(a)(9) of the Exchange Act, and as such term is modified in sections 13(d) and 14(d) of the Exchange Act), excluding a group of persons including the Participant, is or becomes the "beneficial owner" (as defined in Rule 13(d)(3) under the Exchange Act), directly or indirectly, of securities representing forty percent or more of the combined voting power of the Company's then outstanding securities; (B) individuals who, as of the effective date of the Plan, constitute the Board of Directors of the Company (the "Incumbent Board"), cease for any reason to constitute a majority thereof (provided, however, that an individual becoming a director subsequent to the effective date of the Plan whose election, or nomination for election by the Company's stockholders, was approved by at least a majority of the directors then comprising the Incumbent Board shall be included within the definition of Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual election contest (or such terms used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board of Directors of the Company); (C) consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (D) a single transaction or series of related transactions in which the Company, directly or indirectly, sells or otherwise disposes of all or substantially all of its consolidated assets to another Person, other than one of its affiliates. Notwithstanding the foregoing, solely for the purpose of determining the timing of any payments pursuant to any Award constituting a "deferral of compensation" subject to Section 409A of the Code, a Change in Control shall be limited to a "change in the ownership" of the Company, a "change in the effective control" of the Company, or a "change in the ownership of a substantial portion of the assets" of the Company as such terms are defined in Section 1.409A-3(i)(5) of the U.S. Treasury Regulations.

- (k) *Treatment of Dividends and Dividend Equivalents on Unvested Awards.* Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that provides for or includes a right to dividends or dividend equivalents, if dividends are declared during the period that an equity Award is outstanding, such dividends (or dividend equivalents) shall either (i) not be paid or credited with respect to such Award or (ii) be accumulated but remain subject to vesting requirement(s) to the same extent as the applicable Award and shall only be paid at the time or times such vesting requirement(s) are satisfied. In no event shall dividends or dividend equivalents be paid with respect to Options or Stock Appreciation Rights.
- (l) *Cancellation or "Clawback" of Awards.* The Compensation Committee may specify in an Award agreement that a Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include a termination of service with or without Cause (and, in the case of any Cause that is resulting from an indictment or other non-final determination, the Compensation Committee may provide for such Award to be held in escrow or abeyance until a final resolution of the matters related to such event occurs, at which time the Award shall either be reduced, cancelled or forfeited (as provided in such Award agreement) or remain in effect, depending on the outcome), violation of material policies, breach of non-competition, non-solicitation, confidentiality or other restrictive covenants, or requirements to comply with minimum share ownership requirements, that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its affiliates. The Compensation

Committee shall have full authority to implement any policies and procedures necessary to comply with Section 10D of the Exchange Act and any rules promulgated thereunder and any other regulatory regimes. Notwithstanding anything to the contrary contained herein, any Awards other than RSUs granted under the Plan (including any amounts or benefits arising from such Awards) shall be subject to the Centene Corporation Clawback policy, as well as any clawback or recoupment arrangements or policies the Company has in place from time to time, and the Compensation Committee may, to the extent permitted by applicable law and stock exchange rules or by any applicable Company policy or arrangement, and shall, to the extent required, cancel or require reimbursement of any Awards granted to the Participant or any shares issued or cash received upon vesting, exercise or settlement of any such Awards or sale of shares underlying such Awards.

For purposes of the foregoing, "Cause" shall mean acts or omissions that the Company determines, after affording the Participant an opportunity to be heard, (i) are criminal, dishonest or fraudulent or constitute misconduct that reflects negatively on the reputation of the Company (including any parent, subsidiary, affiliate or division of the Company); (ii) could expose the Company or any parent, subsidiary, affiliate or division of the Company to claims of illegal harassment or discrimination in employment; (iii) are material breaches of any agreement entered into by the Participant and the Company, its subsidiaries or affiliates; or (iv) reflect continued and repeated failure to (A) perform substantially the duties of his/her employment (other than any such failure resulting from the Participant's physical or mental impairment or incapacity) or (B) to comply with any material written policy of the Company.

10. Miscellaneous

- (a) *No Right To Employment or Other Status.* No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.
- (b) *No Rights As Stockholder.* Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to such Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.
- (c) *Effective Date and Term of Plan.* The Plan shall become effective on the date on which it is adopted by the Compensation Committee and approved by the stockholders of the Company. No Awards shall be granted under the Plan after the earliest to occur of (i) the 10-year anniversary of the date on which the Plan is adopted by the Board and approved by the stockholders of the Company, (ii) the maximum number of shares available for issuance under the Plan have been issued or (iii) the Board terminates the Plan.
- (d) *Amendment of Plan.* The Compensation Committee may amend, suspend or terminate the Plan or any portion thereof at any time, *provided* that (i) any "material revision" to the Plan (as defined in the New York Stock Exchange Listed Company Manual) must be approved by the Company's stockholders prior to such revision becoming effective and (ii) the terms of any ISO granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code.
- (e) *Section 409A of the Code.* With respect to Awards subject to Section 409A of the Code, the Plan is intended to comply with the requirements of Section 409A of the Code, and the provisions of the Plan and any Award agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding anything in the Plan to the contrary, if the Board considers a Participant to be a "specified employee" under Section 409A of the Code at the time of such Participant's "separation from service" (as defined in Section 409A of the Code), and any amount hereunder is "deferred compensation" subject to Section 409A of the Code, any distribution of such amount

that otherwise would be made to such Participant with respect to an Award as a result of such "separation from service" shall not be made until the date that is six months after such "separation from service," except to the extent that earlier distribution would not result in such Participant's incurring interest or additional tax under Section 409A of the Code. If an Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), a Participant's right to such series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment, and if an Award includes "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), a Participant's right to such dividend equivalents shall be treated separately from the right to other amounts under the Award. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan or any Award agreement is not warranted or guaranteed, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by a Participant on account of non-compliance with Section 409A of the Code.

- (f) *Governing Law.* The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to any applicable conflicts of law.
- (g) *Data Protection.* In connection with the Plan, the Company may need to process personal data provided by the Participant to the Company or its affiliates, third party service providers or others acting on the Company's behalf. Examples of such personal data may include, without limitation, the Participant's name, account information, social security number, tax number and contact information. The Company may process such personal data in its legitimate business interests for all purposes relating to the operation and performance of the Plan, including but not limited to:
 - (i) administering and maintaining Participant records;
 - (ii) providing the services described in the Plan;
 - (iii) providing information to future purchasers or merger partners of the Company, a subsidiary, and/or affiliate of the Company, or the business in which such Participant works; and
 - (iv) responding to public authorities, court orders and legal investigations, as applicable.

The Company may share the Participant's personal data with (i) subsidiaries or affiliates, (ii) trustees of any employee benefit trust, (iii) registrars, (iv) brokers, (v) third party administrators of the Plan, (vi) third party service providers acting on the Company's behalf to provide the services described above or (vii) regulators and others, as required by law.

If necessary, the Company may transfer the Participant's personal data to any of the parties mentioned above in a country or territory that may not provide the same protection for the information as the Participant's home country. Any transfer of the Participant's personal data to recipients in a third country will be made subject to appropriate safeguards or applicable derogations provided for under applicable law.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2024

or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number: 001-31826

Centene Corporation

(Exact name of registrant as specified in its charter)

Delaware

42-1406317

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

7700 Forsyth Boulevard

St. Louis,

Missouri

63105

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (314) 725-4477

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.001 Par Value	CNC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statement of the registrant included in the filing reflect the correction of an error to the previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based upon the last reported sale price of the common stock on the New York Stock Exchange on June 30, 2024, was \$34.9 billion.

As of February 14, 2025, the registrant had 496,044 thousand shares of common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the registrant's 2025 annual meeting of stockholders are incorporated by reference in Part III, Items 10, 11, 12, 13 and 14.

CENTENE CORPORATION
ANNUAL REPORT ON FORM 10-K
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CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

All statements, other than statements of current or historical fact, contained in this filing are forward-looking statements. Without limiting the foregoing, forward-looking statements often use words such as "believe," "anticipate," "plan," "expect," "estimate," "intend," "seek," "target," "goal," "may," "will," "would," "could," "should," "can," "continue" and other similar words or expressions (and the negative thereof). Centene Corporation and its subsidiaries (Centene, the Company, our or we) intends such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with these safe-harbor provisions. In particular, these statements include, without limitation, statements about our expected future operating or financial performance, changes in laws and regulations (including but not limited to, renewal and modification of the enhanced advance premium tax credits associated with the Marketplace product), market opportunity, competition, expected contract start dates and terms, expected activities in connection with completed and future acquisitions and dispositions, our investments and the adequacy of our available cash resources. These statements may be found in the various sections of this filing, such as Part I, Item 1. "Business," Part I, Item 1A "Risk Factors," Part I, Item 3. "Legal Proceedings," and Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

These forward-looking statements reflect our current views with respect to future events and are based on numerous assumptions and assessments made by us in light of our experience and perception of historical trends, current conditions, business strategies, operating environments, future developments and other factors we believe appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties and are subject to change because they relate to events and depend on circumstances that will occur in the future, 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 in this filing are based on information available to us on the date of this filing. Except as may be otherwise required by law, we undertake no obligation to update or revise the forward-looking statements included in this filing, whether as a result of new information, future events, or otherwise, after the date of this filing. You should not place undue reliance on any forward-looking statements, as actual results may differ materially from projections, estimates, or other forward-looking statements due to a variety of important factors, variables and events including, but not limited to:

- our ability to design and price products that are competitive and/or actuarially sound including but not limited to any impacts resulting from Medicaid redeterminations;
- our ability to maintain or achieve improvement in the Centers for Medicare and Medicaid Services (CMS) Star ratings and maintain or achieve improvement in other quality scores in each case that could impact revenue and future growth;
- our ability to accurately predict and effectively manage health benefits and other operating expenses and reserves, including fluctuations in medical utilization rates;
- competition, including for providers, broker distribution networks, contract procurements and organic growth;
- our ability to adequately anticipate demand and timely provide for operational resources to maintain service level requirements in compliance with the terms of our contracts and state and federal regulations;
- our ability to manage our information systems effectively;
- disruption, unexpected costs, or similar risks from business transactions, including acquisitions, divestitures, and changes in our relationships with third-party vendors;
- impairments to real estate, investments, goodwill, and intangible assets;
- changes in senior management, loss of one or more key personnel or an inability to attract, hire, integrate and retain skilled personnel;
- membership and revenue declines or unexpected trends;
- rate cuts, insufficient rate changes or other payment reductions or delays by governmental payors and other risks and uncertainties affecting our government businesses;
- changes in healthcare practices, new technologies, and advances in medicine;
- our ability to effectively and ethically use artificial intelligence and machine learning in compliance with applicable laws;
- increased healthcare costs;
- inflation and interest rates;
- the effect of social, economic, and political conditions and geopolitical events, including as a result of changes in U.S. presidential administrations or Congress;
- changes in market conditions;

- changes in federal or state laws or regulations, including changes with respect to income tax reform or government healthcare programs as well as changes with respect to the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act (collectively referred to as the ACA) and any regulations enacted thereunder, including the timing and terms of renewal or modification of the enhanced advance premium tax credits or program integrity initiatives that could have the effect of reducing membership or profitability of our products;
- uncertainty concerning government shutdowns, debt ceilings or funding;
- tax matters;
- disasters, climate-related incidents, acts of war or aggression or major epidemics;
- changes in expected contract start dates and terms;
- changes in provider, broker, vendor, state, federal and other contracts and delays in the timing of regulatory approval of contracts, including due to protests and our ability to timely comply with any such changes to our contractual requirements or manage any unexpected delays in regulatory approval of contracts;
- the expiration, suspension, or termination of our contracts with federal or state governments (including, but not limited to, Medicaid, Medicare or other customers);
- the difficulty of predicting the timing or outcome of legal or regulatory audits, investigations, proceedings or matters, including, but not limited to, our ability to resolve claims and/or allegations made by states with regard to past practices on acceptable terms, or at all, or whether additional claims, reviews or investigations will be brought by states, the federal government or shareholder litigants, or government investigations;
- challenges to our contract awards;
- cyber-attacks or other data security incidents or our failure to comply with applicable privacy, data or security laws and regulations;
- the exertion of management's time and our resources, and other expenses incurred and business changes required in connection with complying with the terms of our contracts and the undertakings in connection with any regulatory, governmental, or third party consents or approvals for acquisitions or dispositions;
- any changes in expected closing dates, estimated purchase price, or accretion for acquisitions or dispositions;
- losses in our investment portfolio;
- restrictions and limitations in connection with our indebtedness;
- a downgrade of our corporate family rating, issuer rating or credit rating of our indebtedness; and
- the availability of debt and equity financing on terms that are favorable to us.

This list of important factors is not intended to be exhaustive. We discuss certain of these matters more fully, as well as certain other factors that may affect our business operations, financial condition, and results of operations, in our filings with the Securities and Exchange Commission (SEC), including our quarterly reports on Form 10-Q and current reports on Form 8-K. Due to these important factors and risks, we cannot give assurances with respect to our future performance, including without limitation our ability to maintain adequate premium levels or our ability to control our future medical and selling, general and administrative costs.

SUMMARY OF RISK FACTORS

Our business is subject to numerous risks and uncertainties that you should be aware of in evaluating our business, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows and prospects. These risks include, but are not limited to, the following, all of which are more fully described in Part 1, Item 1A "Risk Factors". This summary should be read in conjunction with the Risk Factors section and should not be relied upon as an exhaustive summary of the material risks facing our business.

- Failure to accurately estimate and price our medical expenses or effectively manage our medical costs or related administrative costs could have a material adverse effect on our business;
- Any failure to adequately price or anticipate demand for products offered, anticipate changes to the competitive landscape or any reduction in products offered for Medicare Advantage and in the Health Insurance Marketplace may have a material adverse effect on our business;
- Our Medicare programs are subject to a variety of unique risks that could adversely impact our financial results;
- Risk-adjustment payment systems make our revenue and results of operations more difficult to estimate and could result in retroactive adjustments that have a material adverse effect on our business;
- If we are not successful in procuring new government contracts or renewing existing government contracts, or if we receive an adverse finding or review resulting from an audit or investigation, our business may be adversely affected;
- We derive a portion of our cash flow and gross margin from our prescription drug plan (PDP) operations, for which we submit annual bids for participation. The results of our bids could have a material adverse effect on our business;
- Our encounter data may be inaccurate or incomplete, which could have a material adverse effect on our business and ability to bid for, and continue to participate in, certain programs;
- Increases in our pharmaceutical costs could have a material adverse effect on the level of our medical costs and our results of operations;
- Ineffectiveness of state-operated systems and subcontractors could adversely affect our business;
- If state regulators do not approve payments of dividends and distributions by our subsidiaries to us, we may not have sufficient funds to implement our business strategy;
- We derive a significant portion of our premium revenues from operations in a number of states, and our business could be materially adversely affected by a decrease in premium revenues or profitability in any one of those states;
- Competition may limit our ability to increase penetration of the markets that we serve;
- We operate in a highly competitive, dynamic and rapidly evolving industry and our failure to adapt could negatively impact our business;
- If our third-party vendors fail to meet their contractual obligations to us or fail to comply with applicable laws or regulations, our results of operations may be adversely affected and we may be exposed to brand and reputational harm, litigation and/or regulatory action;
- If we are unable to maintain relationships with our provider networks and timely update our provider directories, our profitability may be materially adversely affected;
- If we or our third-party vendors are unable to integrate and manage information systems and networks effectively, our operations could be disrupted;
- A failure in or breach of our operational or security systems, networks or infrastructure, or those of third-party vendors with which we do business, including as a result of cyber-attacks and other data security incidents, could have a material adverse effect on our business;
- We may be unable to attract, retain or effectively manage the succession of key personnel;
- An impairment charge with respect to our recorded goodwill, intangible assets and real estate portfolio could have a material impact on our results of operations and shareholders' equity;
- If eligibility for the enhanced advance premium tax credit for Marketplace members expires without renewal or the eligibility for the credit is modified or delayed, our results of operations, financial condition, and cash flows could be materially and adversely affected;
- Reductions or delays in funding, changes to eligibility requirements for government-sponsored healthcare programs in which we participate, and any inability on our part to effectively adapt to changes to these programs could have a material adverse effect on our business;
- Significant changes or judicial challenges to the ACA and the other government-sponsored healthcare programs in which we participate could materially and adversely affect our business;
- Negative public perception of the managed care industry, including industry practices, could adversely affect our business, operating results, cash flows and prospects;
- Our business activities are highly regulated and new laws or regulations or changes in existing laws or regulations or their enforcement or application could force us to change how we operate and could harm our reputation and business;

- Our ability to provide services and support to manage our members' pharmacy benefits face regulatory risks and uncertainties which could materially and adversely affect our business;
- We have been and may from time to time become involved in costly and time-consuming litigation and other regulatory proceedings, which require significant attention from our management and could adversely affect our business;
- If we fail to comply with applicable data privacy and security laws, regulations, rules, standards and contractual obligations, including with respect to third-party vendors that utilize sensitive personal information on our behalf, our business could be materially and adversely affected;
- If we fail to comply with the extensive federal and state fraud, waste and abuse laws, our business could be materially and adversely affected;
- We might be adversely impacted by tax legislation or challenges to our tax positions;
- Our investment portfolio may suffer losses which could materially and adversely affect our results of operations or liquidity;
- Adverse credit market conditions may have a material adverse effect on our liquidity or our ability to obtain credit on acceptable terms;
- We have substantial indebtedness outstanding and may incur additional indebtedness in the future. Such indebtedness could reduce our agility and may adversely affect our financial condition;
- Previous or future acquisitions may not perform as expected and we may not realize the financial results expected from acquisitions or divestitures;
- We may be unable to successfully integrate our existing business with acquired businesses and realize the anticipated benefits of such acquisitions; and
- Our business and results of operations may be materially adversely affected if we fail to manage and complete divestitures.

Non-GAAP Financial Presentation

The Company is providing certain non-GAAP financial measures in this report as the Company believes that these figures are helpful in allowing investors to more accurately assess the ongoing nature of the Company's operations and measure the Company's performance more consistently across periods. The Company uses the presented non-GAAP financial measures internally in evaluating the Company's performance and for planning purposes, by allowing management to focus on period-to-period changes in the Company's core business operations, and in determining employee incentive compensation. Therefore, the Company believes that this information is meaningful in addition to the information contained in the GAAP presentation of financial information. The Company strongly encourages investors to review its consolidated financial statements and publicly filed reports in their entirety and cautions investors that the non-GAAP financial measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP.

Specifically, the Company believes the presentation of non-GAAP financial measures that excludes amortization of acquired intangible assets, acquisition and divestiture related expenses, as well as other items, allows investors to develop a more meaningful understanding of the Company's core performance over time.

The tables below provide reconciliations of non-GAAP items (\$ in millions, except per share data):

	Year Ended December 31,		
	2024	2023	2022
GAAP net earnings attributable to Centene	\$ 3,305	\$ 2,702	\$ 1,202
Amortization of acquired intangible assets	692	718	817
Acquisition and divestiture related expenses	82	70	213
Other adjustments ⁽¹⁾	(117)	464	1,540
Income tax effects of adjustments ⁽²⁾	(209)	(308)	(410)
Adjusted net earnings	<u>\$ 3,753</u>	<u>\$ 3,646</u>	<u>\$ 3,362</u>
GAAP diluted earnings per share (EPS) attributable to Centene	\$ 6.31	\$ 4.95	\$ 2.07
Amortization of acquired intangible assets	1.32	1.32	1.40
Acquisition and divestiture related expenses	0.16	0.13	0.36
Other adjustments ⁽¹⁾	(0.22)	0.85	2.65
Income tax effects of adjustments ⁽²⁾	(0.40)	(0.57)	(0.70)
Adjusted diluted EPS	<u>\$ 7.17</u>	<u>\$ 6.68</u>	<u>\$ 5.78</u>

⁽¹⁾ Other adjustments include the following pre-tax items:

2024:

- (a) net gain on the previously reported divestiture of Magellan Specialty Health due to the achievement of contingent consideration and finalization of working capital adjustments of \$83 million, or \$0.16 per share (\$0.12 after-tax), net gain on the sale of property of \$24 million, or \$0.04 per share (\$0.03 after-tax), gain on the previously reported divestiture of Circle Health Group (Circle Health) of \$20 million, or \$0.04 per share (\$0.12 after-tax), gain on the sale of Collaborative Health Systems (CHS) of \$17 million, or \$0.03 per share (\$0.02 after-tax), Health Net Federal Services asset impairment due to the 2024 final ruling on the TRICARE Managed Care Support Contract of \$14 million, or \$0.03 per share (\$0.02 after-tax), severance costs due to a restructuring of \$13 million, or \$0.02 per share (\$0.01 after-tax), an additional loss on the divestiture of our Spanish and Central European businesses of \$7 million, or \$0.01 per share (\$0.01 after-tax) and gain on the previously reported divestiture of HealthSmart due to the finalization of working capital adjustments of \$7 million, or \$0.01 per share (\$0.01 after-tax).

2023:

- (b) Circle Health impairment of \$292 million, or \$0.53 per share (\$0.47 after-tax), Operose Health Group (Operose Health) impairment of \$140 million, or \$0.26 per share (\$0.24 after-tax), real estate impairments of \$105 million, or \$0.19 per share (\$0.16 after-tax), gain on the sale of Apixio of \$93 million, or \$0.17 per share (\$0.12 after-tax), severance costs due to a restructuring of \$79 million, or \$0.15 per share (\$0.11 after-tax), gain on the sale of Magellan Specialty Health of \$79 million, or \$0.14 per share (\$0.11 after-tax), a reduction to the previously reported gain on the sale of Magellan Rx of \$22 million, or \$0.04 per share (\$0.02 after-tax), gain on the previously reported divestiture of Centurion of \$15 million, or \$0.03 per share (\$0.02 after-tax) and an additional loss on the divestiture of our Spanish and Central European businesses of \$13 million, or \$0.02 per share (\$0.01 after-tax).

2022:

- (c) real estate impairments of \$1,642 million, or \$2.82 per share (\$2.08 after-tax), PANTHERx Rare (PANTHERx) divestiture gain of \$490 million, or \$0.84 per share (\$0.65 after-tax), impairments of assets associated with the divestitures of our Spanish and Central European, Centurion and HealthSmart businesses of \$458 million, or \$0.78 per share (\$0.60 after-tax), Magellan Rx divestiture gain of \$269 million, or \$0.46 per share (\$0.17 after-tax), Health Net Federal Services asset impairment of \$233 million, or \$0.40 per share (\$0.39 after-tax), gain on debt extinguishment of \$27 million, or \$0.04 per share (\$0.03 after-tax), increase to the previously reported gain on the divestiture of U.S. Medical Management (USMM) due to the finalization of working capital adjustments of \$13 million, or \$0.02 per share (\$0.02 after-tax) and costs related to the pharmacy benefits management (PBM) legal settlement of \$6 million, or \$0.01 per share (\$0.00 after-tax).
- (2) The income tax effects of adjustments are based on the effective income tax rates applicable to each adjustment. In addition, the year ended December 31, 2024, includes a tax benefit of \$1 million, or \$0.00 per share, related to tax adjustments on previously reported divestitures. The year ended December 31, 2023 includes a one-time income tax benefit of \$69 million, or \$0.13 per share, resulting from the distribution of long-term stock awards to the estate of the Company's former CEO and tax expense of \$3 million, or \$0.01 per share, related to tax adjustments on previously reported divestitures. The year ended December 31, 2022, includes tax expense of \$107 million, or \$0.18 per share, related to the Magellan Specialty Health divestiture and a \$15 million, or \$0.03 per share, tax benefit related to the RxAdvance impairment.

	Year Ended December 31,		
	2024	2023	2022
GAAP selling, general and administrative expenses	\$ 12,400	\$ 12,563	\$ 11,589
Less:			
Acquisition and divestiture related expenses	82	69	202
Restructuring costs	13	79	—
Costs related to the PBM legal settlement	—	—	6
Real estate optimization	—	8	15
Adjusted selling, general and administrative expenses	<u>\$ 12,305</u>	<u>\$ 12,407</u>	<u>\$ 11,366</u>

PART I
Item 1. Business

OVERVIEW

Our mission is to transform the health of the communities we serve, one person at a time. Centene is a leading healthcare enterprise that is committed to helping people live healthier lives. The Company takes a local approach – with local brands and local teams – to provide fully integrated, high-quality and cost-effective services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene offers affordable and high-quality products to more than 1 in 15 individuals across the nation, including Medicaid and Medicare members (including Medicare Prescription Drug Plans) as well as individuals and families served by the Health Insurance Marketplace.

Centene provides access to high-quality healthcare, innovative programs and a wide range of health solutions that help families and individuals get well, stay well and be well. Our uniquely local approach – with local brands and local teams who live in, care about and directly influence the communities they serve – is a key differentiator in our ability to provide access to quality care to our members. Centene treats the whole person, an approach that is delivered locally and backed by the scale of Centene's expertise, data and resources. Through this approach and our commitment to sustainable partnerships, we work with local community organizations to realize our mission of transforming the health of the communities we serve, one person at a time.

We are focused on making strategic decisions and investments to create additional value in the short-term and to seek opportunities that position the organization for long-term strength, profitability, growth and innovation. In addition to creating shareholder value, we are modernizing and improving how we work in order to propel our organization to new levels of success and elevate the member and provider experiences.

During 2024, we operated in four segments: Medicaid, Medicare, Commercial and Other.

- **Medicaid** - includes the Temporary Assistance for Needy Families (TANF) program; Medicaid Expansion programs; the Aged, Blind or Disabled (ABD) program; the Children's Health Insurance Program (CHIP); Long-Term Services and Supports (LTSS); Foster Care; Medicare-Medicaid Plans (MMP), which cover beneficiaries who are dually eligible for Medicaid and Medicare; and other state-based programs.
- **Medicare** - includes Medicare Advantage, Medicare Supplement, Dual Eligible Special Needs Plans (D-SNPs) and Medicare Prescription Drug Plans (PDP), also known as Medicare Part D.
- **Commercial** - includes the Health Insurance Marketplace product along with individual, small group and large group commercial health insurance products.
- **Other** - includes our pharmacy operations, Envolve Benefit Options' vision and dental services, clinical healthcare, behavioral health, the TRICARE program, and corporate management companies, among others.

For the year ended December 31, 2024, our Medicaid, Medicare, Commercial and Other segments accounted for 62%, 14%, 21% and 3%, respectively, of our total external revenues. Our membership totaled 28.6 million as of December 31, 2024. For the year ended December 31, 2024, our total revenues and net earnings attributable to Centene were \$163.1 billion and \$3.3 billion, respectively, and our total cash flow from operations was \$154 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 stock is publicly traded on the New York Stock Exchange under the ticker symbol "CNC."

INDUSTRY AND OPERATIONS

We provide a full spectrum of managed healthcare products and services, primarily through Medicaid, Medicare and commercial products.

Medicaid

Medicaid is the largest publicly funded program in the United States and provides health insurance to low-income families and individuals with disabilities. Medicaid is funded jointly by federal and state governments, with the majority of funding provided by the federal government and administered by the states. Each state establishes its own eligibility standards, benefit packages, payment rates and program administration within federal standards. As a result, there are 56 Medicaid programs - one for each U.S. state, each U.S. territory and the District of Columbia. Eligibility is based on a combination of household income and assets, often determined by an income level relative to the federal poverty level. Many states have selected Medicaid managed care as a means of delivering quality healthcare and controlling costs.

Medicaid helps meet the needs of various populations through the following products and programs:

- The TANF program covers low-income families with children.
- Medicaid Expansion covers all individuals under age 65 with incomes up to 138% of the federal poverty level, subject to each state's election. The federal government pays 90% of the costs for Medicaid Expansion coverage for these beneficiaries.
- The ABD program covers low-income individuals with chronic physical disabilities or behavioral health impairments. ABD beneficiaries represent a growing portion of all Medicaid recipients and typically utilize more services as a result of their more complicated health status.
- CHIP helps to expand coverage primarily to children whose families earn too much to qualify for Medicaid, yet not enough to afford private health insurance. Historically, children have represented the largest Medicaid eligible population. Costs are primarily composed of pediatrics and family care, which tend to be more predictable than those associated with other healthcare issues predominantly affecting the adult population.
- LTSS is a Medicaid product that covers Institutional/Residential Care (Nursing and Intermediate Care Facilities) and Home and Community Based Services (HCBS) for beneficiaries requiring assistance with their activities of daily living. The largest groups receiving LTSS, by spending, are older individuals and individuals with physical disabilities, followed by individuals with intellectual and developmental disabilities, those with serious mental illness and/or serious emotional disturbance and other populations. States are increasingly turning to managed care as a solution to provide coordinated, holistic care to their LTSS beneficiaries.
- The majority of children in foster care qualify for Medicaid. The federal government has enacted legislation establishing requirements for state child welfare agencies related to the health and well-being of children in foster care, including the provision of grants and technical assistance to enable states to meet these needs and make explicit connections with Medicaid. In addition, under the ACA, former foster care children are eligible for Medicaid until the age of 26, provided that they turned 18 while in foster care and were enrolled in Medicaid at that time.
- A portion of Medicaid beneficiaries are dual-eligible, low-income seniors and people with disabilities who are enrolled in both Medicaid and Medicare. According to CMS, there were more than 12 million dual-eligible enrollees in 2023. These members may receive assistance from Medicaid for benefits, such as nursing home care, HCBS and/or assistance with Medicare premiums and cost-sharing depending on their income level. Dual-eligibles use more services due to their tendency to have more chronic health issues. We serve dual-eligibles primarily through our ABD, LTSS, MMP and Medicare Advantage D-SNPs lines of business.

While Medicaid programs have directed funds to many individuals who cannot afford or otherwise maintain health insurance coverage, they did not initially address the inefficient and costly manner in which the Medicaid population tends to access healthcare. Medicaid recipients in non-managed care programs typically have not sought preventive care or routine treatment for chronic conditions, such as asthma and diabetes. When they do seek care, it is typically fragmented and not coordinated such as seeking healthcare in hospital emergency departments, which is typically more expensive. As a result, many states without managed care programs have found that the costs of providing Medicaid benefits have increased while the medical outcomes for the recipients remained unsatisfactory.

Accordingly, in an effort to improve quality of care and the affordability of healthcare, the majority of states have mandated that their TANF recipients enroll in managed care plans and many are considering moving to a mandated managed care approach for additional populations and products. CMS estimates the total Medicaid program will grow from \$877 billion in 2023 to \$1.2 trillion by 2030. Medicaid spending is projected to increase at an average annual rate of 5% between 2023 and 2030. Additionally, approximately 40% of Medicaid spend in 2023 was in Medicaid fee-for-service. Based on these trends, we believe a significant market opportunity exists for managed care organizations (MCOs) with operations and programs focused on the distinct socio-economic, cultural and healthcare needs of the uninsured population and the Medicaid populations.

We are the largest Medicaid health insurer in the country, serving 13 million Medicaid recipients in 30 states as of December 31, 2024. Our Medicaid contracts with the states of Florida and New York accounted for approximately 10% or more of our consolidated Medicaid premium revenues individually in the year ended December 31, 2024.

Medicare

Medicare is the federal health insurance program for people ages 65 and over, which was expanded to cover people under 65 with certain disabilities and people with end-stage renal disease requiring dialysis or kidney transplant. Medicare consists of four parts, labeled A through D. Part A provides hospitalization benefits financed largely through Social Security taxes and requires beneficiaries to pay out-of-pocket deductibles and coinsurance. Part B provides benefits for medically necessary services and supplies including outpatient care, physician services and home health care. Parts A and B are referred to as Original Medicare.

As an alternative to Original Medicare, beneficiaries may elect to receive their Medicare benefits through Part C, also known as Medicare Advantage. Under Medicare Advantage, MCOs contract with CMS to provide services directly to Medicare beneficiaries as well as through employer and union groups. MCOs typically receive fixed monthly premium per member from CMS that varies based upon the county in which the member resides, demographic factors of the member such as age, gender and institutionalized status and the health status of the member. Any benefits that are not covered by Medicare may result in an additional monthly premium charged to the enrollee or through portions of payments received from CMS that may be allocated to these benefits, according to CMS regulations and guidance. Typically, as our Medicare Advantage members reach their deductibles and out-of-pocket maximums, our medical costs rise, creating seasonality in the business with a higher percentage of earnings in the first half of the year.

The Congressional Budget Office estimates the total Medicare market will grow from \$1.0 trillion in 2023 to \$1.6 trillion by 2030. Medicare spending is estimated to have increased 6% in fiscal 2024 and is projected to increase at an average annual rate of 7% between 2023 and 2030. Over 40% of Medicare spend in 2023 was in Medicare fee-for-service, representing a notable market opportunity to increase penetration of the Medicare Advantage products.

As of December 31, 2024, we served 1.1 million Medicare Advantage members across 37 states, primarily under the brand name Wellcare, with the highest concentration of lower-income, complex members compared to our peers. Revenues from CMS are significant to the segment. Consistent with our strategy, we have reduced our Medicare Advantage footprint to 32 states as of January 1, 2025.

Dual-Eligible Alignment

Recently finalized CMS regulations are promoting greater alignment and integration for dual-eligible members across both programs, whereby full dual beneficiaries would be enrolled under the same company's Medicaid and Medicare plan, improving the quality of care and overall member experience. With over 70% of the approximately 12 million fully-eligible duals population not in fully-integrated coverage arrangements, we see significant opportunity to advance care management, improve member engagement and improve the affordability of healthcare through this process. D-SNPs offer various levels of integration of benefits, care coordination (e.g., care management), and processes (e.g., appeals and grievances, claims, materials) depending on the plan type. Fully Integrated Dual Eligible (FIDE) plans provide Medicaid and Medicare benefits, including LTSS and/or behavior health through one plan under one legal entity. Highly Integrated Dual Eligible (HIDE) plans can offer Medicaid and Medicare benefits from different plans under different legal entities owned by the same parent organization. These HIDE plans have some differences in the Medicaid benefit offering requirements compared to FIDE plans. Lastly, Coordination-Only Dual Eligible plans can coordinate care with Medicaid fee-for-service or Medicaid MCOs from different parent organizations and in some states can also serve partial dual-eligibles who do not receive full Medicaid benefits. Accordingly, we have been refining our Medicare footprint to overlap more closely with our Medicaid presence to provide D-SNP offerings that support alignment.

Newly finalized CMS regulations will require beneficiaries dually enrolled in Medicare and in a Medicaid managed care plan to receive integrated care through the Medicaid company's Medicare Advantage D-SNPs beginning in 2030, with certain restrictions beginning in 2027. We believe we are positioned well given our overlapping Medicaid and Medicare Advantage footprints and we will continue to place enterprise-level focus on the D-SNP opportunity to drive long-term growth.

Medicare Prescription Drug Plan

Medicare prescription drug coverage, or Medicare Part D, is a voluntary benefit for Medicare beneficiaries. The Medicare Part D prescription drug benefit is supported by risk sharing with the federal government through risk corridors designed to limit the losses and gains of the participating drug plans and by providing a portion of reinsurance for catastrophic drug costs. The government subsidy is based on the national weighted average monthly bid for this coverage, adjusted for risk factor payments. Additional subsidies are provided for dually eligible beneficiaries and specified low-income beneficiaries.

MCOs contract with CMS to serve as plan sponsors offering stand-alone Medicare Part D PDPs to Medicare-eligible beneficiaries. PDPs offer national in-network prescription drug coverage, and may include a preferred pharmacy network, subject to limitations in certain circumstances. Unless CMS is notified of non-renewal and the non-renewal is effectuated by not filing a bid in June, Medicare Advantage and PDP contracts with CMS are renewed for successive one-year terms each September. Should CMS decide not to renew a contract, CMS must notify MCOs on or before August 1, and the plan would be terminated effective December 31 of that year. Our 2025 PDP bids resulted in 33 of the 34 CMS regions for which we were below the benchmarks and one region for which we were above the benchmark, compared to 30 of 34 CMS regions for which we were below the benchmark for the 2024 PDP bids.

The Inflation Reduction Act (IRA) significantly changes Medicare PDPs in 2025, most notably by eliminating the coverage gap and capping members' annual out-of-pocket cost at \$2,000 in order to provide more predictable and affordable prescription drug coverage for Medicare beneficiaries. The IRA changes effective for 2025 result in a meaningful shift in cost-sharing responsibilities between members, drug companies, CMS, and PDPs and will result in a significant increase in our premiums in consideration for our PDPs responsibility for a larger portion of total Part D benefit costs.

We served 6.9 million members as of December 31, 2024, the country's largest PDP carrier. We began providing PDP coverage in 2006 and offer stand-alone PDPs in 50 states and the District of Columbia with a priority on plans that offer low premiums, deductibles, and cost sharing.

Commercial

We offer commercial health insurance products to individuals through the ACA Health Insurance Marketplace, and through large and small employer groups. These plans offer differing benefit designs and varying levels of co-payments at different premium rates. These plans facilitate access to healthcare services for our members through network contracts with physicians, hospitals and other providers. Coverage typically is subject to copays and can also be subject to deductibles and coinsurance. As our commercial members reach their deductibles and out-of-pocket maximums, our medical costs rise, creating seasonality in the business with a higher percentage of earnings in the first half of the year.

The ACA created the Health Insurance Marketplace, which is a key component of the ACA and provides an opportunity for individuals and families to obtain health insurance. States have the option of operating their own Marketplace or partnering with the federal government. States choosing neither option default to the federally-facilitated Marketplace. Insurers are required to offer a minimum level of benefits with coverage that varies based on premiums and out-of-pocket costs.

Premium subsidies are provided to individuals and families without access to other coverage and with incomes above 100% of the federal poverty level to make coverage more affordable. Consumers who qualify for subsidies may choose how much of the tax credit to apply to their premiums each month, up to the maximum amount for which they are eligible. The amount of subsidy an enrollee may receive depends on household income and the cost of the second lowest cost silver plan available to enrollees in their local area. Temporary enhanced subsidies were made available by the American Rescue Plan Act (ARPA), which were further extended through 2025 pursuant to the Inflation Reduction Act.

We are the largest Marketplace carrier, serving 4.4 million members across 29 states as of December 31, 2024, under the brand name Ambetter Health. Revenues from CMS are significant to the segment.

We see an opportunity for market disruption of employer-sponsored insurance through Individual Coverage Health Reimbursement Arrangements (ICHRA). An ICHRA allows employers of all sizes to directly reimburse employees for individual health insurance premiums and qualifying medical expenses tax free in lieu of traditional employer-sponsored health insurance. The ICHRA model relies heavily on off-exchange, individual health insurance coverage as the most efficient way to use the funds. These off-exchange plans often mimic employer-provided coverage in benefit design. They are designed to provide comprehensive, consistent coverage and benefits that meet members' needs.

Using an ICHRA allows employees to tap into a more competitive health plan marketplace and a larger risk pool, creating stronger potential for lower, more stable premiums. At the same time, this approach allows employees to find products that better fit their needs. Given the full commercial group market covers over 170 million, we see a significant addressable market over the long term. We have launched plans designed to attract ICHRA membership in off-exchange plans in 6 states in 2025.

Other

Our Other segment includes:

- *Specialty Pharmacy.* AcariaHealth offers comprehensive specialty pharmacy services customized for complex and chronic conditions through enhanced patient care offerings and collaborative partnerships with providers to optimize patient outcomes.
- *Behavioral Health.* Magellan Health, Inc. (Magellan) supports innovative ways of accessing better health through technology, while remaining focused on the critical personal relationships that are necessary to achieve a healthy, vibrant life. Magellan's customers include health plans and other MCOs, employers, labor unions, various military and state and federal governmental agencies and third-party administrators.
- *Vision and Dental Services.* Envolve Benefit Options coordinates benefits beyond traditional medical benefits to offer fully integrated vision and dental health services. Our vision benefit program administers routine and surgical eye care benefits through a contracted national network of eye care providers. Through the dental benefit, we are dedicated to improving oral health through a contracted network of dental healthcare providers.
- *Clinical Healthcare.* Community Medical Group (CMG) provides clinical healthcare, encompassing primary care, access to certain specialty services and a suite of social and other support services. CMG operates in Florida through an at-risk primary care provider model, focusing on clinical and social care for at-risk beneficiaries. Additionally, Denova Collaborative Health provides outpatient primary care and behavioral healthcare services.
- *Federal Services.* Health Net Federal Services had a Managed Support Contract in the West Region for the Department of Defense (DoD) TRICARE program. We provided administrative services to Military Health System eligible beneficiaries, which included eligible active duty service members and their families, retired service members and their families, survivors of retired service members and qualified former spouses. Our contract for health care delivery services concluded at the end of 2024.

- *Corporate Management Company.* Each of our health plans contracts with our corporate management company to provide certain functions required to manage the health plan including, but not limited to, salaries and wages for personnel, rent, utilities, population health management, provider contracting, compliance, member services, claims processing, information technology, cash management, finance and accounting and other services.

OUR COMPETITIVE STRENGTHS

Our approach is based on the following key competitive strengths:

- *Focus and Experience.* Centene was established as a Medicaid company, anchored around long-lasting, trusted relationships, with a continual focus on low-income populations. Since our founding more than 40 years ago, we have forged new paths developing innovative solutions and addressing the evolving needs of our members, earning Centene an important seat at the table and a powerful voice to shape the conversation at the state and federal level. We have deliberately increased our market density by expanding to serve other low-income and medically complex populations and, as a result, we are now the largest Medicaid health insurer and Marketplace carrier in the country with an established Medicare presence. As states increasingly move to integrate care for individuals who are dually eligible for both Medicaid and Medicare, our expertise uniquely positions us to serve this population of more than 12 million beneficiaries nationwide. We are positioned at the nexus of affordability and choice, ready to meet the needs of consumers who increasingly seek innovative products like ICHRAs.
- *Local Approach.* Our local approach to delivering healthcare enables us to meet members and providers in the communities where they are to facilitate member access to high-quality, culturally sensitive healthcare services. Our programs and services are tailored to the unique individuals we serve and include a broad range of initiatives to address social drivers of health such as food insecurity, housing instability, unemployment and access to transportation, which contribute to health disparities among underserved communities. With local leadership owning all three lines of business, we are able to translate local best practices from our Medicaid business into product development, distribution, network and pricing decisions we make for our Marketplace and Medicare businesses. We know what our customers will value because we live and work alongside them every day.
- *Partnerships.* Centene's partnership mindset allows us to design solutions for our members that integrate the most relevant, most local and most innovative capabilities in an agile and capital-efficient way. Partnership has become both a strategy and discipline: finding, measuring and maintaining the best partners over time. Instead of owning providers, we identify the best providers for our members, investing in data and engagement models that will support them in delivering health outcomes. For example, we entered into a partnership with the National Association of Community Health Centers to enhance value-based care adoption, further strengthening Community Health Centers' ability to deliver high-quality, patient-centered care and improve maternal child health outcomes.
- *People.* Through an intentional focus on building a One CenTeam culture, we have elevated and unleashed the power of 60,500 team members who uniquely understand how to serve our members and are committed to our mission of transforming the health of the communities we serve, one person at a time.

Benefits to Customers

We feel that our ability to establish and maintain a leadership position in the markets we serve results primarily from our demonstrated success in providing quality care while improving the affordability of healthcare, and from our specialized programs with state governments.

The following are among the benefits we provide to our government partners, providers and members:

- *Accurate and timely claims payments.* We are committed to ensuring that our information systems and claims payment systems meet or exceed state requirements. We continuously improve our claims processing strategies, expertise, configuration and tools to achieve operational excellence, including timely payments to our providers.
- *Care management for complex populations.* Through our experience with Medicaid populations and long-time presence in states with experience in long-term care for children and adolescents in the foster care system, we have developed care management, service coordination and crisis prevention/response programs that improve healthcare outcomes through decreasing preventable emergency department utilization and improving access to primary care and behavioral health intervention.
- *Commitment to quality and improved health outcomes.* We demonstrate this through obtaining health plan accreditations, such as National Committee for Quality Assurance (NCQA), which assesses the effectiveness of our structure and operational processes, clinical quality and member satisfaction. We have developed care coordination, case management and clinical programs focused on key prevention and chronic conditions. Additionally, we have launched a multi-year plan to improve quality across the enterprise with a strong focus on enhanced patient experience and access to care, which lays the foundation for strong quality ratings in the future, including Medicare Star ratings and Marketplace Quality Rating System (QRS).
- *Community-specific healthcare programs and a focus on addressing healthcare gaps.* Our expertise in government-sponsored programs has helped us establish and maintain strong relationships with community-based organizations, local providers, as well as our state and federal partners. Our health plans develop tailored, local programs and campaigns to support members through solutions that promote whole-person care and enhance healthcare for all.
- *Data-driven approach to improve health outcomes.* We have employed an investment strategy designed to increase our capability to collect and analyze data and insights. We gather data from multiple sources including medical, vision and behavioral health claims and encounter data, pharmacy data, dental vendor claims and authorization data. We use this data to track utilization trends, identify health disparities, monitor quality of care and evaluate the effectiveness of our programs. Through these analyses, we identify and implement interventions that improve health outcomes, advance health equity and ensure members receive timely, appropriate services. The value and accuracy in the data we collect is important in demonstrating an auditable program for federal and state agencies.
- *Member programs and services.* Our comprehensive set of programs and services help members achieve whole-person health while supporting the overall goals of the government program. Covered healthcare benefits vary from customer to customer but cover a wide range of services, including transportation assistance, provision of durable medical equipment, behavioral health and substance use disorder services, 24-hour nurse advice line, social work services and telehealth services.
- *Value-based arrangements.* Our health plans offer a combination of value-based contracting models, including quality incentives and risk arrangements, that address the continuum of whole-person care. We believe value-based collaboration with providers leads to improved health outcomes, reduced costs and better member and provider experiences.

Providers

For each of our service areas, we establish a provider network consisting of primary and specialty care physicians, hospitals, behavioral health practitioners and ancillary providers. Our network of primary care physicians is a critical component of care delivery, healthcare affordability, and the attraction and retention of new members. Primary care physicians include family and general practitioners, pediatricians and internal medicine physicians. Specialty care physicians provide medical care to members generally upon referral by primary care physicians. Specialty care physicians include a wide array of provider types including, but not limited to, orthopedic surgeons, cardiologists and otolaryngologists. We also build robust networks of mental health providers, such as psychiatrists, social workers, substance abuse disorder facilities, and inpatient behavioral health facilities. We also contract with providers on a negotiated fee arrangement for physical therapy, home healthcare, diagnostic laboratory tests, x-ray examinations, ambulance services and durable medical equipment.

Our health plans facilitate access to healthcare services for our members primarily through contracts with our providers. Our contracts with primary and specialty care physicians and hospitals are usually for a term of one to three years and usually renew automatically for successive one-year terms, but generally are subject to termination by either party upon prior written notice. In the absence of a contract, we typically pay providers at applicable state or federal reimbursement levels and guidelines, depending on the product (for example, Medicaid or Medicare). We pay providers under a variety of methods, including fee-for-service, capitation arrangements and value-based arrangements.

- Under our fee-for-service contracts with providers, we pay a negotiated fee for covered services, which may include a case rate or fee-for service. This model is characterized as having no financial risk for the provider.
- Under our capitated contracts, providers can be paid a set amount for their services as outlined in their respective provider agreements, usually on a per member per month basis and sometimes including different rates depending on the age of the population.
- Under value-based arrangements, providers can be paid under either a capitated or fee-for-service model. The arrangement, however, contains provisions for additional payments to the providers or reimbursement from the providers based on their performance against quality and other measures. We are committed to value-based contracting, upside and downside risk, assigning members to the highest quality providers and capitation. This is done in partnership with our providers to increase quality outcomes and overall member satisfaction. We anticipate our membership in upside and downside risk arrangements will continue to grow.

The continuum of value-based contracting includes the following models: pay-for-performance, shared savings, shared risk and full risk. We often start our provider relationships in a pay-for-performance model, in which providers are reimbursed for the fair market value of services provided. Providers benefit from this model as it gives complete transparency and clarity on actions that earn incentives.

We then transition to a risk-sharing model, in which providers are reimbursed based on the total cost of care. As we advance along this continuum, it strengthens our partnerships with our providers, enabling the delivery of high-quality care. We believe having the strongest provider partners who know how to operate well in a value-based model and who can help us drive positive outcomes for our members and good member experience is more important than owning providers, which occurs on an exception basis. Prioritizing partnership over ownership allows us to be agile and capital-efficient, focusing our resources on what we do best.

We work with physicians to help them operate efficiently by providing actionable financial and utilization information, physician and patient educational programs and disease and population health management programs. Our programs are also designed to help physicians coordinate care rendered by other providers.

We believe our local and collaborative approach with physicians and other providers gives us a competitive advantage in entering new markets. Our contracted physicians serve on local committees that assist us in implementing preventive care programs, optimizing costs and improving the overall quality of care delivered to our members, while also simplifying the administrative burdens on our providers. This approach has enabled us to strengthen our provider networks through improved physician recruitment and retention which, in turn, has helped to increase our membership base.

The following are among the services we provide to support physicians:

- *Provider Engagement Performance Tools and Processes* can lead to measurable improvements in quality and health outcomes, healthcare costs and member satisfaction. High-quality provider support and service levels are important as our key customers are increasingly using performance-based measures to select and pay health plans. We have a suite of network performance tools for use by physicians and other providers which monitor the outcomes and care gaps of their individual patient panels. Provider Engagement and Quality teams meet with the providers to review their performance issues and recommend strategies for improvements in their patient panel outcome, including disease management and quality initiatives. Our tools also allow the physician and others to see where they stand within their value-based contract.
- *Our Integrated Care Model* is member-centric and managed by one care manager assigned to a member who looks at the care for the member in a holistic manner. This single care manager will coordinate all care for that member including behavioral health, medical health and home-based primary care in accordance with an individualized, integrated care plan. This care manager also coordinates meetings with the member's integrated care team to assess and alter the care plan as needed. This results in better clinical outcomes and improved member satisfaction.
- *The Provider Portal* delivers claims and eligibility information, prior authorization submissions and status, member panels, care gaps, patient analytics and provider analytics to contracted providers to drive provider engagement and improve patient outcomes. Data and reporting are delivered via a secure, user-friendly web-based provider portal.

Our contracted physicians also benefit from several of the services offered to our members and population health management programs, which assist physicians in managing their patients with chronic diseases.

Quality Improvement

Quality improvement is foundational for our organization. Our commitment to achieving better health outcomes for our members has led to recent investments in key initiatives involving people, processes, technology and partner management.

Through these initiatives, we have:

- centralized the oversight of core quality processes and programs, including the implementation of real-time operational dashboards to track numerous quality performance metrics;
- invested in new technology to enhance our access to clinical data on gaps in care, committed to integrating our numerous quality platforms into a single unified workflow and developed advanced analytics to more efficiently and effectively target our member engagement efforts for maximum impact on access, quality and member satisfaction;
- increased focus on member engagement, including tripling the capacity of our member outreach services to encourage active participation with their primary care physicians and other members of their care team and overhauling our onboarding process to focus on quality from the very first member touchpoint for Medicare; and
- prioritized strengthening relationships with providers to improve access and quality of care for our members; an essential strategy on this front is increasing our value-based provider engagements as those enhanced partnerships have proven to drive higher quality care. We also continue to promote local participation in physician quality improvement committees chaired by local physician leaders, which ensures clinical oversight and is critical to the success of clinical quality improvement programs.

We believe these initiatives will improve members' overall health and healthcare experience and help us achieve stronger quality scores overall, such as Medicare Star ratings and Marketplace QRS.

CMS developed the Medicare Advantage Five-Star Quality Rating System to help consumers choose among competing plans, awarding between 1.0 and 5.0 Stars to Medicare Advantage plans based on performance on composite measures of quality. The parent organization Star rating is used for new Medicare Advantage contracts while existing contracts follow their individual Star ratings to determine bonus payments.

Plans receive additional Medicare revenue related to the achievement of higher Star ratings that can be used to offer more attractive benefit packages to members and/or achieve higher profit margins. In addition, plans with Star ratings of 5.0 are eligible for year-round open enrollment, whereas plans with lower Star ratings have more restrictions on enrollment criteria and timing. Part C or Part D Medicare plans with Star ratings of fewer than three stars for three consecutive years are denoted as "low performing" plans on the CMS website and in the CMS "Medicare and You" handbook. In addition, CMS has the authority to terminate the Medicare Advantage and PDP contracts for plans rated below three Stars for three consecutive years for any Part (C or D). As a result, plans that achieve higher Star ratings may have a competitive advantage over plans with lower Star ratings.

As further validation of our quality objectives, we pursue accreditation by independent organizations that have been established to promote healthcare quality. NCQA Health Plan programs provide unbiased, third-party reviews to verify and publicly report results on specific quality metrics including Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS). We pursue and achieve accreditation in the majority of states where we currently have health plan operations. We also verify the credentials and backgrounds of our partner providers using standards supported by NCQA to ensure the quality of our networks.

Accreditation is only one measure of our ability to provide access to quality care for our members. The majority of state Medicaid programs also have specific quality measures that drive our clinical quality improvement efforts. Performance is monitored by health plan quality improvement committees and our corporate population health management and quality improvement teams.

We remain committed to our quality initiatives and continue to focus on investments that we expect to translate into value over the next few years.

ETHICS AND COMPLIANCE

Our Ethics and Compliance program assists the organization in developing effective internal controls that promote the prevention, detection and correction of fraud, waste and abuse and instances of conduct that do not conform to federal and state law, private payor healthcare program requirements or our ethics and business policies. Responsibilities also include the ongoing maintenance of our privacy program and oversight of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as it pertains to us and our business units from a compliance, business and technical perspective.

Three standards by which corporate compliance programs in the healthcare industry are measured are the Federal Organizational Sentencing Guidelines, the CMS Chapter Guidance, and the Compliance Program Guidance series issued by the Department of Health and Human Services' Office of the Inspector General. Our program contains each of the seven elements suggested by these authorities.

These key components are:

- written standards of conduct;
- designation of compliance officers and compliance committees;
- effective training and education;
- effective lines for reporting and communication;
- enforcement of standards through well-publicized disciplinary guidelines and actions;
- internal monitoring and auditing; and
- prompt response to detected offenses and development of corrective action plans.

The goal of our program is to build a culture of integrity, ethics and compliance, which is assessed periodically to measure engagement and effectiveness. Our Ethics and Compliance intranet site, accessible to all team members, links to our Code of Conduct and guidance for team members to assist them in reporting concerns or asking questions. Our Ethics and Compliance Helpline is a toll-free number and web-based reporting tool operated by a third-party independent of the Company and allows team members or other persons to anonymously report suspected incidents of misconduct, fraud, waste, abuse or other compliance violations, concerns or questions. Furthermore, our Board of Directors' Audit and Compliance Committee reviews ethics and compliance report data quarterly.

CORPORATE SUSTAINABILITY

Our steadfast commitment to the health and social well-being of our communities, fostering a healthy environment and our culture of sound and ethical corporate governance, extends far beyond individual programs or initiatives. We provide access to high-quality healthcare, innovative programs and a wide range of health solutions that help people live healthier lives. Our mission is to transform the health of the communities we serve, one person at a time. Our Corporate Sustainability Framework (the Framework) is comprised of areas of focus core to our mission, our strategy and to delivering positive impact and long-term value to our stakeholders. The Framework highlights our commitment to healthy individuals and healthy communities and builds upon our long history of identifying and removing barriers to health. Implementation of the Framework is overseen by the Board of Directors' Governance Committee and corporate sustainability initiatives throughout the organization are driven by a cross-functional network of executives.

Annually, we issue a corporate sustainability report to communicate the value of our efforts, a Task Force on Climate-related Financial Disclosures (TCFD) Index report outlining our governance structure, strategy, risks, opportunities and metrics related to managing climate change, and a SASB Index report aligned with the SASB Managed Care standards maintained by the International Sustainability Standards Board providing corporate sustainability disclosures to our stakeholders. The Framework enables us to communicate impact and progress on corporate sustainability matters important to our stakeholders and aligned with our business strategy and long-term plans. Corporate sustainability financial reporting disclosures are overseen by the Board of Directors' Audit and Compliance Committee. Our corporate sustainability initiatives and commitments enable us to build healthier communities, empower health, foster a healthy environment and drive business accountability. Interested parties can find our corporate sustainability-related reports within the Investors section of our website, the URL of which is <https://investors.centene.com/sustainability>. *Please note: Nothing on our website, including our corporate sustainability reports or sections thereof, shall be deemed incorporated by reference into this Annual Report.*

COMPETITION

We operate in a highly competitive environment in an industry subject to ongoing significant changes, including business consolidations, new strategic alliances, market pressures and regulatory and legislative reform both at the federal and state level. This includes, but is not limited to, the federal and state healthcare reform legislation described under the heading "Regulation." In addition, changes to the political environment may drive additional changes to the competitive landscape.

We compete with other MCOs, specialty companies and other non-traditional competitors to acquire and retain state, county, federal and commercial contracts. Before granting a contract, state and federal government agencies consider many competitive factors, including but not limited to, quality of care, access to care through comprehensive provider networks, reducing administrative burden for providers and members, financial condition, stability and resources, previous experience and performance and local investments and offerings.

We also compete to enroll new members and retain existing members. People who wish to enroll in a managed healthcare plan or to change healthcare plans typically choose a plan based on the quality of care and services offered, ease of access to services, a specific provider being part of the network and the availability of supplemental benefits. We believe that the principal competitive features affecting our ability to retain and increase membership include the range and prices of benefit plans offered, size and quality of provider network, quality of service, quality ratings, responsiveness to customer demands, financial stability, comprehensiveness of coverage, diversity of product offerings, market presence and reputation.

We also compete with other MCOs in establishing provider networks. When contracting with various health plans, we believe that providers consider existing and potential member volume, reimbursement rates, provider experience, value-based payment programs, speed of reimbursement and administrative service capabilities. See "Risk Factors - *Competition may limit our ability to increase penetration of the markets that we serve.*"

The relative importance of each of the aforementioned competitive factors and the identity of our key competitors varies by market, including by geography and by product. We believe that we compete effectively against other healthcare industry participants.

REGULATION

Our operations are comprehensively regulated at the local, state and federal levels. Government regulation of the provision of healthcare products and services is a changing area of law that varies from jurisdiction to jurisdiction. States have implemented National Association of Insurance Commissioners (NAIC) model laws and regulations, requiring governance practices and risk and solvency assessment reporting. States have adopted these or similar measures to enhance oversight relating to corporate governance and internal controls of health maintenance organizations (HMOs) and insurance companies. We are required to maintain a risk management framework and file reports with state insurance regulators.

Regulatory agencies have substantial discretion to issue regulations and to interpret and enforce laws and rules. Changes in the regulatory environment and applicable laws and rules also may occur periodically, including in connection with changes in political party or administration at the state and federal levels. The ultimate content, timing or effect of any potential future legislation enacted under new administrations remains uncertain.

Our regulated subsidiaries are licensed to operate as HMOs, preferred provider organizations (PPOs), third-party administrators (TPAs), utilization review organizations, pharmacies, direct care providers and/or insurance companies in their respective states. In each of the jurisdictions in which we operate, we are regulated by the relevant health and/or human services departments, Medicaid agencies, boards of pharmacy and other healthcare providers, departments of insurance, and departments of health that oversee the activities of MCOs and health plans providing or arranging to provide services to enrollees.

The process for obtaining authorization to operate as an MCO, health insurance plan, PDP, pharmacy or provider organization is complex and requires us to demonstrate to the regulators the adequacy of the health plan's organizational structure, financial resources, utilization review, quality assurance programs, billing protocols, complaint procedures, provider network and procedures for covering emergency medical conditions. For example, under state MCO statutes and insurance laws, our health plan subsidiaries, as well as companies within our Other segment, must comply with minimum statutory capital and other financial solvency requirements, such as deposit and surplus requirements. Insurance regulations may also require prior state approval of acquisitions of other MCO businesses and the payment of dividends, as well as notice for loans or the transfer of funds. Our subsidiaries are also subject to periodic state and federal reporting requirements. In addition, each health plan and individual healthcare provider must meet criteria to secure the approval of state regulatory authorities before implementing certain operational changes, including, without limitation, changes to existing offerings, the development of new product offerings, certain organizational restructurings and, in some states, the expansion of service areas.

States have adopted a number of laws and regulations that may affect our business and results of operations. These laws and regulations, in certain states, include:

- premium taxes or similar assessments imposed on us;
- stringent prompt payment laws requiring us to pay claims within a specified period of time;
- mandated coverage of specific drugs or services;
- state-specific medical loss ratios that may be more stringent than federal requirements;
- disclosure requirements regarding provider fee schedules and coding procedures; and
- programs to monitor and supervise the activities and financial solvency of provider groups.

We are regulated as an insurance holding company and are subject to the insurance holding company acts of the states in which our insurance company and HMO subsidiaries are domiciled. These acts contain certain reporting requirements as well as restrictions on transactions between an insurer or HMO and its affiliates. These holding company laws and regulations generally require insurance companies and HMOs within an insurance holding company system to register with the insurance department of each state where they are domiciled and to file with those states' insurance departments reports describing their capital structure, ownership, financial condition, intercompany transactions and general business operations. In addition, depending on the size and nature of the transaction, various notice and reporting requirements generally apply to transactions between insurance companies and HMOs and their affiliates within an insurance holding company structure. Some insurance holding company laws and regulations require prior regulatory approval or, in certain circumstances, prior notice of certain material intercompany transfers of assets as well as certain transactions between insurance companies, HMOs, their parent holding companies and affiliates. Among other provisions, state insurance and HMO laws may restrict the ability of our regulated subsidiaries to pay dividends.

Additionally, the holding company regulations of the states in which our subsidiaries are domiciled restrict the ability of any person to obtain control of an insurance company or HMO without prior regulatory approval. Under those statutes, without such approval or an exemption, no person may acquire any voting security of an insurance holding company that controls an insurance company or HMO, or merge with such a holding company, if as a result of such transaction such person would "control" the insurance holding company. "Control" is generally defined in state insurance laws as the direct or indirect power to direct or cause the direction of the management and policies of a company and is presumed to exist if a person directly or indirectly owns or controls 10% or more of the voting securities of a company.

PPO laws and regulations also vary by state and cover all or most of the subject areas referred to above.

Our pharmacies must be licensed to do business as pharmacies in the states in which they are located. Our pharmacies must also register with the U.S. Drug Enforcement Administration and individual state-controlled substance authorities to dispense controlled substances.

Our healthcare providers must be licensed to practice medicine and do business as care providers in the state in which they are located. In addition, they must be in good standing with the applicable medical board, board of nursing or other applicable entity. Furthermore, they must not be excluded from participation at either the state or federal levels. Our facilities are periodically reviewed by state departments of health and other regulatory agencies to ensure the environments are safe to provide care.

Federal law has also implemented other health programs that are partially funded by the federal government, such as Medicaid and Medicare programs. Our Medicaid programs are regulated and administered by various state regulatory bodies. Federal funding remains critical to the viability of these programs. Federal law permits the federal government to oversee and, in some cases, to enact, regulations and other requirements that must be followed by states with respect to these programs. Medicare is administered at the federal level by CMS. Comprehensive legislation, specifically Title XVIII of the Social Security Act, governs our Medicare program. In addition, our Medicare contracts are subject to regulation by CMS. CMS has the right to audit Medicare contractors and the healthcare providers and administrative contractors who provide certain services on their behalf to determine the quality of care being rendered and the degree of compliance with CMS contracts and regulations.

The ACA transformed the U.S. healthcare system through a series of complex initiatives. Some of the ACA's most significant provisions include the imposition of fees, assessments and taxes; the establishment of federally-facilitated and state-based Health Insurance Marketplaces where individuals and small groups may purchase health coverage; the implementation of certain premium stabilization programs designed to apportion risk amongst insurers; and optional Medicaid Expansion. State and federal regulators have continued to provide additional guidance and specificity to the ACA, and we continue to monitor this new information and evaluate its potential impact on our business. For a further discussion of the ACA, see "***Risk Factors - Significant changes or judicial challenges to the ACA and the other government-sponsored healthcare programs in which we participate could materially and adversely affect our results of operations, financial condition, and cash flows.***"

We must also comply with laws and regulations related to the award, administration and performance of U.S. Government contracts. Government contract laws and regulations affect how we do business with our customers and, in some instances, impose added costs on our business. For example, money laundering is a method of attempting to conceal the origins of money gained through illegal activity and is itself a crime that can result in substantial criminal and civil sanctions including fines and imprisonment. To ensure compliance with anti-money laundering laws and regulations, it is our policy to conduct business only with legitimate customers and counterparties whose funds are derived from legitimate commercial activity. A violation of specific laws and regulations by us and/or our agents could result in, among other things, the imposition of fines and penalties on us, changes to our business practices, the termination of our contracts or debarment from bidding on contracts.

State and Federal Businesses; Contracts

In addition to being a licensed insurance company or HMO, in order to be a Medicaid MCO in each of the states in which we operate, we generally must operate under a contract with the state's Medicaid agency. States generally either use a formal request for proposal process, reviewing a number of bidders, or award individual contracts to qualified applicants that apply for entry to the program. Under these state Medicaid program contracts, we receive monthly payments based on specified capitation rates determined on an actuarial basis. These rates differ by membership category and by state depending on the specific benefits and policies adopted by each state. In addition, several of our Medicaid contracts require us to maintain Medicare Advantage D-SNPs, which are regulated by CMS and the state Medicaid agency, for dual-eligible individuals within the state.

We provide Medicare Advantage, PDPs, D-SNPs and MMPs pursuant to contracts with CMS and subject to federal regulation regarding the award, administration and performance of such contracts. CMS also has the right to audit our performance to determine our compliance with these contracts, other CMS regulations, and the quality of care we provide to Medicare beneficiaries under these contracts.

As of December 31, 2024, we operated in 29 states under federally-facilitated Marketplace contracts with CMS and state-based exchanges. We also operate under a Memorandum of Understanding with the Arkansas Department of Human Services Division of Medical Services and the Arkansas Insurance Department to participate in the Medicaid expansion model that Arkansas has adopted (referred to as AR Health and Opportunity for Me program).

Our government contracts have included government-sponsored managed care and administrative services contracts through the TRICARE program and certain other healthcare-related government contracts. Our contract for health care delivery services through the TRICARE program concluded at the end of 2024.

Our state and federal contracts and the legal and regulatory provisions applicable to us generally set forth requirements for operating, including provisions relating to:

- eligibility, enrollment and dis-enrollment processes;
- covered services;
- eligible providers;
- subcontractors;
- record-keeping and record retention;
- periodic financial and informational reporting;
- quality assurance;
- accreditation;
- health education and wellness and prevention programs;
- timeliness of claims payment;
- financial standards;
- safeguarding of member information;
- fraud, waste and abuse detection and reporting;
- grievance procedures;
- use and compensation of brokers; and
- organization and administrative systems.

A health plan or individual health insurance provider's compliance with these requirements is subject to significant monitoring by state regulators and by CMS, including monthly, quarterly and annual reporting, all of which are generally state-specific. A health plan is also subject to periodic comprehensive quality assurance evaluations by a third-party reviewing organization and generally by the insurance department of the jurisdiction that licenses the health plan. A health plan or individual health insurance provider must also submit reports to various regulatory agencies, including quarterly and annual statutory financial statements and utilization reports.

Our health plans operate through individual state contracts, generally with an initial term of one to five years. The contracts often have renewal or extension terms or are renewable through the state's procurement process. The contracts generally are subject to termination for cause, an event of default or lack of funding, among other things.

Our federally-facilitated Marketplace contracts and state-based exchanges are renewable on an annual basis.

Other Fraud, Waste and Abuse Laws

Investigating and prosecuting healthcare fraud, waste and abuse continues to be a top priority for state and federal law enforcement agencies. These efforts span multiple products, including Medicare, Medicaid, Health Insurance Marketplace and commercial plans. Pertinent fraud, waste and abuse laws include the federal False Claims Act, which prohibits the known filing of a false claim or the known use of false statements to obtain payment from the federal government. Many states have their own statutes that closely resemble the federal False Claims Act. A plan or provider may engage in other activities that violate fraud, waste and abuse laws, such as paying or receiving kickbacks or other inducements for the referral of members or coverage of products (such as prescription drugs), billing for unnecessary medical services or making false or misleading sales-related representations.

Our program integrity efforts aim to detect, prevent and correct fraud, waste and abuse. In addition to following up on leads from members, providers and our own team members, we use data analytics to identify suspicious activity and, as appropriate, will deny improperly billed claims, recover improperly made payments and make referrals to regulatory entities and law enforcement for further review. The laws and regulations relating to fraud, waste and abuse and the requirements applicable to health plans, PDPs and providers participating in these programs are complex and change regularly. Compliance with these laws may require substantial resources. We are constantly looking for ways to improve our fraud, waste and abuse detection methods. While we have both prospective and retrospective processes to identify abusive patterns and fraudulent billing, we continue to increase our capabilities to proactively detect inappropriate billing prior to payment.

Privacy Regulations

We are subject to various international, federal, state and local laws and rules regarding the use, security and disclosure of protected health information, personal information and other categories of confidential or legally protected data that our businesses handle. Such laws and rules include, without limitation, HIPAA, the Federal Trade Commission Act, the Gramm-Leach-Bliley Financial Modernization Act of 1999 (Gramm-Leach-Bliley Act) and state privacy and security laws such as the California Confidentiality of Medical Information Act and the California Online Privacy Protection Act. Privacy and security laws and regulations often change due to new or amended legislation, regulations or administrative interpretation. A variety of state and federal regulators enforce these laws, including but not limited to the U.S. Department of Health and Human Services (HHS), the Federal Trade Commission, state attorneys general and other state regulators.

HIPAA is designed to improve the portability and continuity of health insurance coverage, simplify the administration of health insurance through standard transactions and ensure the privacy and security of individual health information. Among the requirements of HIPAA are the Administrative Simplification provisions which include: standards for processing health insurance claims and related transactions (Transactions Standards); requirements for protecting the privacy and limiting the use and disclosure of medical records and other personal health information (Privacy Rule); and standards and specifications for safeguarding personal health information which is maintained, stored or transmitted in electronic format (Security Rule). The Health Information Technology for Economic and Clinical Health (HITECH) Act amended certain provisions of HIPAA and enhanced data security obligations for covered entities and their business associates. HITECH also mandated individual notifications in instances of a data breach, provided enhanced penalties for HIPAA violations and granted enforcement authority to states' Attorneys General in addition to the HHS Office for Civil Rights. The HIPAA Omnibus Rule further enhanced the changes under the HITECH Acts and the Genetic Information Nondiscrimination Act of 2008 which clarified that genetic information is protected under HIPAA and prohibits most health plans from using or disclosing genetic information for underwriting purposes. These regulations also establish significant criminal penalties and civil sanctions for non-compliance. The preemption provisions of HIPAA provide that the federal standards will not preempt state laws that are more stringent than the related federal requirements.

The Privacy and Security Rules and HITECH/Omnibus enhancements established requirements to protect the privacy of medical records and safeguard personal health information maintained and used by healthcare providers, health plans, healthcare clearinghouses and their business associates.

The Security Rule requires healthcare providers, health plans, healthcare clearinghouses and their business associates to implement administrative, physical and technical safeguards to ensure the privacy and confidentiality of health information electronically stored, maintained or transmitted. The HITECH Act and Omnibus Rule enhanced a federal requirement for notification when the security of protected health information is breached. In addition, there are state laws that have been adopted to provide for, among other things, private rights of action for breaches of data security and mandatory notification to persons whose identifiable information is obtained without authorization.

The requirements of the Transactions Standards apply to certain healthcare-related transactions conducted using "electronic media." Since "electronic media" is defined broadly to include "transmissions that are physically moved from one location to another using portable data, magnetic tape, disk or compact disk media," many communications are considered to be electronically transmitted. Under HIPAA, health plans and providers are required to have the capacity to accept and send all covered transactions in a standardized electronic format. Penalties can be imposed for failure to comply with these requirements. The Transactions Standards were modified in October 2015 with the implementation of the ICD-10 coding system.

In addition, we process and maintain personal card data, particularly in connection with our Marketplace business. As a result, we must maintain compliance with the Payment Card Industry Data Security Standard, which is a multifaceted security standard intended to optimize the security of credit, debit and cash card transactions and protect cardholders against misuse of their personal information.

HUMAN CAPITAL RESOURCES

As of December 31, 2024, we had approximately 60,500 team members. Our team members are guided by our mission-driven culture. Our culture values of accountability, courage, curiosity, trust and service guide our workforce and foster high-performing teams that serve our customers and key stakeholders each day while delivering against our long-term strategic goals. We intentionally attract, develop and retain top talent who bring a broad range of voices and experiences, passion and vision to help us transform the health of the communities we serve.

Compensation and Other Benefits

Our overall compensation philosophy is to pay for performance by linking the achievement of both Company and individual goals to total compensation. We offer benefits to our team members to help them achieve optimum work-life balance and meet their needs as well as the needs of their families. In addition to traditional healthcare benefits, we also offer various wellness programs, an employee assistance program, tuition reimbursement/educational assistance, a 401(k) retirement plan, as well as programs for family support such as adoption assistance, parental leave and caregiver leave. Our parental leave offers six weeks of fully compensated time for caregivers with an additional eight weeks for mothers, providing up to 14 weeks of fully compensated maternity leave. In addition, we offer paid community volunteer time to encourage our team members to participate in volunteer programs and support local communities.

Talent Acquisition and Development

Through our robust talent infrastructure, we continue working to deepen and prepare our talent bench and workforce, which is instrumental to executing our long-term business strategy. Our talent advisors and hiring leaders recruit from across the country to develop a workforce possessing outstanding capabilities and a wide range of perspectives and lived experiences. We are committed to developing a skill-rich workforce who can thrive in the evolving world of work, enabling our organization to further accelerate growth, inclusivity and innovation. Through Centene University, accessible to our team members, we have designed learning and development at scale, using new digital tools, real-time virtual learnings and customized leadership development programs in a modern learning environment. In addition to building new workforce skills, we utilize our ongoing enterprise talent reviews, succession planning, career development planning and comprehensive workforce analytics to provide insights to senior leaders to inform actions and drive intentional talent results.

Modernized and Connected Workforce

We have adopted a modern work environment with the majority of our team members leveraging remote and hybrid work arrangements, allowing them to do their best work in the way they work best. We are intentional in our efforts to foster a collaborative and engaging work environment, including forums for people leaders, robust weekly communications for all team members, and virtual all-employee meetings. Additionally, we have a wide range of Centene Professional Networks. Open to all employees, these voluntary, employee-led groups provide professional connections and leadership opportunities for all team members and drive impact by supporting the attraction, development and retention of the best talent at all levels.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers, including their ages, at February 14, 2025:

Name	Age	Position
Sarah M. London	44	Chief Executive Officer
Andrew L. Asher	56	Executive Vice President, Chief Financial Officer
Katie N. Casso	43	Senior Vice President, Finance, Corporate Controller and Chief Accounting Officer
Christopher A. Koster	60	Executive Vice President, Secretary and General Counsel
Tanya M. McNally	51	Chief People Officer
Susan R. Smith	49	Chief Operating Officer

Sarah M. London. Ms. London has served as our Chief Executive Officer since March 2022. From September 2021 to March 2022, she served as Vice Chairman. She served as President, Centene Health Care Enterprises and Executive Vice President, Advanced Technology from March 2021 to September 2021. From September 2020 to February 2021, she served as Senior Vice President, Technology Innovation and Modernization. Prior to joining Centene, she served as both Senior Principal and Partner for Optum Ventures from May 2018 to March 2020 and Chief Product Officer of Optum from March 2016 to May 2018.

Andrew L. Asher. Mr. Asher has served as our Executive Vice President, Chief Financial Officer since May 2021. From January 2020 to May 2021, he served as Executive Vice President, Specialty. Prior to joining Centene, he served as the Chief Financial Officer of WellCare from November 2014 to January 2020.

Katie N. Casso. Ms. Casso has served as our Senior Vice President, Finance, Corporate Controller and Chief Accounting Officer since September 2024. Prior to that, she served as our Senior Vice President, Corporate Controller and Chief Accounting Officer from April 2021 to September 2024. From January 2016 to March 2021, she served as Vice President, Assistant Controller.

Christopher A. Koster. Mr. Koster has served as our Executive Vice President, Secretary and General Counsel since December 2021. From February 2020 to December 2021, he served as Senior Vice President, Secretary and General Counsel. From February 2017 to February 2020, he served as Senior Vice President, Corporate Services. Prior to joining Centene, Mr. Koster served as Missouri Attorney General for eight years.

Tanya M. McNally. Ms. McNally has served as our Chief People Officer since March 2023. Prior to that, she served as our Interim Chief People Officer from January 2023 to March 2023. Prior to that, she served as our Regional Vice President, Human Resources from May 2022 to December 2022. From January 2020 to May 2022, she served as Vice President, Global Human Resource Business Partner. From August 2018 to January 2020, she served as Vice President, Human Resources for WellCare Health Plans, Inc.

Susan R. Smith. Ms. Smith has served as our Chief Operating Officer since January 2024. Ms. Smith has been an employee of the Company since June 2023. From August 2022 through December 2022, she served as Senior Vice President of Clinical, Quality and Enterprise Solutions President at Humana Inc. From July 2021 through July 2022, she served as Senior Vice President of Clinical Solutions at Humana Inc. She also previously served as Senior Vice President of Medicare at Humana Inc. from August 2019 through June 2021. From October 2016 through July 2019, she served as Senior Vice President of Healthcare Quality Reporting and Improvement at Humana Inc.

Available Information

We are subject to the reporting and information requirements of the Securities Exchange Act of 1934, as amended (Exchange Act) and, as a result, we file periodic reports and other information with the Securities and Exchange Commission (SEC). We make these filings available on our website free of charge, the URL of which is <https://www.centene.com>, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The SEC maintains a website (<https://www.sec.gov>) that contains our annual, quarterly and current reports and other information we file electronically with the SEC. Stockholders may obtain a copy of this Annual Report on Form 10-K, without charge, by writing: Investor Relations, Centene Corporation, 7700 Forsyth Boulevard, St. Louis, MO 63105. *Please note: Information on our website does not constitute part of this Annual Report on Form 10-K.*

Item 1A. Risk Factors.

You should carefully consider the risks described below before making an investment decision. The trading price of our common stock could decline, and our results of operations, financial condition and cash flows could be materially adversely affected due to any of these risks, in which case you could lose all or part of your investment. You should also refer to the other information in this filing, including our consolidated financial statements and related notes. The risks and uncertainties described below are those that we currently believe may materially affect our Company. Additional risks and uncertainties that we are unaware of or that we currently deem immaterial also may become important factors that affect our Company.

Risks Relating to Our Business

Failure to accurately estimate and price our medical expenses or effectively manage our medical costs or related administrative costs could have a material adverse effect on our results of operations, financial condition and cash flows.

Our profitability depends to a significant degree on our ability to accurately estimate and effectively manage expenses related to health benefits through, among other things, our ability to contract favorably with hospitals, physicians and other healthcare providers. For example, our government-sponsored health programs revenue is often based on bids submitted before the start of the initial contract year. If our actual medical expenses exceed our estimates, our health benefits ratio (HBR), or our expenses related to medical services as a percentage of premium revenues, would increase and our profits would decline. Because of the narrow margins of our health plan business, relatively small changes in our HBR can create significant changes in our financial results. Changes in healthcare regulations and practices, the level of utilization of healthcare services, out-of-network utilization and pricing, medical claim submission patterns, hospital and pharmaceutical costs, including new high-cost specialty drugs, unexpected events, such as natural disasters, the effects of climate change, acts of war or aggression, geopolitical instability, major epidemics, pandemics and their resurgence, or newly emergent diseases, new medical technologies, increases in provider fraud and other external factors, including general economic conditions such as interest rates, inflation and unemployment levels, are generally beyond our control and could reduce our ability to accurately predict and effectively control the costs of providing health benefits. Also, member behavior could continue to be influenced by the uncertainty surrounding the ACA, including potential changes in premium subsidies, including due to changes in the eligibility or amount of enhanced advance premium tax credits for Marketplace products.

In addition, as a result of the expiration of the public health emergency (PHE) due to the COVID-19 pandemic, and the resulting Medicaid redeterminations process, we have experienced a higher HBR related to the remaining members, due to the acuity profile of this membership, as well as the gaps in eligibility for certain members who have rejoined the Medicaid plans. While we continue to work with our state partners to match rates to acuity post-redeterminations, such rate adjustments may be delayed or insufficient to offset the increased acuity.

Our medical expenses include claims reported but not paid, estimates for claims incurred but not reported (IBNR), and estimates for the costs necessary to process unpaid claims at the end of each period. Our development of the medical claims liability estimate is a continuous process that we monitor and refine on a monthly basis as claims receipts and payment information as well as inpatient acuity information becomes available. As more complete information becomes available, we adjust the amount of the estimate, and include the changes in estimates in medical expenses in the period in which the changes are identified. Given the extensive judgment and uncertainties inherent in such estimates, there can be no assurance that our medical claims liability estimate will be accurate, and any adjustments to the estimate may unfavorably impact our results of operations and financial condition and may be material.

Assumptions and estimates are utilized in establishing premium deficiency reserves. For example, we have established a premium deficiency reserve in connection with the 2025 Medicare Advantage business as of December 31, 2024. If our assumptions are inaccurate, we may be required to increase our premium deficiency reserves which could have a material adverse effect on our results of operations and financial condition.

Additionally, when we commence operations in a new state or region or launch a new product, we have limited information with which to estimate our medical claims liability. For a period of time after the inception of the new business, we base our estimates on government-provided historical actuarial data and limited actual incurred and received claims and inpatient acuity information. The addition of new categories of eligible individuals, as well as evolving Health Insurance Marketplace plans, may pose difficulty in estimating our medical claims liability.

From time to time in the past, our actual results have varied from our estimates, particularly in times of significant changes in the number of our members. If it is determined that our estimates are significantly different than actual results, our results of operations and financial condition could be materially adversely affected. In addition, if there is a significant delay in our receipt of premiums, our business operations, cash flows or earnings could be negatively impacted.

Any failure to adequately price or anticipate demand for products offered, anticipate changes to the competitive landscape or any reduction in products offered for Medicare Advantage and in the Health Insurance Marketplace may have a material adverse effect on our results of operations, financial condition and cash flows.

In the Health Insurance Marketplace, we may be adversely impacted if we have not accurately predicted the health needs of our members, including individuals exiting the market causing the morbidity of the risk pool to rise without a proportionate change to risk adjustment. In addition, the risk adjustment provisions of the ACA established to apportion risk amongst insurers may not be effective in appropriately mitigating the financial risks related to the Health Insurance Marketplace product, are affected by our members' acuity relative to the membership acuity of other insurers and are subject to a high degree of estimation and variability, including estimation of the ultimate level of program funding based on the financial performance of other insurers. Further, changes in the competitive market for both Health Insurance Marketplace and the Medicare Advantage products over time, changes to member eligibility in the program design, including due to changes to the eligibility or amount of the enhanced advanced premium tax credits and the timing of those changes, additional program integrity initiatives that have the effect of reducing membership or changes in the financial incentives of individuals, brokers and competitors to participate in such products may make pricing difficult to predict. For example, competitors may introduce pricing, broker incentives or broker distribution channels that we may not be able to match, which may adversely affect our ability to compete effectively. Competitors may also choose to exit the market altogether or otherwise suffer financial difficulty, which could adversely impact the pool of potential insured, affect collectability of risk adjustment payable or require us to increase premium rates. Any significant variation from our expectations regarding acuity, enrollment levels, adverse selection, out-of-network costs or other assumptions utilized in setting adequate premium rates could have a material adverse effect on our results of operations, financial condition and cash flows for both our Health Insurance Marketplace and Medicare Advantage products.

In addition, we may be unable to accurately predict demand for both our Health Insurance Marketplace and Medicare Advantage products, as demand depends on factors outside of our control such as the competitiveness of our bids, the broker distribution channels, additional program integrity initiatives that have the effect of reducing membership and the entry and exit of other competitors in the markets. If we experience higher demand for our products than anticipated, we may not have adequate staffing to be able to adequately meet service level requirements in our call centers, which could negatively impact our quality scores, our relationships with our members and providers, as well as our regulators.

Our Medicare programs are subject to a variety of unique risks that could adversely impact our financial results.

If we fail to design and maintain programs that are attractive to Medicare participants; if our Medicare operations are subject to negative outcomes from program audits, sanctions, penalties or other actions; if we do not submit adequate bids in our existing markets or any expansion markets; if our existing contracts are modified or terminated; or if we fail to maintain or improve our quality Star ratings, our current Medicare business and our ability to expand our Medicare operations could be materially and adversely affected, negatively impacting our results of operations and financial performance. As of December 2024, approximately 55% of our Medicare Advantage membership was associated with contracts rated 3.5 stars or better. Our quality improvement goal is to move 85% of our members into contracts with 3.5 stars or better for rating year 2026 (anticipated to be published in October 2025), which may not be achieved. Additionally, although we expect to have a higher percentage of D-SNP members than most of our competitors, we may be unsuccessful in advocating for adjustments in the Star score rating system or other risk adjustment criteria to reflect the socio-economic barriers to health for this population.

Star ratings are subject to change annually by CMS, and despite our operational efforts to improve our Star ratings, there can be no assurances that we will be successful in maintaining or improving our Star ratings in future years, which could negatively impact our quality bonus and rebates. In addition, our Medicare Advantage and PDP contracts may be terminated by CMS if our Medicare Advantage contracts receive Star ratings of below 3.0 stars for three consecutive years. For example, two of our Medicare Advantage contracts received notice of termination for plan year 2025. The attractiveness of our Medicare Advantage plans may be reduced if we are unable to maintain or improve these ratings, if there are changes to the ratings system that make achieving and maintaining ratings of 3.0 stars or higher more difficult, or if our performance does not improve compared to our competitors.

CMS establishes annually different pricing components of the Medicare Advantage program that may not adequately reflect changes in the underlying health care costs, and which may reduce the profitability or desirability of various Medicare Advantage plans. For calendar year 2025, CMS again applied a negative rate adjustment for risk model revisions and fee for service normalization. As a result of the Medicare Advantage 2025 rates and our 2025 Medicare Advantage bid design and membership projections, we have established a premium deficiency reserve in connection with the 2025 Medicare Advantage business as of December 31, 2024. In addition, CMS' new risk model may not account for the full severity of several chronic conditions, which could also disproportionately affect the dual-eligible population which is more medically complex and faces additional socio-economic barriers to health compared to others. As a result of these changes and potential future changes to Medicare Advantage pricing components, we may not be able to design products that will be profitable, attractive or competitive for this population.

In addition, CMS regulations will require beneficiaries dually enrolled in Medicare and in a Medicaid managed care plan to receive integrated care through the Medicaid company's Medicare Advantage D-SNPs beginning in 2030, with certain restrictions beginning in 2027, which may restrict our product offerings in some geographic service areas. However, some states have already moved or are planning to exclusively align dual-eligible enrollment under an aligned D-SNP before this timeframe.

There are also specific additional risks under Title XVIII, Part D of the Social Security Act associated with our provision of Medicare Part D prescription drug benefits as part of our Medicare Advantage plan offerings. These risks include potential uncollectibility of receivables, inadequacy of pricing assumptions, inability to receive and process information and increased pharmaceutical costs, as well as the underlying seasonality of this business, and extended settlement periods for claims submissions. Our failure to comply with Part D program requirements can result in financial and/or operational sanctions on our Part D products, as well as on our Medicare Advantage products that offer no prescription drug coverage.

Risk-adjustment payment systems make our revenue and results of operations more difficult to estimate and could result in retroactive adjustments that have a material adverse effect on our results of operations, financial condition and cash flows.

Most of our government customers employ risk-adjustment models to determine the premium amount they pay for each member. This model pays more for members with predictably higher costs according to the health status of each beneficiary enrolled. Premium payments are generally established at fixed intervals according to the contract terms and then adjusted on a retroactive basis. We reassess the estimates of the risk adjustment settlements each reporting period and any resulting adjustments are made to premium revenue. In addition, revisions by our government customers to the risk-adjustment models have reduced and may continue to reduce our premium revenue.

As a result of the variability of certain factors that determine estimates for risk-adjusted premiums, including plan risk scores and competitor positioning, the actual amount of retroactive payments could be materially more or less than our estimates. Consequently, our estimate of our plans' risk scores for any period, and any resulting change in our accrual of premium revenues related thereto, could have a material adverse effect on our results of operations, financial condition and cash flows. The data provided to our government customers to determine the risk score is subject to audit by them even after the annual settlements occur. These audits may result in the refund of premiums to the government customer previously received by us, which could be significant and would reduce our premium revenue in the year that repayment is required. This in turn could have a material adverse effect on our results of operations, financial condition and cash flows.

Government customers have performed and continue to perform audits of selected plans to validate the provider coding practices under the risk adjustment model used to calculate the premium paid for each member. In 2023, CMS announced the removal of the fee-for-service adjuster from the risk adjustment data validation audit methodology beginning for audit year 2018, which could increase our audit error scores. We anticipate that CMS will continue to conduct audits of our Medicare contracts and contract years on an on-going basis. An audit may result in the refund of premiums to CMS. It is likely that a payment adjustment could occur as a result of these audits; and any such adjustment could have a material adverse effect on our results of operations, financial condition and cash flows.

If we are not successful in procuring new government contracts or renewing existing government contracts, or if we receive an adverse finding or review resulting from an audit or investigation, our business may be adversely affected.

A substantial portion of our business relates to the provision of managed care programs and selected services to individuals receiving benefits under governmental assistance or entitlement programs. We provide these and other healthcare services under contracts with government entities in the geographic areas in which we operate. Our government contracts are generally intended to run for a fixed number of years and may be extended for an additional specified number of years if the contracting entity or its agent elects to do so. Initial bids for these contracts and initial implementation of these contracts can have substantial start-up costs and may ultimately be unsuccessful. For example, prior to obtaining a certificate of authority in most jurisdictions, we must establish a provider network and have systems in place to administer a state contract and process claims. Once a new contract is awarded, we may experience delays in operational start dates. As a result of these factors, start-up operations may decrease our profitability, or we may not grow as quickly as we anticipated.

When our contracts with government entities expire, they may be opened for bidding by competing healthcare providers, and there is no guarantee that our contracts will be renewed or extended. For example, the Department of Defense did not award the West region TRICARE Managed Care Support Contract commencing in 2025 to Health Net Federal Services, and the contract ended as of December 31, 2024. In addition, as part of the normal course of business, several of our Medicaid contracts are up for repurchase in 2025 (for contracts largely commencing in 2026). Competitors may be more aggressive in the descriptions of their capabilities and the assumptions utilized in their bids. Even if our responsive bids are successful, the bids may be based upon assumptions or other factors which could result in the contracts being less profitable than we had anticipated. Further, our government contracts contain certain provisions regarding readiness review, eligibility, enrollment and dis-enrollment processes for covered services, eligible providers, periodic financial and informational reporting, financial standards, quality assurance, timeliness of claims payment, compliance with contract terms and law and our agreement to maintain a Medicare plan in the state, among other things, and are subject to cancellation if we fail to perform in accordance with the standards set by regulatory agencies.

We are also subject to various reviews, audits and investigations, as well as self-reporting requirements, to verify our compliance with the terms of our contracts with various governmental agencies, as well as compliance with applicable laws and regulations. Any non-compliance with our government contracts or with applicable laws and regulations, adverse review, audit or investigation, could result in, among other things: cancellation of our contracts; refunding of amounts we have been paid pursuant to our contracts; imposition of fines, penalties and other sanctions on us; loss of our right to participate in various programs; increased difficulty in selling our products and services; loss or suspension of one or more of our licenses; lowered quality Star ratings; harm to our reputation; or required changes to the way we do business. In addition, under government procurement regulations and practices, a negative determination resulting from a government audit of our business practices could result in a contractor being fined, debarred and/or suspended from being able to bid on, or be awarded, new government contracts for a period of time.

If any of our government contracts are terminated, not renewed, renewed on less favorable terms, or not renewed on a timely basis, or if we receive an adverse finding or review resulting from an audit or investigation, our business and reputation may be adversely impacted, our goodwill could be impaired and our results of operations, financial condition or cash flows may be materially adversely affected.

In addition, we contract with independent third-party vendors, brokers and service providers who provide services to us and our subsidiaries or to whom we delegate selected functions. Violations of, or noncompliance with, laws and regulations governing our business by such third-party vendors, or governing our dealings with such parties, could, among other things, subject us to additional audits, reviews, investigations, self-reporting requirements and other adverse effects.

We derive a portion of our cash flow and gross margin from our PDP operations, for which we submit annual bids for participation. The results of our bids could have a material adverse effect on our results of operations, financial condition and cash flows.

A significant portion of our PDP membership is obtained from the auto-assignment of beneficiaries in CMS-designated regions where our PDP premium bids are below benchmarks of other plans' bids. In general, our premium bids are based on assumptions regarding PDP membership, utilization, drug costs, drug rebates and other factors for each region. Our 2025 PDP bids resulted in 33 of the 34 CMS regions for which we were below the benchmarks and one region for which we were above the benchmark. As of January 1, 2025, we experienced an increase to over 7.5 million PDP members compared to 6.9 million in December 2024, due to our 2025 bid positioning. If our future Part D premium bids are not below the CMS benchmarks, we risk losing PDP members who were previously assigned to us and we may not have additional PDP members auto-assigned to us, which could materially reduce our revenue.

The IRA is expected to substantially increase PDP's risk exposure in 2025. Under the IRA, PDP plan costs will increase significantly due to a reduction in members cost share (close of coverage gap, and the \$2,000 cap on member out-of-pocket expenses) and a decrease in federal reinsurance (from 80% to 20%, while a greater portion of the plan drug costs will fall into the catastrophic phase). In the meantime, Part D risk sharing program thresholds would be applied to the increased Part D plan costs, so the plan cost at risk will be much greater before any risk sharing kicks in. These changes may lead to heightened underwriting risks and increased market volatility and uncertainty for 2025 bids, which could materially reduce our revenue and profit. The IRA also offers Part D enrollees the option to defer payment of out-of-pocket prescription drug costs across monthly payments throughout the benefit year instead of to the pharmacy at the point of sale under the Medicare Prescription Payment Plan (M3P). This change may lead to increased bad debt exposure along with potential challenges with collecting deductibles and other cost-sharing amounts from beneficiaries. The change may also lead to estimation uncertainty as we develop our experience with the M3P. Due to the uncertainty of the new Part D pricing structure, Centene has elected into the Part D Premium Stabilization Demonstration program, which subsidizes member premiums and provides additional protection through the risk corridor in the event of unforeseen losses, but such election may not be sufficient to offset the uncertainty or risks relating to our experience with M3P as well as the increased risk exposure.

Our encounter data may be inaccurate or incomplete, which could have a material adverse effect on our results of operations, financial condition and cash flows and ability to bid for, and continue to participate in, certain programs.

Our contracts require the submission of complete and correct encounter data. The accurate and timely reporting of encounter data is increasingly important to the success of our programs because more states are using encounter data to determine compliance with performance standards and to set premium rates. We have expended and may continue to expend additional effort and incur significant additional costs to collect or correct inaccurate or incomplete encounter data from our existing health plans and any health plans we may acquire in the future and have been and continue to be, exposed to operating sanctions and financial fines and penalties for noncompliance. In some instances, our government clients have established retroactive requirements for the encounter data we must submit. There also may be periods of time in which we are unable to meet existing requirements. In either case, it may be prohibitively expensive or impossible for us to collect or reconstruct this historical data.

We may experience challenges in obtaining complete and accurate encounter data, due to difficulties with providers and third-party vendors submitting claims in a timely fashion in the proper format, and with state agencies in coordinating such submissions. As states increase their reliance on encounter data, these difficulties could adversely affect the premium rates we receive and how membership is assigned to us and subject us to financial penalties, which could have a material adverse effect on our results of operations, financial condition cash flows and our ability to bid for, and continue to participate in, certain programs.

Increases in our pharmaceutical costs could have a material adverse effect on the level of our medical costs and our results of operations.

Introduction of new high-cost specialty drugs and sudden cost spikes for existing drugs increase the risk that the pharmacy cost assumptions used to develop our capitation rates are not adequate to cover the actual pharmacy costs, which jeopardizes the overall actuarial soundness of our rates. Bearing the high costs of new specialty drugs or the high-cost inflation of drugs without an appropriate rate adjustment or other reimbursement mechanism could have an adverse impact on our financial condition and results of operations. In addition, evolving regulations and state and federal mandates regarding coverage may impact the ability of our health plans to continue to receive existing price discounts on pharmaceutical products for our members. Other factors affecting our pharmaceutical costs include, but are not limited to, geographic variation in utilization of new and existing pharmaceuticals, changes in discounts, civil investigations and litigation. Although we will continue to work with state Medicaid agencies in an effort to ensure that we receive appropriate and actuarially sound reimbursement for all new drug therapies and pharmaceuticals trends, there can be no assurance that we will be successful in that regard.

Ineffectiveness of state-operated systems and subcontractors could adversely affect our business.

A number of our health plans rely on other state-operated systems or subcontractors to qualify, solicit, educate and assign eligible members into managed care plans. The effectiveness of these state operations and subcontractors can have a material effect on a health plan's enrollment in a particular month or over an extended period. When a state implements either new programs to determine eligibility or new processes to assign or enroll eligible members into health plans, or when it chooses new subcontractors, or has not adequately maintained systems, there is an increased potential for an unanticipated impact on the overall number of members assigned to managed care plans.

Additionally, we rely on the accuracy of eligibility lists provided by state governments and their vendors. Inaccuracies in those lists would negatively affect our results of operations. Premium payments to our health plans are based upon eligibility lists produced by state governments and their vendors. From time to time, states require us to reimburse them for premiums paid to us based on an eligibility list that a state later discovers contains individuals who are not in fact eligible for a government sponsored program or are eligible for a different premium category or a different program. Our results of operations would be adversely affected as a result of such reimbursement to the state if we make or have made related payments to providers and are unable to recoup such payments from the providers. Alternatively, a state could fail to pay us for members for whom we are entitled to payment. Such factors could have an adverse effect on our premium revenues and results of operations, financial condition and cash flows.

If state regulators do not approve payments of dividends and distributions by our subsidiaries to us, we may not have sufficient funds to implement our business strategy.

We principally operate through our health plan subsidiaries. As part of normal operations, we may make requests for dividends and distributions from our subsidiaries to fund our operations. In addition to state corporate law limitations, these subsidiaries are subject to more stringent state insurance and HMO laws and regulations that limit the amount of dividends and distributions that can be paid to us without prior approval of, or notification to, state regulators. If these regulators were to deny or delay our subsidiaries' requests to pay dividends, the funds available to us would be limited, which could harm our ability to implement our business strategy.

We derive a significant portion of our premium revenues from operations in a number of states, and our results of operations, financial condition or cash flows could be materially adversely affected by a decrease in premium revenues or profitability in any one of those states.

Operations in a number of states have accounted for a significant portion of our premium revenues to date. If we were unable to continue to operate in any of those states or if our current operations in any portion of one of those states were significantly curtailed, our revenues could decrease materially. For example, as part of the normal course of business, several of our Medicaid contracts are up for reprocurement in 2025 (for contracts largely commencing in 2026). Our reliance on operations in a limited number of states could cause our revenues and profitability to change suddenly and unexpectedly depending on legislative or other governmental or regulatory actions and decisions or changes in governmental administrations, economic conditions and similar factors in those states. Government entities in states we currently serve could open the bidding for their Medicaid or other healthcare programs to other health insurers through a request for proposal process. For example, as a result of Medicaid reprocurement process in California, in January 2024 our subsidiary, Health Net of California, began subcontracting a portion of its Medicaid membership in Los Angeles, which reduced our membership compared to December 2023. Reductions in our service area or services provided in any of the states in which we operate could harm our business.

Competition may limit our ability to increase penetration of the markets that we serve.

We compete for members principally on the basis of size and quality of provider networks, the design and cost of benefits provided and quality of service. We compete with numerous types of competitors, including other health plans and traditional state Medicaid programs that reimburse providers as care is provided, as well as other non-traditional competitors. In addition, the administration of the ACA has the potential to shift the competitive landscape in our segment.

Some of the health plans with which we compete have greater financial and other resources and offer a broader scope of products than we do. In addition, significant merger and acquisition activity continues to occur in the managed care industry, as well as complementary industries, such as the hospital, physician, pharmaceutical, medical device and health information systems businesses. To the extent that competition intensifies in any market that we serve, as a result of industry consolidation or otherwise, our ability to retain or increase members and providers, or maintain or increase our revenue growth, pricing flexibility and control over medical cost trends may be adversely affected.

We operate in a highly competitive, dynamic and rapidly evolving industry and our failure to adapt could negatively impact our business.

The health service industry continues to be competitive, dynamic and rapidly evolving. Any significant shifts in the structure of the industry could alter industry dynamics and adversely affect our ability to compete, attract or retain clients and customers. Industry shifts could result (and have resulted) from, among other things:

- a large intra- or inter-industry merger or industry consolidation;
- strategic alliances;
- change in broker distribution channels and requirements;
- continuing consolidation among physicians, hospitals and other health care providers, as well as changes in the organizational structures chosen by physicians, hospitals and health care providers;
- new market entrants, including those not traditionally in the health service industry; and
- innovations in technology in the health service industry, including the use of artificial intelligence and machine learning.

Our failure to anticipate or appropriately adapt to changes in the industry could negatively impact our competitive position and adversely affect our business and results of operations.

If our third-party vendors fail to meet their contractual obligations to us or fail to comply with applicable laws or regulations, our results of operations may be adversely affected and we may be exposed to brand and reputational harm, litigation and/or regulatory action.

We are subject to risks associated with outsourcing services and functions to third-party vendors. We contract with various third-party vendors to perform certain functions and services, including for PBM, medical management and other member-related services. Our arrangements with these third-party vendors may expose us to public scrutiny, adversely affect our brand and reputation, expose us to litigation or regulatory action, and otherwise make our operations vulnerable if we fail to adequately oversee, monitor and regulate their performance or if they fail to meet their contractual obligations to us, including successfully and timely transitioning services, delivering expected cost savings, guarantees or commitments, increasing their service levels to us, or complying with applicable laws or regulations.

Any failure of these third-party vendors' prevention, detection or control systems related to regulatory compliance, compliance with our internal policies, data security and/or cybersecurity or any incident involving the theft, misappropriation, loss or other unauthorized disclosure of, or access to, members' or other constituents' sensitive information could require us to expend significant resources to remediate any damage, interrupt our operations and adversely affect our brand and reputation and also expose us to whistleblower, class action and other litigation, other proceedings, prohibitions on marketing or active or passive enrollment of members, corrective actions, fines, sanctions and/or penalties, any of which could adversely affect our business results of operations, financial condition or cash flows. If the third-party vendors cannot adequately perform services to us due to lack of adequate staffing, infrastructure, experience, operational maturity, funding, bankruptcy, insolvency, or other credit failure, it could have a material adverse effect on our results of operations if we are not able to contract with other service providers on a timely basis or at all.

If we are unable to maintain relationships with our provider networks and timely update our provider directories, our profitability may be materially adversely affected.

Our profitability depends, in large part, upon our ability to contract at competitive prices with hospitals, physicians, and other healthcare providers. Our provider arrangements with our primary care physicians, specialists and hospitals generally may be canceled by either party without cause upon 90 to 120 days prior written notice. We cannot provide any assurance that we will be able to continue to renew our existing contracts or enter into new contracts on a timely basis or under favorable terms enabling us to service our members profitably. Healthcare providers with whom we contract may not properly manage the costs of, and access to services, be able to provide effective telehealth services, maintain financial solvency, pay secondary providers for services rendered (which could lead secondary providers to demand payment from us even though we have made our regular capitated payments to the provider group) or avoid disputes with other providers. Depending on state law and the regulatory environment, it may be necessary for us to pay such claims. Any of these events could have a material adverse effect on the provision of services to our members and our operations.

In any particular market, physicians and other healthcare providers could refuse to contract, demand higher payments or take other actions that could result in higher medical costs or difficulty in meeting regulatory or accreditation requirements, among other things. In some markets, certain healthcare providers, particularly hospitals, physician/hospital organizations or multi-specialty physician groups, may have significant market positions or near monopolies that could result in diminished bargaining power on our part. In addition, accountable care organizations, practice management companies, which aggregate physician practices for administrative efficiency and marketing leverage and other organizational structures that physicians, hospitals and other healthcare providers choose may change the way in which these providers interact with us and may change the competitive landscape. Such organizations or groups of healthcare providers may compete directly with us, which could adversely affect our operations, and our results of operations, financial condition and cash flows by impacting our relationships with these providers or affecting the way that we price our products and estimate our costs, which might require us to incur costs to change our operations. Provider networks may consolidate or be acquired by our direct competitors, resulting in a reduction in the competitive environment or in our competitive position. In addition, if these providers refuse to contract with us, use their market position to negotiate contracts that are unfavorable to us, or place us at a competitive disadvantage, our ability to market products or to be profitable in those areas could be materially and adversely affected.

From time to time, healthcare providers assert or threaten to assert claims seeking to terminate non-cancelable agreements due to alleged actions or inactions by us. If we are unable to retain our current provider contract terms or enter into new provider contracts timely or on favorable terms, our profitability may be materially adversely affected. In addition, from time to time, we may be subject to class action or other lawsuits by healthcare providers with respect to claim payment procedures or similar matters. For example, our wholly owned subsidiary, Health Net Life Insurance Company (HNL), is and may continue to be subject to such disputes with respect to HNL's payment levels in connection with the processing of out-of-network provider reimbursement claims for the provision of certain substance abuse related services. In the event HNL receives an adverse finding in any related legal proceeding or from a regulator or is otherwise required to reimburse providers for these claims at rates that are higher than expected or for claims HNL otherwise believes are unallowable, our financial condition and results of operations may be materially adversely affected. In addition, regardless of whether any such lawsuits brought against us are successful or have merit, they will still be time-consuming and costly and could distract our management's attention. As a result, under such circumstances, we may incur significant expenses and may be unable to operate our business effectively.

In addition, we are subject to certain state and federal regulations and contractual provisions regarding provider directory accuracy. If we cannot comply with such accuracy requirements or other contractual operational requirements, we may be subject to regulatory audits and investigations, litigation and otherwise suffer competitive harm, which could have a material adverse impact on our business reputation, financial condition, cash flows or results of operations.

If we or our third-party vendors are unable to integrate and manage information systems and networks effectively, our operations could be disrupted.

Our operations depend significantly on effective information systems and networks. The information gathered and processed by information systems and networks assists us in, among other things, monitoring utilization and other cost factors, processing provider claims and providing data to our regulators. Our healthcare providers also depend upon our information systems and networks for membership verifications, claims status and other information. Our information systems, networks and applications require continual maintenance, upgrading and enhancement to meet our operational needs and regulatory requirements. We regularly upgrade and expand our information systems' and networks' capabilities. If we, our healthcare providers, brokers' or our third-party vendors experience difficulties with the transition to or from information systems or networks or do not appropriately integrate, maintain, enhance or expand information systems or networks, we could suffer, among other things, operational disruptions, loss of existing members and providers and difficulty in attracting new members and providers, complaints, regulatory problems and increases in administrative expenses. In addition, our healthcare providers', our brokers' or our third-party vendors' ability to integrate and manage information systems and networks may be impaired as the result of events outside our control, including natural disasters, such as earthquakes or fires, or acts of wars, aggression or terrorism, which may include cyber-attacks or other data security incidents by terrorists or other governmental or non-governmental actors. Further, as connectivity of technology advances, artificial intelligence and business processes supported by large language models that are used by us, our healthcare providers, our brokers, or our third-party vendors may not operate as expected or may give rise to risks related to accuracy, bias, discrimination, intellectual property infringement, cybersecurity and data privacy, among others. The development and use of artificial intelligence technologies is still in its early stages, and as a result it is not possible to predict all of the risks and potentially unintended consequences related to the use of artificial intelligence by us, our health care providers, our brokers or our third-party vendors.

We may also from time to time obtain significant portions of our systems-related or other services or facilities from independent third-party vendors, which may make our operations vulnerable if such third-party vendors fail to perform adequately. In addition, our ability to use outsourcing resources in certain jurisdictions might be limited by legislative action or contracts, with the result that the work must be performed at greater expense or we may be subject to sanctions for non-compliance. Any of these risks might have a materially adverse impact on our business, results of operations and financial condition.

A failure in or breach of our operational or security systems, networks or infrastructure, or those of third-party vendors with which we do business, including as a result of cyber-attacks and other data security incidents, could have a material adverse effect on our business.

Data security risks have significantly increased in recent years in part because of the proliferation of new technologies, the use of the internet and telecommunications technologies to conduct our operations and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign states and state-supported actors. Data security risks also may derive from fraud or malice on the part of our team members or third-party vendors, or may result from human error, software bugs, server malfunctions, software or hardware failure or other technological failure. As these threats continually evolve, we may be required to devote substantial additional resources to modify or enhance our operational or security systems and networks and our cybersecurity program.

Our operations rely on the secure transmission, storage and other processing of confidential, personal, proprietary, sensitive and other information in our computer systems and networks as well as third-party vendors with which we do business.

Security breaches of such systems and networks may arise from external or internal threats. External breaches may result from, among other things, a threat actor hacking personal information for financial gain, attempting to fraudulently induce our employees into disclosing usernames, passwords or other sensitive information to obtain unauthorized access to our systems, attempting to cause harm or interruption to our operations or intending to obtain competitive information. Internal breaches may result from, among other things, inappropriate security access to confidential information by rogue team members, consultants or third-party vendors. In addition, the rapid evolution and increased adoption of artificial intelligence technologies may intensify these risks by making such security breaches more difficult to detect, contain or mitigate. Any security breach could result in the misappropriation, loss or other unauthorized access, disclosure or use of confidential member information, including personal information, financial data, competitively sensitive information or other proprietary data, whether by us or a third party, and could have a material adverse effect on our business reputation, financial condition, cash flows or results of operations.

We maintain a system of prevention and detection controls through our security programs; however, our prevention and detection controls may not prevent or identify all such attacks on a timely basis, or at all. Despite our best attempts to maintain adherence to data privacy and security best practices, as well as compliance with applicable laws, regulations, rules, standards and contractual requirements, our facilities, systems and networks, and those of our third-party vendors, may be vulnerable to data privacy or security breaches, acts of vandalism or theft, malware, ransomware, social engineering attacks (including phishing attacks), denial-of-service attacks or other forms of cyber-attack, misplaced or lost data including paper or electronic media, programming and/or human errors or other similar events. We experience attempted external hacking or malicious attacks on a regular basis. In the past, we have experienced cyber-attacks and data breaches, and our third-party vendors have experienced cyber-attacks and security incidents, resulting in disclosure of confidential or protected health information that have not resulted in any material financial loss or penalty to date. For example, in 2024, Change Healthcare, Inc. experienced a cybersecurity incident that disrupted its ability to provide services, impacting payers, providers and pharmacies nationwide, including Centene and some of its subsidiaries. While this incident did not have a material impact on Centene, there can be no assurance that this incident and other privacy or security breaches will not require us to expend significant resources to remediate any damage, interrupt our operations and damage our business or reputation, subject us to state, federal, or international agency review, and result in enforcement actions, material fines and penalties, litigation or other actions which could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.

While we generally perform data security due diligence on our key service providers, we do not control our service providers and our ability to monitor their data security practices is limited. Some of our third-party vendors may store or have access to our data and may not have effective controls, processes, or practices to protect our information from loss, unauthorized disclosure, unauthorized use or misappropriation, cyber-attacks or other data security incidents. For example, hardware, software, and other applications and updates procured from service providers may contain defects that have and may in the future unexpectedly restrict or prevent access to or interfere with the proper operation of our information systems and hardware. A vulnerability in our service providers' hardware, software or systems, a failure of our service providers' safeguards, policies or procedures, or a cyber-attack or other data security incident affecting any of these third-party vendors could harm our business. Additionally, we cannot be certain that our insurance coverage will be adequate for data security liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that our insurer will not deny coverage as to any future claim.

We may be unable to attract, retain or effectively manage the succession of key personnel.

We are highly dependent on our ability to attract, develop and retain qualified personnel to operate and expand our business. We face intense competition for experienced and highly skilled team members, and we may be unable to attract and retain such team members, or competition among potential employers may result in increasing compensation. In addition, we may be adversely impacted if we are unable to adequately plan for the succession of our executives and senior management. While we have succession plans in place for members of our executive and senior management team, these plans do not guarantee that the services of our executive and senior management team will continue to be available to us. Our ability to replace any departed members of our executive and senior management team or other key team members may be difficult and may take an extended period of time because of the limited number of individuals in the Managed Care industry with the breadth of skills and experience required to successfully operate and expand a business such as ours. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these personnel. Further, the availability of hybrid or remote working arrangements has expanded the pool of companies that can compete for our team members and employment candidates. Our modern work environment, including remote and hybrid work arrangements which is utilized by the majority of our team members, may present operational, cybersecurity and workplace culture challenges. If we are unable to attract, retain and effectively manage the succession plans for key personnel, executives and senior management, our business and financial condition, results of operations or cash flows could be harmed.

An impairment charge with respect to our recorded goodwill, intangible assets and real estate portfolio could have a material impact on our results of operations and shareholders' equity.

Changes in business strategy, divestitures, government regulations or economic or market conditions and non-renewal of government contracts have resulted and may result in impairments of our real estate portfolio, goodwill and other intangible assets at any time in the future. For additional information, see Note 6. *Property, Software and Equipment*, Note 7. *Goodwill and Intangible Assets*, and Note 11. *Leases* to the consolidated financial statements included in Part II of this Annual Report on Form 10-K. We may have additional impairment charges in connection with our periodic evaluation of our goodwill and intangible assets using assumptions and judgments regarding the estimated fair value of our reporting units. Our assumptions and judgments regarding the existence of impairment indicators are based on, among other things, legal factors, contract terms, market conditions and operational performance. Further, the estimated value of our reporting units may be impacted because of business decisions we make associated with any future changes to laws and regulations, which could unfavorably affect the carrying value of certain goodwill and other intangible assets and result in impairment charges in future periods. If an event or events occur that would cause us to revise our estimates and assumptions used in analyzing the value of our goodwill and other intangible assets, such revision could result in a non-cash impairment charge that could have a material impact on our results of operations and shareholders' equity in the period in which the impairment occurs.

Risks Relating to Regulatory and Legal Matters

If eligibility for the enhanced advance premium tax credit for Marketplace members expires without renewal or the eligibility for the credit is modified or delayed, our results of operations, financial condition, and cash flows could be materially and adversely affected.

In August 2022, the U.S. federal government enacted the Inflation Reduction Act, which, among other things, extended eligibility for the enhanced advance premium tax credit for Marketplace members. This enhanced credit expires on December 31, 2025, and if it is not renewed or extended, or if eligibility for this enhanced credit is limited, or if such renewal or extension is delayed, it could materially adversely impact our Marketplace membership. Submissions of the product design and pricing for the Marketplace product for the following calendar year is generally due to our state regulators in the summer. If the modifications or renewal of the credit is not known at that time, we may not be able to price our products appropriately or be able to change our product pricing or strategy in response to such modifications, which could materially adversely impact our Marketplace membership, financial condition and cash flows.

Reductions or delays in funding, changes to eligibility requirements for government-sponsored healthcare programs in which we participate, and any inability on our part to effectively adapt to changes to these programs could have a material adverse effect on our results of operations, financial condition and cash flows.

The majority of our revenues come from government subsidized healthcare programs including Medicaid, Medicare, CHIP, LTSS, ABD, Foster Care and Health Insurance Marketplace premiums. Changes in these programs, including due to executive orders or other regulatory actions from the current political administration, could change the number of persons enrolled in or eligible for these programs, reduce funding, delay funding and increase our administrative and healthcare costs under these programs. For example, due to the declaration of the end of the PHE and the subsequent expiration of the eligibility determination waivers, the resumption of the Medicaid eligibility redeterminations significantly reduced our membership in our Medicaid programs, and we did not fully offset the loss of this membership by increased enrollment in our Health Insurance Marketplace products. In addition, as a result of the expiration of the PHE due to the COVID-19 pandemic, and the resulting Medicaid redeterminations process, we have experienced a higher HBR related to the remaining members, due to the acuity profile of this membership, as well as the gaps in eligibility for certain members who have rejoined the Medicaid plans. While we continue to work with our state partners to match rates to acuity post-redeterminations, such rate adjustments may be delayed or insufficient to offset the increased acuity. In addition, states may decide to reduce reimbursement or reduce benefits. If any state in which we operate were to decrease premiums paid to us or pay us less than the amount necessary to keep pace with our cost trends, it could have a material adverse effect on our results of operations, financial condition and cash flows.

Payments from government payors may be delayed in the future, which, if extended for any significant period of time, could have a material adverse effect on our results of operations, financial condition, cash flows or liquidity. In addition, delays in obtaining, or failure to obtain or maintain, governmental approvals, or moratoria imposed by regulatory authorities, could adversely affect our revenues or membership, increase costs or adversely affect our ability to bring new products to market as forecasted. Other changes to our government programs could affect our willingness or ability to participate in any of these programs or otherwise have a material adverse effect on our business, financial condition or results of operations.

Under most of these programs, the base premium rate paid for each program differs, depending on a combination of factors such as defined upper payment limits, a member's health status, age, gender, county or region and benefit mix. Since Medicaid was created in 1965, the federal government and states have shared the costs for this program, with the federal government share currently averaging approximately 60%. We are therefore exposed to risks associated with federal and state government contracting or participating in programs involving a government payor, including but not limited to the general ability of the federal and/or state governments to terminate or modify contracts with them, in whole or in part, without prior notice, for convenience or for default based on performance; potential regulatory or legislative action that may materially modify amounts owed; our dependence upon Congressional or legislative appropriation and allotment of funds and the impact that delays in government payments could have on our operating cash flow and liquidity; responses to pandemics, resurgences and new emergent diseases and other regulatory, legislative or judicial actions that may have an impact on the operations of government subsidized healthcare programs including ongoing litigation involving the ACA.

Future levels of funding and premium rates may be affected by continuing government efforts to contain healthcare costs and may further be affected by state and federal budgetary constraints and spending initiatives or changes in political party or administrations at the state and federal level. Governments periodically consider reducing or reallocating the amount of money they spend for Medicaid, Medicare, CHIP, LTSS, ABD and Foster Care. Additionally, as a result of the CMS Medicare Advantage 2025 rate actions, combined with our quality scores, we have established a premium deficiency reserve in connection with the 2025 Medicare Advantage business as of December 31, 2024. Furthermore, Medicare remains subject to the automatic spending reductions imposed by the Budget Control Act of 2011 and the American Taxpayer Relief Act of 2012 (sequestration), subject to a 2% cap, which was extended by the Bipartisan Budget Act of 2019 through 2029, which was reinstated on July 1, 2022, after a temporary suspension due to the COVID pandemic. Additional changes to the funding or eligibility criteria for these programs could materially impact our membership, revenues, financial condition and cash flows.

The IRA enacts significant changes to the Medicare Part D program beginning on January 1, 2025. These changes create additional uncertainty for 2025 Medicare Part D bids, including their profitability and the competitive market landscape. If our future Part D premium bids are not profitable or below the CMS benchmarks or competitors price their products with significantly lower premiums, membership, revenue and profitability of this product could be materially reduced, which in turn could have a material adverse effect on our results of operations and financial conditions. Further, changes in the Medicare Part D program could impact membership and cause the timing of our cash flows to be impacted, which in turn could impact the timing and level of interest income.

In addition, new CMS regulations will require beneficiaries dually enrolled in Medicare and Medicaid to receive integrated care through Medicare Advantage D-SNPs beginning in 2030, with restrictions beginning in 2027, which may restrict our product offerings in some geographic service areas.

In addition, adverse economic conditions may put pressures on state budgets as tax and other state revenues decrease while the population that is eligible to participate in these programs remains steady or increases, creating more need for funding. We anticipate this will require government agencies to find funding alternatives, which may result in reductions or delays in funding for programs, contraction of covered benefits and limited or no premium rate increases or premium rate decreases. A reduction (or less than expected increase), a protracted delay or a change in allocation methodology in government funding for these programs, as well as termination of one or more contracts for the convenience of the government, may materially and adversely affect our results of operations, financial condition and cash flows.

Also, if legislation increasing the federal debt ceiling is not enacted and the debt ceiling is reached, the federal government may stop or delay making payments on its obligations. In addition, if another federal government shutdown were to occur for a prolonged period of time, federal government payment obligations, including its obligations under Medicaid, Medicare, TRICARE, CHIP, LTSS, ABD, Foster Care and the Health Insurance Marketplace, may be delayed. Similarly, if state government shutdowns were to occur, state payment obligations may be delayed. If the federal or state governments fail to make payments under these programs on a timely basis, our business could suffer, and our financial condition, results of operations or cash flows may be materially affected.

Significant changes or judicial challenges to the ACA and the other government-sponsored healthcare programs in which we participate could materially and adversely affect our results of operations, financial condition, and cash flows.

The enactment of the ACA in March 2010 transformed the U.S. healthcare delivery system through a series of complex initiatives; however, the ACA has faced, and continues to face, administrative, judicial and legislative challenges to repeal or change certain of its significant provisions. Changes to portions or the entirety of the ACA or significant changes to the other government-sponsored healthcare programs in which we participate, as well as judicial interpretations in response to constitutional and other legal challenges, as well as the uncertainty generated by such actual or potential challenges, could materially and adversely affect our business and financial condition, results of operations or cash flows. The ultimate content, timing or effect of any potential future legislation or litigation and the outcome of other lawsuits cannot be predicted.

Among the most significant of the ACA's provisions was the establishment of the Health Insurance Marketplace for individuals and small employers to purchase health insurance coverage that included a minimum level of benefits and restrictions on coverage limitations and premium rates, as well as the expansion of Medicaid coverage to all individuals under age 65 with incomes up to 138% of the federal poverty level beginning January 1, 2014, subject to each state's election. The HHS additionally indicated that it would consider a limited number of premium assistance demonstration proposals from states that want to privatize Medicaid expansion. Several states in which we operate have obtained Section 1115 waivers to implement the ACA's Medicaid expansion in ways that extend beyond the flexibility provided by the federal law, with additional states pursuing Section 1115 waivers regarding eligibility criteria, benefits, and cost-sharing, and provider payments across their Medicaid programs. Litigation challenging Section 1115 waiver activity for both new and previously approved waivers is expected to continue both through administrative actions and the courts.

Additionally, the U.S. Department of Labor issued a final rule on June 19, 2018, which expanded flexibility regarding the regulation and formation of association health plans (AHPs) provided by small employer groups and associations. On June 13, 2019, the HHS, the U.S. Department of Labor and the U.S. Treasury issued a final rule allowing employers of all sizes that do not offer a group coverage plan to fund a new kind of health reimbursement arrangement (HRA), known as an individual coverage HRA (ICHRA). Beginning January 1, 2020, employees became able to use employer-funded ICHRAs to buy individual-market insurance, including insurance purchased on the public exchanges formed under the ACA. It remains uncertain whether or when the current or future administrations will propose changes to these insurance plan options that are not required to meet ACA requirements, and what the impact of such potential changes may be.

These changes and other potential changes involving the functioning of the Health Insurance Marketplace as a result of additional new state and federal legislation, regulation, executive action or litigation, including those related to extending enrollment periods, increasing eligibility in the program design, changing the eligibility and amount of the advanced premium tax credit, additional payment integrity initiatives that have the effect of reducing membership and expanding navigator services the timing of those changes and our ability to respond to any changes in compliance with our state and federal timing requirements, could impact our business and results of operations adversely or in other ways that we do not currently anticipate.

Negative public perception of the managed care industry, including industry practices, could adversely affect our business, operating results, cash flows and prospects.

The managed care industry in which we operate has been and may be negatively perceived by the public from time to time. This negative publicity can lead to increased legislation, regulation, review of industry practices and private litigation in the commercial sector. Negative publicity could come as a result of adverse media coverage, including on social media, litigation against us or other industry participants, actual or perceived shortfalls regarding our industry's or our own products or services, and actual or perceived failures to meet customer or member expectations. Negative publicity resulting from any of these risks could adversely affect our business, our ability to attract and retain talent, our results of operations, stock price, brand, reputation, and our ability to retain our existing customers and members, and significantly change the regulatory and legislative requirements with which we must comply.

Our business activities are highly regulated and new laws or regulations or changes in existing laws or regulations or their enforcement or application could force us to change how we operate and could harm our reputation and business.

Our business is extensively regulated by the states in which we operate and by the federal government. Changes in political party, or administrations at the state or federal level may change the attitude or public commentary towards healthcare programs and result in changes to the existing legislative or regulatory environment, changes in the application of existing laws and regulations, or changes to funding available for healthcare programs. In each of the jurisdictions in which we operate, we are regulated by the relevant insurance, health, and/or human services or government departments that oversee the activities of MCOs providing or arranging to provide services to Medicaid, Medicare, Health Insurance Marketplace enrollees or other beneficiaries.

The frequent enactment of, changes to, or interpretations of laws and regulations could, among other things: force us to restructure our relationships with providers within our network; require us to implement additional or different programs and systems; restrict revenue and enrollment growth; increase our healthcare and administrative costs; impose additional capital and surplus requirements; modify how we contract, pay and interact with brokers, enact additional payment integrity initiatives that have the effect of reducing membership and increase or change our liability to members in the event of malpractice by our contracted providers. In 2023, HHS finalized transparency requirements for artificial intelligence and other predictive algorithms used in certified health information technology, such as decision support interventions. Changes to laws and regulations regarding how we may use artificial intelligence could make it harder for us to conduct our business using artificial intelligence; require us to retrain our artificial intelligence; or prevent or limit our use of artificial intelligence. Our use of artificial intelligence technologies could also result in additional compliance costs; regulatory investigations, actions, fines or penalties; and consumer or other lawsuits. To the extent that we rely on or use the output of artificial intelligence, any inaccuracies, biases or errors could have unfavorable impacts on us, our business and our results of operations or financial condition.

Additionally, the taxes and fees paid to federal, state, local and international governments may increase due to several factors, including: enactment of, changes to or interpretations of tax laws and regulations, audits by government authorities, geographic expansions into higher taxing jurisdictions and the effect of expansions into international markets.

We are often required to maintain a minimum medical loss ratio (MLR) or share profits in excess of certain levels, which may be retroactive. In certain circumstances, our plans have returned premiums back to the states, enrollees or other beneficiaries in the event profits exceed established levels or MLR does not meet the minimum requirement. The amount of premium returned may include transparent pharmacy pricing and rebate initiatives. Other states may require us to meet certain performance and quality metrics in order to maintain our contracts or receive additional or full contractual revenue. In addition, our health plan subsidiaries must comply with minimum statutory capital and other financial solvency requirements, such as deposit and surplus requirements.

The governmental healthcare programs in which we participate are subject to the satisfaction of certain regulations and performance standards. Regulators require numerous steps for continued implementation of the ACA, including the promulgation of a substantial number of potentially more onerous federal regulations. If we fail to effectively or timely implement or appropriately adjust our operational and strategic initiatives with respect to the implementation of healthcare reform, or do not do so as effectively as our competitors, our results of operations may be materially adversely affected. For example, CMS regulations will require beneficiaries dually enrolled in Medicare and in a Medicaid managed care plan to receive integrated care through the Medicaid company's Medicare Advantage D-SNPs beginning in 2030, with certain restrictions beginning in 2027, which may restrict our product offerings in some geographic service areas. However, some states have already moved or are planning to exclusively align dual-eligible enrollment under an aligned D-SNP before this timeframe. Our inability to improve or maintain adequate quality scores and Star ratings to meet government performance requirements or to match the performance of our competitors could result in limitations to our participation in or exclusion from these or other government programs. Specifically, several of our Medicaid contracts require us to maintain a Medicare health plan.

In April 2016, CMS issued final regulations that revised existing Medicaid managed care rules by establishing a minimum MLR standard for Medicaid of 85% and strengthening provisions related to network adequacy and access to care, enrollment and disenrollment protections, beneficiary support information, continued service during beneficiary appeals, and delivery system and payment reform initiatives, among others. In May 2024, CMS issued further revisions to the Medicaid managed care regulations which become effective between July 2024 and July 2027. The 2024 Final Rule focused on changes in areas including access to care, delivery system and payment reform initiatives, MLR standards and quality oversight. Although we strive to comply with all existing regulations and to meet performance standards applicable to our business, failure to meet these requirements could result in financial fines and penalties. Also, states or other governmental entities may carve out certain services and benefits from the government programs in which we participate, or they may not allow us to continue to participate in their government programs or we may fail to win procurements to participate in such programs, any of which could materially and adversely affect our results of operations, financial condition and cash flows.

Our ability to provide services and support to manage our members' pharmacy benefits face regulatory risks and uncertainties which could materially and adversely affect our results of operations, financial condition and cash flows.

We provide services and support to manage our members' pharmacy benefits. These services are subject to extensive federal, state and local laws and regulations. In addition, federal and state legislatures and regulators regularly consider new regulations for the industry that could materially and adversely affect current industry practices, including ownership of pharmacies by insurance companies, the receipt or disclosure of rebates from pharmaceutical companies, the development and use of formularies and the use of average wholesale prices.

Our specialty pharmacy business would be materially and adversely affected by an inability to contract on favorable terms with pharmaceutical manufacturers and other suppliers, though we use a network of specialty pharmacies beyond AcariaHealth. Disruptions at any of our specialty pharmacies due to an event that is beyond our control could affect our ability to process and dispense prescriptions in a timely manner and could materially and adversely affect our results of operations, financial condition and cash flows.

Contracts in the prescription drug industry generally use pricing metrics published by third parties as benchmarks to establish pricing for prescription drugs. If these benchmarks are no longer published by third parties, or we, or our contractual partners, adopt other pricing benchmarks for establishing prices within the industry, or legislation or regulation requires the use of other pricing benchmarks, or future changes in drug prices substantially deviate from our expectations, the short- or long-term impacts may have a material adverse effect on our business and results of operations.

We have been and may from time to time become involved in costly and time-consuming litigation and other regulatory proceedings, which require significant attention from our management and could adversely affect our business.

From time to time, we are a defendant in lawsuits and regulatory actions and are subject to investigations relating to our business, including, without limitation, medical malpractice claims; claims by members and providers alleging failure to timely and accurately pay for or provide healthcare; claims related to non-payment or insufficient payments for out-of-network services; claims related to provider directory accuracy, claims related to network adequacy; claims alleging bad faith; compliance with CMS Medicare and Marketplace regulations, including risk adjustment and broker compensation; claims related to the False Claims Act, the calculation of minimum MLR and rebates related thereto; claims related to privacy, intellectual property and vendor disputes; investigations regarding our submission of risk adjuster claims; putative securities class actions; protests and appeals related to Medicaid procurement awards; cybersecurity issues, including those related to our or our third-party vendors' information systems; employment-related disputes, including wage and hour claims; submissions to state agencies related to payments or state false claims acts, preauthorization penalties, timely review of grievance and appeals; and claims related to the imposition of new taxes, including but not limited to claims that may have retroactive application. Although we maintain some third-party insurance coverage, including excess liability insurance with third-party insurance carriers, certain liabilities or types of damages, such as punitive damages, may not be covered by insurance, insurers may dispute coverage or the amount of insurance may be insufficient to cover the entire damages awarded. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings are costly and time-consuming and require significant attention from our management and could therefore have a material adverse effect on our business and financial condition, results of operations or cash flows.

If we fail to comply with applicable data privacy and security laws, regulations, rules, standards and contractual obligations, including with respect to third-party vendors that utilize sensitive personal information on our behalf, our business, reputation, results of operations, financial condition and cash flows could be materially and adversely affected.

As part of our normal operations, we and our third-party vendors collect, retain and otherwise process confidential member information, including personal information. We and our third-party vendors are subject to various federal, state and international laws, regulations, rules, standards and contractual requirements regarding the use, disclosure and other processing of confidential member information (including personal information), including HIPAA, the HITECH Act, the Gramm-Leach-Bliley Act, which require us to protect the privacy of medical records and safeguard personal health information we maintain, use and otherwise process. Additionally, legislative and regulatory action at the federal, state and local levels is emerging in the areas of artificial intelligence and automation. These laws, rules and contractual requirements are subject to change and the regulatory environment surrounding data privacy and security laws is increasingly demanding. Compliance with existing or new data privacy and security laws, regulations and requirements may result in increased operating costs, and may constrain or require us to alter our business model or operations. In some cases, such laws, rules, regulations and contractual requirements also apply to our third-party vendors and require us to obtain written assurances of their compliance with such requirements. Certain of our businesses are also subject to the Payment Card Industry Data Security Standard, which is a multifaceted security standard that is designed to protect credit card account data as mandated by payment card industry entities.

From time to time, Congress also has considered, and may currently be considering, various proposals for other data privacy and security laws to which we may become subject if passed. We expect there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection, information security, and artificial intelligence and automation in the U.S. and other jurisdictions, and we cannot yet determine the impacts such future laws, regulations and standards may have on our businesses or the businesses of our customers.

At the U.S. state level, we may be subject to laws and regulations such as the California Consumer Privacy Act (as amended by the California Privacy Rights Act, collectively, the CCPA), which broadly defines personal information and gives California residents expanded privacy rights and protections, such as affording them the right to access and request deletion of their information and to opt out of certain sharing and sales of personal information. Numerous other states also have enacted, or are in the process of enacting or considering, comprehensive state-level data privacy and security laws and regulations that share similarities with the CCPA. Moreover, laws in all 50 U.S. states require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a data breach.

Further, while we strive to publish and prominently display privacy policies that are accurate, comprehensive, and compliant with applicable laws, regulations, rules and industry standards, we cannot ensure that our privacy policies and other statements regarding our practices will be sufficient to protect us from claims, proceedings, liability or adverse publicity relating to data privacy and security. Although we endeavor to comply with our privacy policies and to obtain written assurances of our third-party vendors' compliance, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other documentation that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. Any concerns about our data privacy and security practices, even if unfounded, could damage our reputation and adversely affect our business.

We increasingly rely on new and evolving technologies, including those powered by or incorporating artificial intelligence, as part of our internal operations and in the delivery of our products and services. These new technologies could present ethical, technological, legal, regulatory and other risks. We are required by certain regulators to develop and implement policies and procedures to promote and sustain the responsible design, development, and use of artificial intelligence. Any inadequacy or failure in designing, implementing or complying with such policies and procedures, or failure in complying with emerging laws, regulations and standards governing artificial intelligence, could adversely affect our operations that use or rely on artificial intelligence, or could materially and adversely affect our business, reputation, results of operations, financial position and cash flows.

Any failure or perceived failure by us to comply with our privacy policies, or applicable data privacy and security laws, regulations, rules, standards or contractual obligations, or any compromise of security that results in unauthorized access to, or unauthorized loss, destruction, use, modification, acquisition, disclosure, release or transfer of personal information, may result in requirements to modify or cease certain operations or practices, the expenditure of substantial costs, time and other resources, proceedings or actions against us, legal liability, governmental investigations, enforcement actions, claims, fines, judgments, awards, penalties, sanctions and costly litigation (including class actions). Any of the foregoing could harm our reputation, distract our management and technical personnel, increase our costs of doing business, adversely affect the demand for our products and services, and ultimately result in the imposition of liability, any of which could have a material adverse effect on our business, financial condition and results of operations.

If we fail to comply with the extensive federal and state fraud, waste and abuse laws, our business, reputation, results of operations, financial condition and cash flows could be materially and adversely affected.

We, along with other companies involved in public healthcare programs, have been, and from time to time are, the subject of federal and state fraud, waste and abuse investigations. The regulations and contractual requirements applicable to participants in these public sector programs are complex and subject to change. Violations of fraud, waste and abuse laws applicable to us could result in civil monetary penalties, criminal fines and imprisonment and/or exclusion from participation in Medicaid, Medicare, and other federal healthcare programs and federally funded state health programs. Fraud, waste and abuse prohibitions encompass a wide range of activities, including kickbacks for referral of members, incorrect and unsubstantiated billing or billing for unnecessary medical services, improper marketing and violations of patient privacy rights. These fraud, waste and abuse laws include the federal False Claims Act, which prohibits the known filing of a false claim or the known use of false statements to obtain payment from the federal government, and the federal anti-kickback statute, which prohibits the payment or receipt of remuneration to induce referrals or recommendations of healthcare items or services. Many states have fraud, waste and abuse laws, including false claim act and anti-kickback statutes that closely resemble the federal False Claims Act and the federal anti-kickback statute. In addition, the Deficit Reduction Act of 2005 encouraged states to enact state-versions of the federal False Claims Act that establish liability to the state for false and fraudulent Medicaid claims and that provide for, among other things, claims to be filed by *qui tam* relators (private parties acting on the government's behalf). Federal and state governments have made investigating and prosecuting healthcare fraud, waste and abuse a priority. In the event we fail to comply with the extensive federal and state fraud, waste and abuse laws, our business, reputation, results of operations, financial condition and cash flows could be materially and adversely affected.

At the federal level, HIPAA and the HITECH Act broadened the scope of fraud, waste and abuse laws under HIPAA applicable to healthcare companies and established enforcement mechanisms to combat fraud, waste and abuse, including civil and, in some instances, criminal penalties for failure to comply with specific standards relating to the privacy, security and electronic transmission of protected health information. The HITECH Act expanded the scope of these provisions by mandating individual notification in instances of breaches of protected health information, providing enhanced penalties for HIPAA violations, and granting enforcement authority to states' Attorneys General in addition to the HHS Office for Civil Rights. It is possible that Congress may enact additional legislation in the future to increase the amount or application of penalties and to create a private right of action under HIPAA, which could entitle patients to seek monetary damages for violations of the privacy and security provisions.

We might be adversely impacted by tax legislation or challenges to our tax positions.

We are subject to the tax laws in the U.S. at the federal, state and local government levels and to the tax laws of other jurisdictions in which we operate. Tax laws might change in ways that adversely affect our tax positions, effective tax rate and cash flow. We are subject to tax examinations in various jurisdictions that might assess additional tax liabilities against us. Our tax reporting positions might be challenged by relevant tax authorities, we might incur significant expense in our efforts to defend those challenges and we might be unsuccessful in those efforts. Developments in examinations and challenges might materially change our provision for taxes in the affected periods and might differ materially from our historical tax accruals. Any of these risks might have a material adverse impact on our business, results of operations, financial condition and cash flows.

Risks Relating to Conditions in the Financial Markets and Economy

Our investment portfolio may suffer losses which could materially and adversely affect our results of operations or liquidity.

We maintain a significant investment portfolio of cash equivalents and short-term and long-term investments in a variety of securities, which are subject to general credit, liquidity, market and interest rate risks and will decline in value if interest rates increase or one of the issuers' credit ratings is reduced. As a result, we may experience a reduction in value or loss of our investments, which may have an adverse effect on our results of operations, liquidity and financial condition. In addition, changes in the economic environment, including periods of increased volatility in the securities markets, and changes in interest rates, can increase the difficulty of assessing investment impairment and increase the risk of potential impairment of these assets. There is continuing risk that declines in the fair value of our investments may occur and material impairments may be charged to income in future periods, resulting in recognized losses.

Adverse credit market conditions may have a material adverse effect on our liquidity or our ability to obtain credit on acceptable terms.

In the past, the securities and credit markets have experienced volatility and disruption. The availability of credit, from virtually all types of lenders, has at times been restricted. In the event we need access to additional capital to pay our operating expenses, fund subsidiary surplus requirements, make payments on or refinance our indebtedness, pay capital expenditures or fund acquisitions, our ability to obtain such capital may be limited and the cost of any such capital may be significant, particularly if we are unable to access our existing Revolving Credit Facility.

Our access to additional financing will depend on a variety of factors such as prevailing economic and credit market conditions, the general availability of credit, the overall availability of credit to our industry, our credit ratings and credit capacity and perceptions of our financial prospects. Similarly, our access to funds may be impaired if regulatory authorities or rating agencies take negative actions against us. If one or any combination of these factors were to occur, our internal sources of liquidity may prove to be insufficient, and in such case, we may not be able to successfully obtain sufficient additional financing on favorable terms, within an acceptable time, or at all.

We have substantial indebtedness outstanding and may incur additional indebtedness in the future. Such indebtedness could reduce our agility and may adversely affect our financial condition.

As of December 31, 2024, we had consolidated indebtedness of \$18.5 billion. We may further increase or refinance our indebtedness in the future.

This may have the effect, among other things, of subjecting us to additional restrictive covenants and reducing our flexibility to respond to changing business and economic conditions and increasing borrowing costs.

Among other things, our Revolving Credit Facility and Term Loan Facility (collectively, the Company Credit Facility) and the indentures governing our notes require us to comply with various covenants that impose restrictions on our operations, including our ability to incur additional indebtedness, create liens, pay dividends, make certain investments or other restricted payments, sell or otherwise dispose of substantially all of our assets and engage in other activities. We are also exposed to interest rate risk to the extent of our variable rate indebtedness. Changes in interest rates can increase our cost of borrowing, and volatility in U.S. and global financial markets could impact our access to, or further increase the cost of, financing. Our Company Credit Facility also requires us to comply with a maximum debt-to-EBITDA ratio and a minimum fixed charge coverage ratio. These restrictive covenants could limit our ability to pursue our business strategies. In addition, any failure by us to comply with these restrictive covenants could result in an event of default under our Company Credit Facility and, in some circumstances, under the indentures governing our notes, which, in any case, could have a material adverse effect on our financial condition.

Risks Associated with Mergers, Acquisitions, and Divestitures

Previous or future acquisitions may not perform as expected and we may not realize the financial results expected from acquisitions or divestitures.

The market price of our common stock is generally subject to volatility, and there can be no assurances regarding the level or stability of our share price at any time. The market price of our common stock may decline as a result of previous or future acquisitions and divestitures if, among other things, we are unable to achieve the expected cost and revenue synergies or growth in earnings, the operational cost savings estimates are not realized as rapidly or to the extent anticipated, the transaction costs related to the acquisitions or divestitures are greater than expected or if any financing related to the transactions is on unfavorable terms. The market price of our common stock also may decline if we do not achieve the perceived benefits of such acquisitions and divestitures as rapidly or to the extent anticipated by financial or industry analysts or if the effect of the acquisitions and divestitures on our financial condition, results of operations or cash flows is not consistent with the expectations of financial or industry analysts.

We may be unable to successfully integrate our existing business with acquired businesses and realize the anticipated benefits of such acquisitions.

We have acquired or may acquire in the future health plans participating in government-sponsored healthcare programs, contract rights and related assets of other health plans both in our existing service areas and in new markets and start-up operations in new markets or new products in existing markets. Although we review the records of companies or businesses we plan to acquire, it is possible that we could assume unanticipated liabilities or adverse operating conditions. In addition, the success of acquisitions we make will depend, in part, on our ability to successfully combine our existing business with such acquired businesses and realize the anticipated benefits, including synergies, cost savings, growth in earnings, innovation and operational efficiencies, from the combinations. In addition, we may be restricted in our ability to realize these synergies as a result of regulatory requirements. If we are unable to achieve these objectives within the anticipated time frame, or at all, the anticipated benefits may not be realized fully or at all or may take longer to realize than expected and the value of our common stock may decline.

The integration of acquired businesses with our existing business is a complex, costly and time-consuming process. The integration may result in material challenges, including, without limitation:

- the diversion of management's attention from ongoing business concerns and performance shortfalls as a result of the devotion of management's attention to the integration;
- managing a larger company;
- maintaining team member morale and retaining key management and other team members;
- the possibility of faulty assumptions underlying expectations regarding the integration process;
- retaining existing business and operational relationships and attracting new business and operational relationships;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations;
- coordinating geographically separate organizations;
- unanticipated issues in integrating information technology, communications, and other systems;
- unanticipated changes in federal or state laws or regulations, including the ACA and any regulations enacted thereunder;
- unforeseen expenses or delays associated with the acquisition and/or integration, including due to regulatory approval requirements and delays;
- achieving actual cost savings at the anticipated levels; and
- decreases in premiums paid under government-sponsored healthcare programs by any state in which we operate.

Many of these factors would be outside of our control and any one of them could materially affect our financial condition, results of operations and cash flows. Our ability to successfully manage the expanded business following any given acquisition will depend, in part, upon management's ability to design and implement strategic initiatives that address the increased scale and scope of the combined business with its associated increased costs and complexity. There can be no assurances that we will be successful in managing our expanded operations as a result of acquisitions or that we will realize the expected growth in earnings, operating efficiencies, cost savings and other benefits.

Our business and results of operations may be materially adversely affected if we fail to manage and complete divestitures.

We regularly evaluate our portfolio to determine whether an asset or business is still consistent with our business strategy or whether there may be a more advantaged owner for that asset or business. When we decide to sell assets or a business, we may encounter difficulty finding buyers or alternative exit strategies, which could delay the achievement of our business strategy. Further, divestitures may be delayed due to failure to obtain required approvals on a timely basis, if at all, from governmental authorities, or may become more difficult to execute due to conditions placed upon approval that could, among other things, delay or prevent us from completing a transaction, or otherwise restrict our ability to realize the expected financial or strategic goals of a transaction. We might have financial exposure in a divested business, such as through minority equity ownership, financial or performance guarantees, indemnities or other obligations, such that conditions outside of our control might negate the expected benefits of the disposition. The impact of a divestiture on our results of operations could also be greater than anticipated.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

Our cybersecurity risk management and privacy programs play a central role in the protection of the confidential information of our members, team members, and business partners, and, as such, are critical to the successful operation of our business.

Our cybersecurity risk management program is part of our enterprise-wide risk management practices. Based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework, the program utilizes policies, processes, and technologies to assess, identify, and manage the cybersecurity threats that we face. Specifically, we use these policies, processes and technologies to identify internal and external threats, establish access control, data privacy and security measures, detect unauthorized activity, and respond to and recover from incidents. For example, we leverage external experts and our internal threat and risk teams to assess potential threats, retain external consultants to conduct penetration tests and health checks on our information systems, conduct cyber security and awareness training to help team members identify and manage common categories of cybersecurity threats, utilize multiple protective and detective tools to identify active threats and have a 24/7 Security Operations Center to manage incident response.

Our cybersecurity risk management program also includes processes and controls to assess the cybersecurity risk associated with third-party vendors and partners. Following an initial assessment of the level of enterprise risk potentially posed by use of the third-party, the vendor is then subject to further risk-based assessments, the level of which depends upon the assigned risk value of the service being provided, which may include the completion of security questionnaires and the provision of independent security certifications.

On a bi-annual schedule, we use an external firm to assess our cybersecurity risk management program using the Capability Maturity Model Integration (CMMI) process and behavioral model. In addition, elements of the program are subject to Service Organization Control Type 2 (SOC 2) and ISO 27001 audits by a third party.

While we have not identified any cybersecurity threats that have materially affected or that we believe are reasonably likely to materially affect our business strategy, results of operations, or financial condition, our cybersecurity risk management program cannot eliminate all risks from cybersecurity threats or provide assurances that we have not experienced an undetected material cybersecurity incident or will not experience a material cybersecurity incident in the future. For more information about these risks, please see "*Risk Factors - A failure in or breach of our operational or security systems, networks or infrastructure, or those of third-party vendors with which we do business, including as a result of cyber-attacks and other data security incidents, could have a material adverse effect on our business.*"

Cybersecurity Risk Governance

Role of our Board of Directors

Our Board of Directors has primary responsibility for the oversight of our enterprise-wide risk management and exercises its oversight function in respect of cybersecurity risk through two of its committees. Specifically, our Board Audit and Compliance Committee has oversight responsibility for the Company's enterprise risk management process, including the Company's programs to identify, manage, respond to and mitigate the Company's IT risks, including risks related to cybersecurity, artificial intelligence, privacy, critical infrastructure assets and disaster recovery, as well as identifying the potential likelihood, frequency and severity of cyberattacks and breaches. Our Board Quality Committee has oversight responsibility for overall data and technology strategy. Each committee reports to the full Board on a regular basis.

The oversight responsibility of our Board of Directors and its committees is facilitated through quarterly management-reporting processes designed to provide visibility to the Board and its committees on the processes for the identification, assessment, prioritization and management of critical risks and management's risk mitigation strategies. Such reporting includes providing regular updates to the Board Audit and Compliance Committee regarding the evolving cybersecurity threat environment, updates to our cybersecurity risk management program to address and mitigate such threats and providing quarterly reports to the Quality Committee on the Company's execution of its data and technology strategy. Management also escalates significant cybersecurity events to the Audit and Compliance Committee and the Board on a real time basis, as appropriate. Further, our Board also receives enterprise-wide risk management reports, which include significant cybersecurity risks, from our risk department multiple times per year. In addition, our Board and management have conducted tabletop cybersecurity crisis simulation exercises.

Role of Management

While our Board of Directors has overall responsibility for the oversight of our enterprise-wide risk management, of which cybersecurity risk management is one component, our management team is responsible for day-to-day risk management, including the implementation of our cybersecurity risk management program.

Our enterprise risk management committee, which operates within our risk department and comprises certain of our senior leaders including operations, finance, information technology, government relations, legal, marketing, health plan leadership, health operations, and communications meets at least four times per year to discuss significant risks to the Company identified by our enterprise-wide risk management process, including cybersecurity risks identified by our cybersecurity risk management program. The enterprise risk management committee also discusses the steps management has taken to identify, monitor, assess, and control or avoid such exposures and reviews performance measures against the Company's risk appetite and tolerance and provides recommendations of corrective action where appropriate.

At an operational level, our Chief Security and Privacy Officer (CSPO) and our Chief Information Security Officer (CISO) lead the management of our cybersecurity risk management program.

Our CSPO is responsible for overseeing the day-to-day operation of our cybersecurity risk management program, including reporting systemic cybersecurity risk matters to our senior management and, as appropriate, to the Board of Directors. Our CISO oversees our cybersecurity operations, including all identity and access management functions, cybersecurity incident response operations and the effective operation of the suite of security tools we employ. The CISO and CSPO track key cybersecurity metrics across the enterprise, including metrics related to threat and vulnerability management, cybersecurity incidents and asset management and protection. Our CISO reports the status and efficacy of our cybersecurity operations to our senior management and, as appropriate, to the Board of Directors.

Using our cybersecurity incident response plan, each incident receives a severity rating using a scale approved by management. Based on that rating, we employ an escalation matrix that provides appropriate notifications to management, as well as to our Board of Directors.

The cybersecurity incident response plan is integrated into our overall crisis management plan and process, for which our CSPO has ultimate day-to-day responsibility. Our CSPO and CISO share joint responsibility for providing regular cybersecurity updates to our Audit and Compliance Committee, including updates on our key technology initiatives, including those involving cybersecurity, and their status.

Our CSPO, CISO and other dedicated cybersecurity risk management personnel are certified and experienced information systems security professionals and information security managers. Our CSPO has over 30 years of experience in information security having 16 years of experience leading information security programs and obtained the Certified Information Systems Security Professional certification from ISC2. Our CISO, who has over 34 years of experience in cyber operations, communications, crisis management and command and control, holds multiple graduate degrees, obtained the Certified Information Systems Security Professional certification from ISC2 and holds the Qualified Technical Expert certification from the Digital Director's Network.

Item 2. Properties

We own our corporate office headquarters buildings and land located in St. Louis, Missouri, which are used by each of our reportable segments. We generally lease space in the states where our health plans, specialty companies and claims processing facilities operate. We are required by various insurance and regulatory authorities to have offices in the service areas where we provide benefits.

In connection with the adoption of a more modern, flexible work environment, we undertook a real estate optimization initiative in 2022 to evaluate future real estate needs and downsize our real estate footprint for owned and leased properties. As a result of this evaluation, we substantially changed the use of, or abandoned, various properties and recognized impairment charges for the years ended December 31, 2023 and 2022. No significant impairment charges were recognized related to the real estate optimization initiative in the year ended December 31, 2024.

We believe our current facilities are adequate to meet our operational needs for the foreseeable future.

Item 3. Legal Proceedings

A description of the legal proceedings to which we and our subsidiaries are a party is contained in Note 17. *Contingencies* to the consolidated financial statements included in Part II of this Annual Report on Form 10-K, and is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market for Common Stock

Our common stock has been traded and quoted on the New York Stock Exchange (NYSE) under the symbol "CNC" since October 16, 2003.

Stockholders

As of February 14, 2025, there were 980 holders of record of our common stock.

Issuer Purchases of Equity Securities

In November 2005, the Company's Board of Directors announced a stock repurchase program, which was most recently increased in December 2023. The Company is authorized to repurchase up to \$10.0 billion, inclusive of past authorizations, of which \$2.2 billion remains as of December 31, 2024.

The stock repurchase program is effected primarily through regular open-market purchases (which may include repurchase plans designed to comply with Rule 10b5-1 and accelerated share repurchases), the amounts and timing of which are subject to our discretion as part of our capital allocation strategy and may be based upon general market conditions and the prevailing price and trading volumes of our common stock. No duration has been placed on the repurchase program. We reserve the right to discontinue the repurchase program at any time.

The following table discloses purchases of our common stock for the quarter ended December 31, 2024.

Issuer Purchases of Equity Securities Fourth Quarter 2024 (Shares in thousands)

Execution Date	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (\$ in millions) ⁽³⁾
October 1, 2024 - October 31, 2024	7,368	\$ 69.48	7,360	\$ 2,649
November 1, 2024 - November 30, 2024	7,060	59.61	7,032	2,230
December 1, 2024 - December 31, 2024	14	59.45	—	2,230
Total	14,442	\$ 64.64	14,392	\$ 2,230

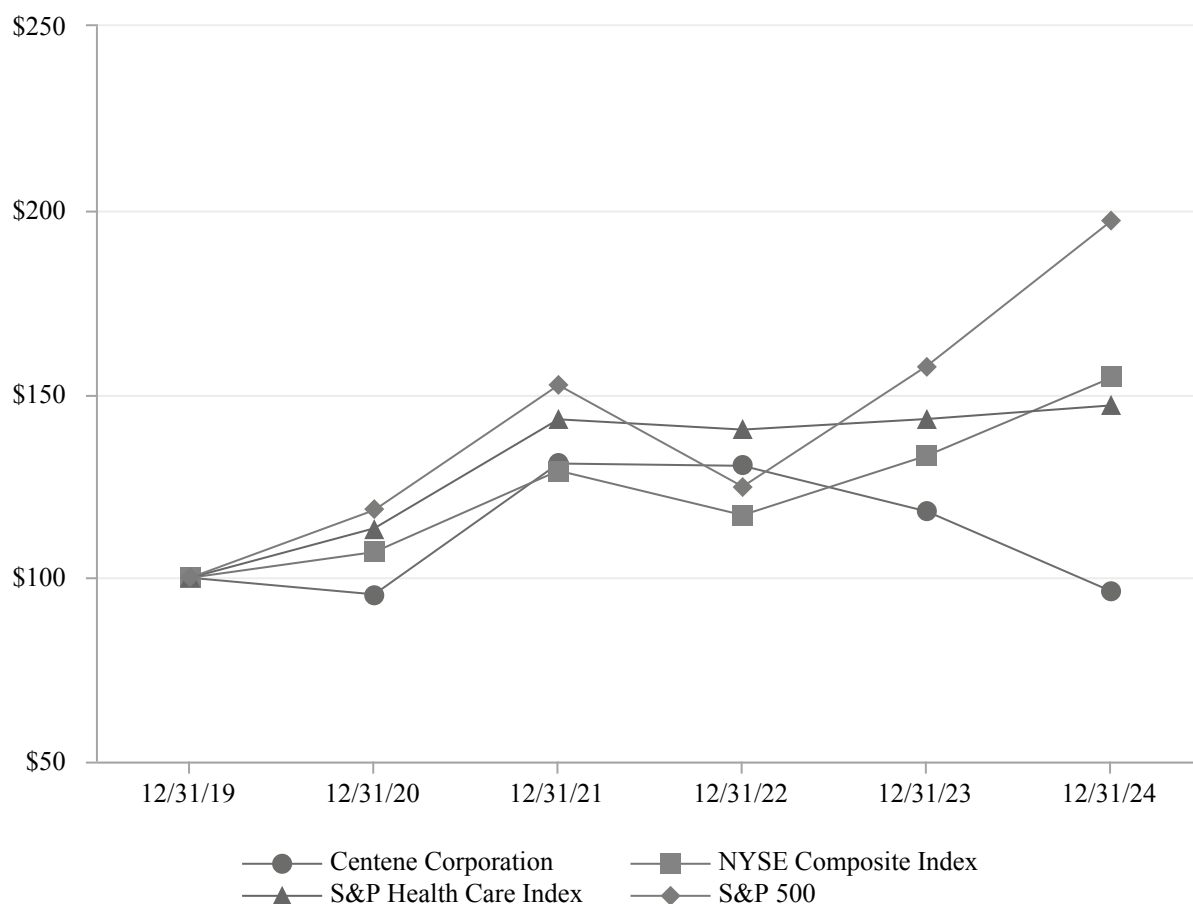
(1) Includes 29 thousand shares relinquished to the Company by certain employees for payment of taxes; an open market purchase of 4 thousand shares by Sarah London, the Company's CEO, at a weighted average price of \$60.80 which was previously disclosed on the Form 4 filed with the SEC on November 8, 2024; and an open market purchase of 17 thousand shares by Andrew Asher, the Company's CFO, at a weighted average price of \$58.14 which was previously disclosed on the Form 4 filed with the SEC on November 13, 2024.

(2) Average price paid per share excludes quarter-to-date accrued share repurchase excise tax of approximately \$10 million.

(3) A remaining amount of \$2.2 billion is available under the stock repurchase program as of December 31, 2024.

Stock Performance Graph

The graph below compares the cumulative total stockholder return on our common stock for the period from December 31, 2019 to December 31, 2024, with the cumulative total return of the NYSE Composite Index, the Standard & Poor's (S&P) Health Care Index and the S&P 500 over the same period. S&P 500 is included because our common stock is within the index. The graph assumes an investment of \$100 on December 31, 2019 in our common stock (at the last reported sale price on such day), the NYSE Composite Index, the S&P Health Care Index and the S&P 500 and assumes the reinvestment of any dividends.



	2019	2020	2021	2022	2023	2024
Centene Corporation	\$ 100.00	\$ 95.48	\$ 131.06	\$ 130.44	\$ 118.04	\$ 96.36
NYSE Composite Index	100.00	106.99	129.11	117.04	133.20	154.36
S&P Health Care Index	100.00	113.45	143.09	140.29	143.18	146.87
S&P 500	100.00	118.40	152.39	124.79	157.60	196.99
Centene Corporation closing stock price	\$ 62.87	\$ 60.03	\$ 82.40	\$ 82.01	\$ 74.21	\$ 60.58
Centene Corporation annual stockholder return	9.1%	(4.5)%	37.3%	(0.5)%	(9.5)%	(18.4)%

In accordance with the rules of the Securities and Exchange Commission (SEC), the information contained in the Stock Performance Graph on this page shall not be deemed to be "soliciting material," or to be "filed" with the SEC or subject to the SEC's Regulation 14A or to the liabilities of Section 18 of the Exchange Act, except to the extent that Centene specifically requests that the information be treated as soliciting material or specifically incorporates it by reference into a document filed under the Securities Act or the Exchange Act.

Item 6. *Reserved.*

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this filing. The discussion contains forward-looking statements that involve known and unknown risks and uncertainties, including those set forth under Part I, Item 1A. "Risk Factors" of this Form 10-K. The following discussion and analysis does not include certain items related to the year ended December 31, 2022, including year-to-year comparisons between the year ended December 31, 2023 and the year ended December 31, 2022. For a comparison of our results of operations for the fiscal years ended December 31, 2023 and December 31, 2022, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 20, 2024.

EXECUTIVE OVERVIEW

We are a leading healthcare enterprise that is committed to helping people live healthier lives. The Company takes a local approach – with local brands and local teams – to provide fully integrated, high-quality and cost-effective services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene offers affordable and high-quality products to more than 1 in 15 individuals across the nation, including Medicaid and Medicare members (including Medicare Prescription Drug Plans) as well as individuals and families served by the Health Insurance Marketplace.

We provide access to high-quality healthcare, innovative programs and a wide range of health solutions that help families and individuals get well, stay well and be well. Our uniquely local approach – with local brands and local teams who live in, care about and directly influence the communities they serve – is a key differentiator in our ability to provide access to quality care to our members. Centene treats the whole person, an approach that is delivered locally and backed by the scale of Centene's expertise, data and resources. Through this approach and our commitment to sustainable partnerships, we work with local community organizations to realize our mission of transforming the health of the communities we serve, one person at a time.

Our record of organic growth and strategic acquisitions have given us the size, scale and privilege of providing local high-quality and affordable health care to more than 28.6 million Americans. As of December 31, 2024, we were the largest Medicaid health insurer in the country, serving more than 13 million Medicaid recipients in 30 states. We were the largest Marketplace carrier, serving 4.4 million members across 29 states, served 1.1 million Medicare Advantage members across 37 states and were the largest stand-alone Medicare Prescription Drug Plan (PDP) provider serving 6.9 million members in 50 states and the District of Columbia. Consistent with our strategy, we have reduced our Medicare Advantage footprint to 32 states as of January 1, 2025.

General

Our results of operations depend on our ability to manage expenses associated with health benefits (including estimated costs incurred) and selling, general and administrative (SG&A) costs. We measure operating performance based upon two key ratios. The health benefits ratio (HBR) represents medical costs as a percentage of premium revenues, excluding premium tax revenues that are separately billed, and reflects the direct relationship between the premiums received and the medical services provided. The SG&A expense ratio represents SG&A costs as a percentage of premium and service revenues, excluding premium taxes separately billed.

Divestitures

In November 2022, we divested our ownership stakes in our Spanish and Central European businesses and as a result recorded an impairment charge of \$163 million, or \$140 million after-tax. During 2023, we recognized an additional loss on sale of \$13 million, or \$10 million after-tax.

In December 2022, we completed the divestiture of Magellan Rx for \$1.3 billion and recognized a gain of \$269 million, or \$99 million after-tax. During 2023, we recorded a reduction to the previously reported gain of \$22 million, or \$10 million after-tax, due to the finalization of working capital adjustments.

In January 2023, we sold Magellan Specialty Health for \$646 million in cash and stock, including an estimated working capital adjustment, and recognized a gain of \$79 million, or \$63 million after-tax. During 2024, we recorded an additional gain on sale of \$83 million for achievement of contingent consideration related to the sale and finalization of working capital adjustments.

In January 2023, we also completed the divestitures of Centurion and HealthSmart and recorded impairments of \$259 million (\$181 million after-tax) and \$36 million (\$27 million after-tax), respectively, in 2022. During 2023, we recognized a gain of \$15 million, or \$10 million after-tax, on the divestiture of the Centurion business reflecting additional proceeds for contingent consideration, partially offset by net working capital adjustments.

In June 2023, we completed the divestiture of our majority stake in Apixio and recognized a gain of \$93 million, or \$67 million after-tax.

In December 2023, we completed the divestiture of Operose Health Group (Operose Health) and recognized an impairment of \$140 million, or \$128 million after-tax.

In January 2024, we completed the divestiture of Circle Health Group (Circle Health) for \$931 million. Upon closing the divestiture, we settled the foreign currency swap associated with the divestiture and recorded a corresponding gain of \$20 million.

In October 2024, we completed the divestiture of Collaborative Health Systems (CHS) and recognized a pre-tax gain of \$17 million, or \$13 million after-tax.

The above-noted divestitures are drivers of certain year-over-year variances discussed throughout this section.

Regulatory Trends and Uncertainties

The United States government, policymakers and healthcare experts continue to discuss and debate various elements of the United States healthcare model. We remain focused on the promise of delivering access to high-quality, affordable healthcare to all of our members and believe we are well positioned to meet the needs of the changing healthcare landscape.

The American Rescue Plan Act (ARPA), enacted in March 2021, initially enhanced eligibility for the premium tax credit for enrollees in the Health Insurance Marketplace. The enhanced eligibility extended by the Inflation Reduction Act (IRA), enacted in August 2022, expires at the end of 2025. We continue to advocate for legislation and regulations aimed at leveraging Medicaid and the Health Insurance Marketplace to maintain health insurance coverage and affordability for consumers.

The IRA significantly changes Medicare PDPs in 2025, most notably by eliminating the coverage gap and capping members' annual out-of-pocket cost at \$2,000 in order to provide more predictable and affordable prescription drug coverage for Medicare beneficiaries. The IRA changes effective for 2025 result in a meaningful shift in cost-sharing responsibilities between members, drug companies, CMS, and PDPs and will result in a significant increase in our premiums in consideration for our PDPs responsibility for a larger portion of total Part D benefit costs.

The COVID-19 pandemic impacted our business as it relates to Medicaid eligibility changes. From the onset of the public health emergency (PHE) through March 2023, our Medicaid membership increased by 3.6 million members (excluding new states North Carolina and Delaware and various state product expansions or managed care organization changes). Since March 31, 2023, redeterminations are the primary driver of our Medicaid membership decline. While some states may still be concluding the redetermination process for certain populations of members, we anticipate that any remaining reductions will be limited as the majority of states have substantially completed their unwinding processes as of December 2024. We continue to work with our state partners to match rates to acuity post-redeterminations.

In addition, newly finalized Centers for Medicare and Medicaid Services (CMS) regulations will require beneficiaries dually enrolled in Medicare and in a Medicaid Managed Care Plan to receive integrated care through the Medicaid company's Medicare Advantage Dual Eligible Special Needs Plans (D-SNPs) beginning in 2030, with certain restrictions beginning in 2027. However, some states have already moved or are planning to exclusively align dual-eligible enrollment under an aligned D-SNP before this timeframe. We believe we are positioned well given our overlapping Medicaid and Medicare Advantage footprints and are committed to navigating evolving regulations.

We also closely monitor state legislation across our markets and are advocating for and seeing adoption of coverage expansions for Medicaid populations (e.g., North Carolina), postpartum (now in effect for 48 states, the District of Columbia and the U.S. Virgin Islands), foster care children, among others, as well as mitigating adverse legislation addressing pharmacy, prior authorization and other issues. The Consolidated Appropriations Act, 2023 outlined key coverage expansion provisions, which went into effect in January 2024, requiring states to provide 12 months of continuous coverage for children under Medicaid and the Children's Health Insurance Program (CHIP).

We have four decades of experience, spanning seven presidents from both sides of the aisle, in delivering high-quality healthcare services on behalf of states and the federal government to under-insured and uninsured families, commercial organizations. This expertise has allowed us to deliver cost-effective services to our government partners and our members. With trends in the personalization of healthcare technology, we continue the use of data and analytics to improve the provider and member experience. We continue to believe we have both the capacity and capability to successfully navigate industry changes to the benefit of our members, customers, providers and shareholders.

For additional information regarding regulatory trends and uncertainties, see Part I, Item 1 "*Business - Regulation*" and Item 1A, "*Risk Factors*."

2024 Highlights

Our financial performance for 2024 is summarized as follows:

- Year-end membership of 28.6 million, an increase of 1.1 million members, or 4% over 2023.
- Total revenues of \$163.1 billion, representing 6% growth year-over-year.
- Premium and service revenues of \$145.5 billion, representing 4% growth year-over-year.
- HBR of 88.3% for 2024, compared to 87.7% for 2023.
- SG&A expense ratio of 8.5% for 2024, compared to 9.0% for 2023.
- Adjusted SG&A expense ratio of 8.5% for 2024, compared to 8.9% for 2023.
- Diluted earnings per share (EPS) of \$6.31 for 2024, compared to \$4.95 for 2023.
- Adjusted diluted EPS of \$7.17 for 2024, compared to \$6.68 for 2023, representing 7% growth year-over-year.
- Operating cash flows of \$154 million for 2024, compared to \$8.1 billion for 2023.

A reconciliation from GAAP diluted EPS to Adjusted Diluted EPS is highlighted below, and additional detail is provided under the heading "*Non-GAAP Financial Presentation*":

We reference adjusted SG&A expense ratio defined as adjusted SG&A expenses, which excludes acquisition and divestiture related expenses and other items, divided by premium and service revenues. We also reference effective tax rate on adjusted earnings, defined as GAAP income tax expense (benefit) excluding the income tax effects of adjustments to net earnings divided by adjusted earnings (loss) before income tax expense.

	Year Ended December 31,	
	2024	2023
GAAP diluted EPS attributable to Centene	\$ 6.31	\$ 4.95
Amortization of acquired intangible assets	1.32	1.32
Acquisition and divestiture related expenses	0.16	0.13
Other adjustments ⁽¹⁾	(0.22)	0.85
Income tax effects of adjustments ⁽²⁾	(0.40)	(0.57)
Adjusted diluted EPS	\$ 7.17	\$ 6.68

⁽¹⁾ Other adjustments include the following pre-tax items:

2024:

(a) net gain on the previously reported divestiture of Magellan Specialty Health due to the achievement of contingent consideration and finalization of working capital adjustments of \$83 million, or \$0.16 per share (\$0.12 after-tax), net gain on the sale of property of \$24 million, or \$0.04 per share (\$0.03 after-tax), gain on the previously reported divestiture of Circle Health of \$20 million, or \$0.04 per share (\$0.12 after-tax), gain on the sale of CHS of \$17 million, or \$0.03 per share (\$0.02 after-tax), Health Net Federal Services asset impairment due to the 2024 final ruling on the TRICARE Managed Care Support Contract of \$14 million, or \$0.03 per share (\$0.02 after-tax), severance costs due to a restructuring of \$13 million, or \$0.02 per share (\$0.01 after-tax), an additional loss on the divestiture of our Spanish and Central European businesses of \$7 million, or \$0.01 per share (\$0.01 after-tax) and gain on the previously reported divestiture of HealthSmart due to the finalization of working capital adjustments of \$7 million, or \$0.01 per share (\$0.01 after-tax).

2023:

(b) Circle Health impairment of \$292 million, or \$0.53 per share (\$0.47 after-tax), Operose Health impairment of \$140 million, or \$0.26 per share (\$0.24 after-tax), real estate impairments of \$105 million, or \$0.19 per share (\$0.16 after-tax), gain on the sale of Apixio of \$93 million, or \$0.17 per share (\$0.12 after-tax), severance costs due to a restructuring of \$79 million, or \$0.15 per share (\$0.11 after-tax), gain on the sale of Magellan Specialty Health of \$79 million, or \$0.14 per share (\$0.11 after-tax), a reduction to the previously reported gain on the sale of Magellan Rx of \$22 million, or \$0.04 per share (\$0.02 after-tax), gain on the previously reported divestiture of Centurion of \$15 million, or \$0.03 per share (\$0.02 after-tax) and an additional loss on the divestiture of our Spanish and Central European businesses of \$13 million, or \$0.02 per share (\$0.01 after-tax).

⁽²⁾ The income tax effects of adjustments are based on the effective income tax rates applicable to each adjustment. In addition, the year ended December 31, 2024, includes a tax benefit of \$1 million, or \$0.00 per share, related to tax adjustments on previously reported divestitures. The year ended December 31, 2023 includes a one-time income tax benefit of \$69 million, or \$0.13 per share, resulting from the distribution of long-term stock awards to the estate of the Company's former CEO and tax expense of \$3 million, or \$0.01 per share, related to tax adjustments on previously reported divestitures.

Current and Future Operating Drivers

The following items contributed to our 2024 results of operations as compared to the previous year:

Medicaid

- In October 2024, our subsidiary, Meridian Health Plan of Michigan, commenced the contract awarded by the Michigan Department of Health and Human Services (MDHHS) to continue serving as a Medicaid health plan for the Comprehensive Health Care Program. The contract has a five-year term, with three optional one-year extensions, for a total of eight possible contract years.
- In September 2024, our subsidiary, Superior HealthPlan (Superior), commenced the contract awarded by the Texas Health and Human Services Commission to continue to provide healthcare coverage to the Aged, Blind or Disabled (ABD) population in the state's STAR+PLUS program. The contract has a six-year term with a maximum of three additional two-year extensions.
- In September 2024, our subsidiary, NH Healthy Families, commenced the contract awarded by the New Hampshire Department of Health and Human Services to continue providing physical health, behavioral health and pharmacy services for New Hampshire's Medicaid managed care program, known as Medicaid Care Management. The contract has a five-year term.
- In July 2024, our subsidiaries, Carolina Complete Health and WellCare of North Carolina, began coordinating physical and other health services with Local Management Entities/Managed Care Organizations under the state's new Tailored Plan program. The Tailored Plans are integrated health plans designed for individuals with significant behavioral health needs or intellectual/developmental disabilities.
- In June 2024, our subsidiary, Western Sky Community Care, concluded serving members upon the expiration of its New Mexico Medicaid managed care contract.
- In April 2024, our subsidiary, Oklahoma Complete Health, commenced the statewide contracts to provide managed care for the SoonerSelect and SoonerSelect Children's Specialty Plan programs. The new contracts have a one-year term with five, one-year renewal options.
- In January 2024, our subsidiary, Nebraska Total Care, commenced the statewide Medicaid managed care contract to continue serving the state's Medicaid Managed Care Program, known as Heritage Health. The initial contract term is five years and includes the option for two subsequent, one-year renewals, for a potential total of seven years.
- In January 2024, our California health plan commenced direct Medicaid contracts in 10 counties (Los Angeles, Sacramento, Amador, Calaveras, Inyo, Mono, San Joaquin, Stanislaus, Tulare and Tuolumne). In Los Angeles, a portion of the membership is subcontracted. Prior to January 2024, our California health plan previously served the state's Medicaid Managed Care population with contracts in 13 counties, including San Diego.
- In December 2023, our subsidiaries, Carolina Complete Health and WellCare of North Carolina, began providing coverage under North Carolina's new Medicaid Expansion program.
- In September 2023, our subsidiary, Superior, commenced a new six-year contract awarded by the Texas Health and Human Services Commission to continue providing youth in foster care with healthcare coverage through the STAR Health Medicaid program. Superior has been the sole provider of STAR Health coverage since the program launched in 2008.
- In April 2023, eligibility redeterminations related to the PHE began. States have substantially completed their unwinding processes as of December 2024. We continue to work with our state partners to match rates to acuity post-redeterminations.
- In April 2023, the state of New York removed pharmacy services for certain of our managed care contracts in connection with the state's transition of pharmacy services to Medicaid fee-for-service.
- In February 2023, our subsidiary, Buckeye Health Plan, commenced the Medicaid contract awarded by the Ohio Department of Medicaid to continue providing members with quality healthcare, coordinated services and benefits.

Medicare

- Given our strong bid positioning, Medicare PDP membership increased 50% year-over-year.
- Consistent with our strategic positioning and bid strategy, Medicare Advantage membership declined 13% year-over-year.
- The decrease in our Star quality ratings in the 2023 rating year, which CMS published in October 2022, adversely impacted our 2024 Medicare revenue. The decrease in Star quality ratings was driven by the expiration of certain disaster relief provisions as well as deterioration in select metrics. As a result of this impact, we recorded a premium deficiency reserve of \$250 million in the fourth quarter of 2023. We anticipate that the 2025 Plan year will operate at a loss driven primarily by Star ratings; accordingly, we recorded a premium deficiency reserve of \$92 million in the fourth quarter of 2024.

Commercial

- In 2024, our Health Insurance Marketplace product, Ambetter Health expanded into Delaware. In total, the Marketplace plan was available across 29 states. Additionally, Marketplace membership increased 12% year-over-year due to the expanded footprint, strong product positioning and open enrollment results, as well as overall market growth.

Other

- In December 2024, Health Net Federal Services concluded serving members upon the expiration of its TRICARE Managed Care Support Contract.
- In October 2024, we completed the sale of CHS, a management services organization.
- In July 2024, our subsidiary, Magellan Health, commenced the Idaho Behavioral Health Plan contract.
- In December 2023 and January 2024, we completed the divestitures of Operose Health and Circle Health, respectively.
- In June 2023, we completed the divestiture of Apixio. We maintain a close relationship with, and a minority interest in, the business.
- In January 2023, we completed the divestitures of Magellan Specialty Health, Centurion and HealthSmart.

The benefits of successful execution of our value creation initiatives have impacted our current results of operations and will continue to impact future results of operations, including the implementation of our new third-party pharmacy benefits management (PBM) contract, which commenced in January 2024.

We expect the following items to impact our future results of operations, subject to the resolution of various third-party protests within the Medicaid segment:

Medicaid

- In February 2025, our subsidiary, Sunshine Health, commenced the Statewide Medicaid Managed Care program, including integrated Managed Medical Assistance, Long-Term Care services, Serious Mental Illness, Child Welfare and HIV specialty products. The contract has a six-year term.
- In January 2025, our subsidiary, Sunflower Health Plan, commenced the contract to continue providing managed health care services through KanCare, the State of Kansas' Medicaid and Children's Health Insurance Program. The contract has a three-year term, with two optional one-year extensions, for a total of five possible contract years.
- In November 2024, our subsidiary, Buckeye Health Plan, was selected by the Ohio Department of Medicaid to continue providing Medicare and Medicaid services for dually eligible individuals through a Fully Integrated Dual Eligible Special Needs Plan (FIDE SNP). The three-year contract is expected to commence in January 2026.

- In September 2024, our subsidiary, Health Net Community Solutions, was selected by the California Department of Health Care Services to provide managed dental health care services to beneficiaries of Medi-Cal, the State's Medicaid program, in Los Angeles and Sacramento counties. The new 54-month contract is expected to commence in July 2025.
- In September 2024, our subsidiary, Iowa Total Care, was selected by the Iowa Department of Health and Human Services to continue providing Medicaid managed care services under the Iowa Health Link program. The contract is expected to begin in July 2025 and has a four-year term, with an optional two-year extension, for a total of six possible contract years.
- In August 2024, our subsidiary, PA Health and Wellness, was selected by the Pennsylvania Department of Human Services to continue to administer Pennsylvania's Community HealthChoices program, the Medicaid managed care program that covers adults who are dually eligible for Medicare and Medicaid or who qualify to receive Medicaid long-term services and supports due to a need for the level of care provided in a nursing facility. The contract is expected to begin in January 2026 and has a five-year term, with three optional one-year extensions, for a total of eight possible contract years.
- In December 2023, our subsidiary, Arizona Complete Health, was selected by the Arizona Health Care Cost Containment System – Arizona's single state Medicaid agency – to provide managed care for the Arizona Long Term Care System (ALTCS). The program supports Arizonans who are elderly and/or have a physical disability (E/PD) with physical and behavioral healthcare, as well as provides pharmacy benefits and home and community-based services. The new ALTCS-E/PD contract is expected to begin in October 2025 and has a three-year term, with four optional one-year extensions, for a total of seven possible contract years.
- In August 2022, our subsidiary, Magnolia Health Plan (Magnolia), was awarded the Mississippi Division of Medicaid contract. Under the new contract, Magnolia will continue serving the state's Coordinated Care Organization Program, which will consist of the Mississippi Coordinated Access Network and the Mississippi CHIP. The contract is expected to begin in July 2025 and has a four-year term, with two optional one-year extensions, for a total of six possible contract years.

Medicare

- In 2025, Wellcare is offering Medicare Advantage plans in 32 states, including its newest state, Iowa. Wellcare discontinued offering Medicare Advantage products in Alabama, Massachusetts, New Hampshire, New Mexico, Rhode Island and Vermont in 2025.
- In October 2024, CMS issued 2025 Medicare Advantage Star Ratings on the Medicare Plan Finder. Based on the data as well as our successful appeal of the initial scoring of our TTY (Text-to-Voice teletypewriter services for the hearing impaired), we had approximately 55% of our Medicare Advantage membership enrolled in plans rated 3.5 stars or higher – compared to approximately 23% in the prior year. This represents meaningful progress despite higher than industry-anticipated cut point changes.
- In October 2024, our subsidiary, Meridian Health Plan of Michigan, was selected by the MDHHS to provide highly integrated Medicare and Medicaid services for dually eligible Michiganders through a Highly Integrated Dual Eligible Special Needs Plan. The plan is expected to launch on January 1, 2026 and has a seven-year term, with three optional one-year extensions, for a total of 10 possible contract years.

Commercial

- In 2025, our Health Insurance Marketplace product, Ambetter Health, expanded its geographic footprint, adding 60 new counties across 10 states, which includes expansion into Iowa.

MEMBERSHIP

From December 31, 2023 to December 31, 2024, our managed care membership increased by 1.1 million, or 4%. The following table sets forth our membership by line of business:

	December 31,	
	2024	2023
Traditional Medicaid ⁽¹⁾	11,408,100	12,754,000
High Acuity Medicaid ⁽²⁾	1,595,400	1,718,000
Total Medicaid	13,003,500	14,472,000
Commercial Marketplace	4,382,100	3,900,100
Commercial Group	431,400	427,500
Total Commercial	4,813,500	4,327,600
Medicare ⁽³⁾	1,110,900	1,284,200
Medicare PDP	6,925,700	4,617,800
Total at-risk membership	25,853,600	24,701,600
TRICARE eligibles	2,747,000	2,773,200
Total	28,600,600	27,474,800

⁽¹⁾ Membership includes Temporary Assistance for Needy Families (TANF), Medicaid Expansion, Children's Health Insurance Program (CHIP), Foster Care and Behavioral Health.

⁽²⁾ Membership includes Aged, Blind or Disabled (ABD), Intellectual and Developmental Disabilities (IDD), Long-Term Services and Supports (LTSS) and Medicare-Medicaid Plans (MMP) Duals.

⁽³⁾ Membership includes Medicare Advantage and Medicare Supplement.

RESULTS OF OPERATIONS

The following discussion and analysis is based on our Consolidated Statements of Operations, which reflect our results of operations for years ended December 31, 2024 and 2023, respectively, prepared in accordance with generally accepted accounting principles in the United States (GAAP) (\$ in millions, except per share data in dollars):

	2024	2023	% Change 2023-2024
Premium	\$ 142,303	\$ 135,636	5 %
Service	3,202	4,459	(28)%
Premium and service revenues	145,505	140,095	4 %
Premium tax	17,566	13,904	26 %
Total revenues	163,071	153,999	6 %
Medical costs	125,707	118,894	6 %
Cost of services	2,729	3,564	(23)%
Selling, general and administrative expenses	12,400	12,563	(1)%
Depreciation expense	549	575	(5)%
Amortization of acquired intangible assets	692	718	(4)%
Premium tax expense	17,806	14,226	25 %
Impairment	13	529	(98)%
Earnings from operations	3,175	2,930	8 %
Investment and other income	1,784	1,393	28 %
Interest expense	(702)	(725)	(3)%
Earnings before income tax expense	4,257	3,598	18 %
Income tax expense	963	899	7 %
Net earnings	3,294	2,699	22 %
Loss attributable to noncontrolling interests	11	3	n.m.
Net earnings attributable to Centene Corporation	<u>\$ 3,305</u>	<u>\$ 2,702</u>	<u>22 %</u>
Diluted earnings per common share attributable to Centene Corporation	\$ 6.31	\$ 4.95	27 %

n.m.: not meaningful

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Total Revenues

Total revenues increased 6% in the year ended December 31, 2024, over the corresponding period in 2023 primarily driven by membership growth in the Marketplace business due to strong product positioning as well as overall market growth and outperformance in Marketplace risk adjustment for the 2023 benefit year, along with Medicaid rate increases and increased premium tax revenue. The increases were partially offset by lower Medicaid membership primarily due to redeterminations and divestitures in the Other segment.

Operating Expenses

Medical Costs/HBR

The HBR for the year ended December 31, 2024 was 88.3%, compared to 87.7% in 2023. The increase was primarily driven by higher acuity in Medicaid resulting from the redetermination process as we continue to work with states to match rates with acuity. The increase was also driven by Medicare Star rating impacts. The increases were partially offset by Marketplace membership growth and improved margin through strong 2024 product design and execution, outperformance in Marketplace risk adjustment for the 2023 benefit year as well as the Marketplace cost sharing reduction (CSR) settlement related to prior years. The 2024 HBR was also favorably impacted by the decrease in the Medicare Advantage premium deficiency reserve-related expenses compared to 2023.

Cost of Services

Cost of services decreased by \$835 million in the year ended December 31, 2024, compared to the corresponding period in 2023. The cost of service ratio for the year ended December 31, 2024 was 85.2%, compared to 79.9% in 2023. The decrease in expense and increase in the ratio were primarily driven by the divestiture of Circle Health, which operated at a lower cost of service ratio.

Selling, General & Administrative Expenses

The SG&A expense ratio was 8.5% for the year ended December 31, 2024, compared to 9.0% for the year ended December 31, 2023. The adjusted SG&A expense ratio was 8.5% for the year ended December 31, 2024, compared to 8.9% for the year ended December 31, 2023. The decrease in the adjusted SG&A expense ratio was primarily driven by the divestiture of Circle Health, which operated at a higher SG&A expense ratio, lower Medicare SG&A, and continued leveraging of expenses over higher revenues. The decrease was partially offset by growth in the Marketplace business, which operates at a meaningfully higher SG&A expense ratio as compared to Medicaid.

Impairment

During the year ended December 31, 2024, we recorded total impairment charges of \$13 million driven by Health Net Federal Services property, software and equipment related to the TRICARE Managed Care Support Contract that was no longer recoverable following the 2024 final ruling.

During the year ended December 31, 2023, we recorded total impairment charges of \$529 million, including a \$292 million charge related to assets associated with the divestiture of Circle Health, a \$140 million charge related to the Operose Health divestiture and additional impairments of \$97 million related to our real estate optimization initiative.

Other Income (Expense)

The following table summarizes the components of other income (expense) for the year ended December 31, (\$ in millions):

	<u>2024</u>	<u>2023</u>
Investment and other income	\$ 1,784	\$ 1,393
Interest expense	<u>(702)</u>	<u>(725)</u>
Other income (expense), net	<u>\$ 1,082</u>	<u>\$ 668</u>

Investment and other income. Investment and other income increased by \$391 million for the year ended December 31, 2024 compared to 2023, driven by higher interest rates on larger investment balances. The year ended December 31, 2024 also included net gains on divestitures described above, partially offset by a private equity investment reduction. The year ended December 31, 2023 included net gains on divestitures described above, partially offset by a realized loss on the sale of investments from rebalancing a portion of our portfolio with a focus on higher interest rate investments.

Interest expense. Interest expense for the year ended December 31, 2024 was \$702 million compared to \$725 million for the corresponding period in 2023.

Income Tax Expense

For the year ended December 31, 2024, we recorded an income tax expense of \$963 million on pre-tax earnings of \$4.3 billion, or an effective tax rate of 22.6%. The effective tax rate for the year ended December 31, 2024 reflects tax effects of the Circle Health divestiture, which closed during the first quarter, settlements with tax authorities and valuation allowance releases. For the year ended December 31, 2024, our effective tax rate on adjusted earnings was 23.8%.

For the year ended December 31, 2023, we recorded income tax expense of \$899 million on pre-tax earnings of \$3.6 billion, or an effective tax rate of 25.0%. The effective tax rate for the year ended December 31, 2023 reflects the tax effects of the distribution of long-term stock awards to the estate of the Company's former CEO, divestiture gains and losses, lower state taxes as well as the then pending divestiture of Circle Health. For the year ended December 31, 2023, our effective tax rate on adjusted earnings was 24.9%.

Segment Results

The following table summarizes our consolidated operating results by segment for the year ended December 31, (\$ in millions):

	2024	2023	% Change 2023-2024
Total Revenues			
Medicaid	\$ 101,417	\$ 100,759	1 %
Medicare	23,032	22,261	3 %
Commercial	33,702	24,845	36 %
Other	4,920	6,134	(20)%
Consolidated Total	<u>\$ 163,071</u>	<u>\$ 153,999</u>	<u>6 %</u>
Gross Margin ⁽¹⁾			
Medicaid	\$ 6,246	\$ 8,641	(28)%
Medicare	2,595	2,867	(9)%
Commercial	7,663	5,029	52 %
Other	565	1,100	(49)%
Consolidated Total	<u>\$ 17,069</u>	<u>\$ 17,637</u>	<u>(3)%</u>

⁽¹⁾ Gross margin represents premium and service revenues less medical costs and cost of services.

Medicaid

Total revenues increased 1% in the year ended December 31, 2024, compared to the corresponding period in 2023. Gross margin decreased \$2.4 billion in the year ended December 31, 2024, compared to the corresponding period in 2023. The increase in total revenues was primarily driven by increased premium tax revenue and rate increases, partially offset by lower membership primarily due to redeterminations. Gross margin decreased primarily due to lower overall membership as a result of the redetermination process, coupled with higher acuity post-redeterminations as we continue to work with our state partners to match rates to the changes in acuity.

Medicare

Total revenues increased 3% in the year ended December 31, 2024, compared to the corresponding period in 2023, primarily driven by increased PDP membership of 50%, partially offset by lower Medicare Advantage membership. Gross margin decreased \$272 million in the year ended December 31, 2024, compared to the corresponding period in 2023 driven primarily by lower Medicare Advantage revenue resulting from the Star quality ratings impact and lower membership discussed above. Gross margin in 2024 was favorably impacted by the decrease in the Medicare Advantage premium deficiency reserve-related expenses compared to 2023 and growth and performance in the PDP business.

Commercial

Total revenues increased 36% in the year ended December 31, 2024, compared to the corresponding period in 2023. Gross margin increased \$2.6 billion in the year ended December 31, 2024, compared to the corresponding period in 2023. The increases were primarily driven by 12% membership growth in the Marketplace business along with improved margin through strong 2024 product design and execution as well as outperformance in Marketplace risk adjustment for the 2023 benefit year and the Marketplace CSR settlement related to prior years.

Other

Total revenues decreased 20% in the year ended December 31, 2024, compared to the corresponding period in 2023. Gross margin decreased \$535 million in the year ended December 31, 2024, compared to the corresponding period in 2023. The decreases were primarily due to divestitures.

LIQUIDITY AND CAPITAL RESOURCES

The following table is a condensed schedule of cash flows used in the discussion of liquidity and capital resources (\$ in millions):

	Year Ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 154	\$ 8,053
Net cash used in investing activities	(1,052)	(1,191)
Net cash used in financing activities	(2,406)	(1,658)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	8	(32)
Net increase (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	\$ (3,296)	\$ 5,172

Cash Flows Provided by Operating Activities

Normal operations are funded primarily through operating cash flows and borrowings under our Revolving Credit Facility. In 2024, operating activities provided cash of \$154 million compared to providing cash of \$8.1 billion in 2023. Cash flows provided by operations in 2024 was primarily driven by net earnings, almost entirely offset by an increase in pharmacy receivables driven by pharmacy rebate remittance timing associated with our transition to a new third-party PBM in January 2024, a decrease in net risk adjustment payables and higher state premium receivables for recent rate increases.

Cash flows provided by operations in 2023 were primarily driven by net earnings, an increase in risk adjustment payable for Marketplace and the timing of pass-through payments.

Cash Flows Used in Investing Activities

Investing activities used cash of \$1.1 billion for the year ended December 31, 2024 and \$1.2 billion in 2023. Cash flows used in investing activities in 2024 and 2023 primarily consisted of net additions to the investment portfolio of our regulated subsidiaries (including transfers from cash and cash equivalents to long-term investments) and capital expenditures, partially offset by divestiture proceeds.

We spent \$644 million and \$799 million in the years ended December 31, 2024 and 2023, respectively, on capital expenditures primarily for system enhancements and computer hardware.

As of December 31, 2024, our investment portfolio consisted primarily of fixed-income securities with a weighted average duration of 3.4 years. We had unregulated cash and investments of \$1.1 billion at December 31, 2024. At December 31, 2023, we had unregulated cash and investments of \$1.0 billion, the majority of which was utilized in January 2024 to complete planned pass-through payments. Unregulated cash and investments include private equity investments and company owned life insurance contracts.

Cash Flows Used in Financing Activities

Financing activities used cash of \$2.4 billion in the year ended December 31, 2024, compared to using cash of \$1.7 billion in the comparable period in 2023. Financing activities in 2024 were driven by stock repurchases of \$3.1 billion, which included \$3.0 billion under the stock repurchase program and \$114 million of repurchases related to income tax withholding upon the vesting of previously awarded stock grants, partially offset by net proceeds from long-term debt.

In 2023, financing activities were driven by stock repurchases of \$1.6 billion.

Liquidity Metrics

We have a stock repurchase program authorizing us to repurchase common stock from time to time on the open market or through privately negotiated transactions. In 2023, the Company's Board of Directors authorized up to a cumulative total of \$10.0 billion of repurchases under the program.

In 2024, we repurchased a total of 42.0 million shares of common stock for \$3.0 billion under the stock repurchase program, primarily funded through divestiture proceeds and free cash flow generated from operations. We have \$2.2 billion remaining under the program as of December 31, 2024. No duration has been placed on the repurchase program. We reserve the right to discontinue the repurchase program at any time. Refer to Note 12. *Stockholders' Equity* for further information on stock repurchases.

As of December 31, 2024, we had an aggregate principal amount of \$15.7 billion of senior notes issued and outstanding. The indentures governing our various maturities of senior notes contain limited restrictive covenants. As of December 31, 2024, we were in compliance with all covenants.

As part of our capital allocation strategy, we may decide to repurchase debt or raise capital through the issuance of debt in the form of senior notes. In 2022, the Company's Board of Directors authorized a \$1.0 billion senior note debt repurchase program. No repurchases were made during the year ended December 31, 2024. As of December 31, 2024, there was \$700 million available under the senior note debt repurchase program. Refer to Note 10. *Debt* for further information regarding the issuance and redemption of senior notes.

The credit agreement underlying our Revolving Credit Facility and Term Loan Facility contains customary covenants, as well as financial covenants, including, a minimum fixed charge coverage ratio and a maximum debt-to-EBITDA ratio. Our maximum debt-to-EBITDA ratio under the credit agreement may not exceed 4.0 to 1.0. As of December 31, 2024, we had \$950 million of borrowings outstanding under our Revolving Credit Facility, \$2.0 billion of borrowings outstanding under our Term Loan Facility and we were in compliance with all covenants. As of December 31, 2024, there were no limitations on the availability of our Revolving Credit Facility as a result of the debt-to-EBITDA ratio.

We had outstanding letters of credit of \$145 million as of December 31, 2024, which were not part of our Revolving Credit Facility. The letters of credit bore weighted interest of 0.7% as of December 31, 2024. In addition, we had outstanding surety bonds of \$844 million as of December 31, 2024.

At December 31, 2024, our debt-to-capital ratio, defined as total debt divided by the sum of total debt and total equity, was 41.2%, compared to 40.7% at December 31, 2023. The debt-to-capital ratio increase was driven by stock repurchases and increased borrowings under the Revolving Credit Facility in 2024 to fund pharmacy benefit-related activities, partially offset by net earnings. We utilize the debt-to-capital ratio as a measure, among others, of our leverage and financial flexibility.

At December 31, 2024, we had working capital, defined as current assets less current liabilities, of \$3.7 billion, compared to \$4.0 billion at December 31, 2023. We manage our short-term and long-term investments with the goal of ensuring that a sufficient portion is held in investments that are highly liquid.

During the years ended December 31, 2024 and 2023, we received dividends of \$3.2 billion and \$2.3 billion, respectively, from our regulated subsidiaries.

2025 Expectations

During 2025, we expect to receive net dividends of approximately \$1.9 billion from our regulated subsidiaries and expect to spend approximately \$700 million in capital expenditures primarily associated with system enhancements.

We have material short-term medical claims, debt and lease obligations. Refer to Note 8. *Medical Claims Liability*, Note 10. *Debt* and Note 11. *Leases*, respectively, for further information.

Based on our operating plan, we expect that our available cash, cash equivalents and short-term investments, cash from our operations and cash available under our Revolving Credit Facility will be sufficient to finance our general operations and capital expenditures for at least 12 months from the date of this filing. While we are currently in a strong liquidity position and believe we have adequate access to capital, we may elect to increase borrowings on our Revolving Credit Facility, which matures in August 2026. Additionally, our senior notes mature between December 2027 and August 2031. From time to time, we may elect to raise additional funds for working capital and other purposes, either through issuance of debt or equity, the sale of investment securities or otherwise, as appropriate. In addition, we may strategically pursue refinancing or redemption opportunities to extend maturities and/or improve terms of our indebtedness if we believe such opportunities are favorable to us.

We intend to continue to target initiatives to improve productivity, efficiencies and reduced organizational costs, as well as capital deployment activities, including stock repurchases, portfolio optimization and the evaluation of refinancing opportunities. In addition to creating shareholder value, these actions encompass a larger organizational mission to enhance our member and provider experience, improve outcomes for our members and innovate to ensure that Centene is a great partner in all aspects of our operations.

REGULATORY CAPITAL AND DIVIDEND RESTRICTIONS

Our operations are conducted through our subsidiaries. As managed care organizations (MCOs), most of our subsidiaries are subject to state regulations and other requirements that, among other things, require the maintenance of minimum levels of statutory capital, as defined by each state, and restrict the timing, payment and amount of dividends and other distributions that may be paid to us. Generally, the amount of dividend distributions that may be paid by a regulated subsidiary without prior approval by state regulatory authorities is limited based on the entity's level of statutory net income and statutory capital and surplus.

As of December 31, 2024, our subsidiaries had aggregate statutory capital and surplus of \$20.3 billion, compared with the required minimum aggregate statutory capital and surplus requirements of \$9.1 billion. During the year ended December 31, 2024, we received dividends of \$3.2 billion from and made \$752 million of capital contributions to our regulated subsidiaries. For our subsidiaries that file with the National Association of Insurance Commissioners (NAIC), we estimate our Risk Based Capital (RBC) percentage to be in excess of 350% of the Authorized Control Level.

Under the California Knox-Keene Health Care Service Plan Act of 1975, as amended (Knox-Keene), certain of our California subsidiaries must comply with tangible net equity (TNE) requirements. Under these Knox-Keene TNE requirements, actual net worth less unsecured receivables and intangible assets must be more than the greater of (i) a fixed minimum amount, (ii) a minimum amount based on premiums or (iii) a minimum amount based on healthcare expenditures, excluding capitated amounts.

Under the New York State Department of Health Codes, Rules and Regulations Title 10, Part 98, our New York subsidiary must comply with contingent reserve requirements. Under these requirements, net worth based upon admitted assets must equal or exceed a minimum amount based on annual net premium income.

The NAIC has adopted rules which set minimum risk-based capital requirements for insurance companies, MCOs and other entities bearing risk for healthcare coverage. As of December 31, 2024, each of our health plans was in compliance with the risk-based capital requirements enacted in those states.

As a result of the above requirements and other regulatory requirements, certain of our subsidiaries are subject to restrictions on their ability to make dividend payments, loans or other transfers of cash to their parent companies. Such restrictions, unless amended or waived or unless regulatory approval is granted, limit the use of any cash generated by these subsidiaries to pay our obligations. The maximum amount of dividends that can be paid by our insurance company subsidiaries without prior approval of the applicable state insurance departments is subject to restrictions relating to statutory surplus, statutory income and unassigned surplus. As of December 31, 2024, the amount of capital and surplus or net worth that was unavailable for the payment of dividends or return of capital to us was \$9.1 billion in the aggregate.

RECENT ACCOUNTING PRONOUNCEMENTS

For this information, refer to Note 2. *Summary of Significant Accounting Policies*, in the Notes to the Consolidated Financial Statements, included herein.

CRITICAL ACCOUNTING ESTIMATES

Our discussion and analysis of our results of operations and liquidity and capital resources are based on our consolidated financial statements which have been prepared in accordance with GAAP. Our significant accounting policies are more fully described in Note 2. *Summary of Significant Accounting Policies*, to our consolidated financial statements included elsewhere herein. Our accounting policies regarding intangible assets, medical claims liability and revenue recognition are particularly important to the portrayal of our financial condition and results of operations and require the application of significant judgment by our management. As a result, they are subject to an inherent degree of uncertainty. We have reviewed these critical accounting policies and related disclosures with the Audit and Compliance Committee of our Board of Directors.

Goodwill and Intangible Assets

We have made several acquisitions that have resulted in our recording of intangible assets. These intangible assets primarily consist of purchased contract rights and customer relationships, provider contracts, trade names, developed technologies and goodwill. Key assumptions used in the valuation of these intangible assets include, but are not limited to, member attrition rates, contract renewal probabilities, revenue growth rates, expectations of profitability and discount and royalty rates. We allocate the fair value of purchase consideration to the assets acquired and liabilities assumed based on their fair values at the acquisition date. The excess of the fair value of consideration transferred over the fair value of the net assets acquired is recorded as goodwill. Goodwill is generally attributable to the value of the synergies between the combined companies and the value of the acquired assembled workforce, neither of which qualifies for recognition as an intangible asset. At December 31, 2024, we had \$17.6 billion of goodwill and \$5.4 billion of other intangible assets.

Intangible assets are amortized using the straight-line method over the following periods:

<u>Intangible Asset</u>	<u>Amortization Period</u>
Purchased contract rights and customer relationships	3 - 21 years
Provider contracts	4 - 15 years
Trade names	7 - 20 years
Developed technologies	2 - 7 years

Our management evaluates whether events or circumstances have occurred that may affect the estimated useful life or the recoverability of the remaining balance of goodwill and other identifiable intangible assets. If the events or circumstances indicate that the remaining balance of the intangible asset or goodwill may be impaired, the potential impairment will be measured based upon the difference between the carrying amount of the intangible asset or goodwill and the fair value of such asset. Our management must make assumptions and estimates, such as the discount factor, future utility and other internal and external factors, in determining the estimated fair values. While we believe these assumptions and estimates are appropriate, other assumptions and estimates could be applied and might produce significantly different results.

Goodwill is reviewed annually during the fourth quarter for impairment. In addition, an impairment analysis of intangible assets would be performed based on other factors. These factors include significant changes in membership, financial performance, state funding, government contracts and provider networks and contracts.

We operate in four segments: (1) a Medicaid segment, (2) a Medicare segment, (3) a Commercial segment and (4) an Other segment. We define our reporting units as our operating segments or one level below the operating segment. If a reporting unit's carrying amount exceeds its fair value, an entity will record an impairment charge based on that difference. The impairment charge will be limited to the amount of goodwill allocated to that reporting unit. We first assess qualitative factors to determine if a quantitative impairment test is necessary. We generally do not calculate the fair value of a reporting unit unless we determine, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. However, in certain circumstances, such as recent acquisitions, we may elect to perform a quantitative assessment without first assessing qualitative factors.

We do not believe any of our reporting units are currently at risk for impairment.

Medical Claims Liability

Our medical claims liability includes claims reported but not yet paid, or claims inventory, estimates for claims incurred but not reported (IBNR) and estimates for the costs necessary to process unpaid claims at the end of each period. We estimate our medical claims liability using actuarial methods that are commonly used by health insurance actuaries and meet Actuarial Standards of Practice. These actuarial methods consider factors such as historical data for payment patterns, cost trends, product mix, seasonality, utilization of healthcare services and other relevant factors.

Actuarial Standards of Practice generally require that the medical claims liability estimates be adequate to cover obligations under moderately adverse conditions. Moderately adverse conditions are situations in which the actual claims are expected to be higher than the otherwise estimated value of such claims at the time of estimate. The claims amounts ultimately settled will most likely be different than the estimate that satisfies the Actuarial Standards of Practice. We include in our IBNR an estimate for medical claims liability under moderately adverse conditions which represents the risk of adverse deviation of the estimates in our actuarial method of reserving.

We use our judgment to determine the assumptions to be used in the calculation of the required estimates. The assumptions we consider when estimating IBNR include, without limitation, claims receipt and payment experience (and variations in that experience), changes in membership, provider billing practices, healthcare service utilization trends, cost trends, product mix, seasonality, prior authorization of medical services, benefit changes, known outbreaks of disease or increased incidence of illness such as influenza, provider contract changes, changes to fee schedules and the incidence of high-dollar or catastrophic claims.

We apply various estimation methods depending on the claim type and the period for which claims are being estimated. For more recent periods, incurred non-inpatient claims are estimated based on historical per member per month claims experience adjusted for known factors. Incurred hospital inpatient claims are estimated based on known inpatient utilization data and prior claims experience adjusted for known factors. For older periods, we utilize an estimated completion factor based on our historical experience to develop IBNR estimates. The completion factor is an actuarial estimate of the percentage of claims that have been received or adjudicated as of the end of a reporting period relative to the estimate of the total ultimate incurred costs for that same period. When we commence operations in a new state or region, we have limited information with which to estimate our medical claims liability. See "**Risk Factors - *Failure to accurately estimate and price our medical expenses or effectively manage our medical costs or related administrative costs could have a material adverse effect on our results of operations, financial condition and cash flows.***" These approaches are consistently applied to each period presented.

Our development of the medical claims liability estimate is a continuous process which we monitor and refine on a monthly basis as additional claims receipts and payment information becomes available. As more complete claims information becomes available, we adjust the amount of the estimates and include the changes in estimates in medical costs in the period in which the changes are identified. In every reporting period, our operating results include the effects of more completely developed medical claims liability estimates associated with previously reported periods. We consistently apply our reserving methodology from period to period. As additional information becomes known to us, we adjust our actuarial models accordingly to establish medical claims liability estimates.

We review actual and anticipated experience compared to the assumptions used to establish medical costs. We establish premium deficiency reserves if actual and anticipated experience indicates that existing policy liabilities together with the present value of future gross premiums will not be sufficient to cover the present value of future benefits, settlement and maintenance costs. For purposes of determining premium deficiencies, contracts are grouped in a manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts and expected investment income is excluded. We recorded a premium deficiency reserve of \$250 million in December 2023 related to the 2024 Medicare Advantage contract year. In December 2024, we recorded a premium deficiency reserve of \$92 million related to the 2025 Medicare Advantage contract year.

The paid and received completion factors, claims per member per month and per diem cost trend factors are the most significant factors affecting the IBNR estimate. The following table illustrates the sensitivity of these factors and the estimated potential impact on our operating results caused by changes in these factors based on December 31, 2024 data:

Completion Factors: ⁽¹⁾		Cost Trend Factors: ⁽²⁾	
(Decrease) Increase in Factors	Increase (Decrease) in Medical Claims Liabilities	(Decrease) Increase in Factors	Increase (Decrease) in Medical Claims Liabilities
(In millions)		(In millions)	
(1.00)%	\$ 1,221	(1.00)%	\$ (240)
(0.75)	912	(0.75)	(180)
(0.50)	605	(0.50)	(120)
(0.25)	301	(0.25)	(60)
0.25	(299)	0.25	60
0.50	(596)	0.50	120
0.75	(890)	0.75	180
1.00	(1,181)	1.00	240

⁽¹⁾ Reflects estimated potential changes in medical claims liability caused by changes in completion factors.

⁽²⁾ Reflects estimated potential changes in medical claims liability caused by changes in cost trend factors for the most recent periods.

While we believe our estimates are appropriate, it is possible future events could require us to make significant adjustments for revisions to these estimates. For example, a 1% increase or decrease in our estimated medical claims liability would have affected net earnings by \$142 million for the year ended December 31, 2024, excluding the effect of any return of premium, risk corridor or minimum medical loss ratio (MLR) programs. The estimates are based on our historical experience, terms of existing contracts, our observation of trends in the industry, information provided by our providers and information available from other outside sources.

The change in medical claims liability is summarized as follows (in millions):

	Year Ended December 31,		
	2024	2023	2022
Balance, January 1,	\$ 18,000	\$ 16,745	\$ 14,243
Less: Reinsurance recoverables	49	26	23
Balance, January 1, net	17,951	16,719	14,220
Acquisitions and divestitures	—	—	105
Incurred related to:			
Current year	128,312	120,680	112,896
Prior years	(2,447)	(2,036)	(1,367)
Total incurred	125,865	118,644	111,529
Paid related to:			
Current year	111,456	104,725	97,799
Prior years	13,959	12,937	11,336
Total paid	125,415	117,662	109,135
Plus: Premium deficiency reserve	(158)	250	—
Balance, December 31, net	18,243	17,951	16,719
Plus: Reinsurance recoverables	65	49	26
Balance, December 31,	\$ 18,308	\$ 18,000	\$ 16,745
Days in claims payable ⁽¹⁾	53	54	54

⁽¹⁾ Days in claims payable is a calculation of medical claims liability at the end of the period divided by average expense per calendar day for the fourth quarter of each year.

Medical claims are usually paid within a few months of the member receiving service from the physician or other healthcare provider. As a result, the liability generally is described as having a "short-tail," which causes less than 10% of our medical claims liability as of the end of any given year to be outstanding the following year. We believe that the vast majority of the development of the estimate of medical claims liability as of December 31, 2024 will be known by the end of 2025.

Changes in estimates of incurred claims for prior years are primarily attributable to reserving under moderately adverse conditions. Additionally, as a result of minimum MLR and other return of premium programs, approximately \$243 million, \$382 million and \$198 million of the "Incurred related to: Prior years" was recorded as a reduction to premium revenues in 2024, 2023 and 2022, respectively. Further, claims processing and coordination of benefits initiatives yielded claim payment recoveries related to dates of service from prior years. Changes in medical utilization, claims submission patterns, and cost trends and the effect of population health management initiatives may also contribute to changes in medical claim liability estimates. While we have evidence that population health management initiatives are effective on a case by case basis, these initiatives primarily focus on events and behaviors prior to the incurrence of the medical event and generation of a claim. Accordingly, any change in behavior, leveling of care or coordination of treatment occurs prior to claim generation and as a result, the costs prior to the population health management initiative are not known by us. Additionally, certain population health management initiatives are focused on member and provider education with the intent of influencing behavior to appropriately align the medical services provided with the member's acuity. In these cases, determining whether the population health management initiative changed the behavior cannot be determined. Because of the complexity of our business, the number of states in which we operate and the volume of claims that we process, we are unable to practically quantify the impact of these initiatives on our changes in estimates of IBNR.

Revenue Recognition

Our health plans generate revenues primarily from premiums received from the states in which we operate health plans, premiums received from our members and CMS for our Medicare product and premiums from members of our commercial health plans. In addition to member premium payments, our Marketplace contracts also generate revenues from subsidies received from CMS. We generally receive a fixed premium per member per month pursuant to our contracts and recognize premium revenues during the period in which we are obligated to provide services to our members at the amount reasonably estimable. In some instances, our base premiums are subject to an adjustment, in the form of a risk score or risk adjustment, based on the acuity of our membership. Generally, the risk score or risk adjustment is determined by the state or CMS analyzing submissions of processed claims and medical record data to determine the acuity of our membership, often relative to the respective program's membership. We estimate the amount of risk score and risk adjustment based upon the processed claims and medical record data submitted and expected to be submitted to the state or CMS and record revenues on a risk adjusted basis. Some contracts allow for additional premiums related to certain supplemental services provided such as maternity deliveries.

Our contracts with states and CMS may require us to maintain a minimum MLR or may require us to share cost-savings in excess of certain levels. In certain circumstances, including commercial plans, our plans may be required to return premium to the state or policyholders in the event costs are below established levels. We estimate the effect of these programs and recognize reductions in revenue in the current period. Other states may require us to meet certain performance and quality metrics in order to receive additional or full contractual revenue. For performance-based contracts, we do not recognize revenue subject to refund until data is sufficient to measure performance.

Revenues are recorded based on membership and eligibility data provided by the states or CMS, which is adjusted on a monthly basis by the states or CMS for retroactive additions or deletions to membership data. These eligibility adjustments are estimated monthly and subsequent adjustments are made in the period known. We review and update those estimates as new information becomes available. It is possible that new information could require us to make additional adjustments, which could be significant, to these estimates.

Our Medicare Advantage contracts are with CMS. CMS deploys a risk adjustment model which apportions premiums paid to all health plans according to health severity and certain demographic factors. The CMS risk adjustment model pays more for members whose medical history would indicate that they are expected to have higher medical costs. Under this risk adjustment methodology, CMS calculates the risk adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, physician treatment settings as well as prescription drug events. We and the healthcare providers collect, compile and submit the necessary and available diagnosis data to CMS within prescribed deadlines. We estimate risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS and record revenues on a risk adjusted basis.

For qualifying low-income prescription drug benefit members, CMS pays for some, or all, of the member's monthly premium. We receive certain Part D prospective subsidy payments from CMS for these members as a fixed monthly per member amount, based on the estimated costs of providing prescription drug benefits over the plan year, as reflected in our bids. Approximately nine to ten months subsequent to the end of the plan year, or later in the case of the coverage gap discount subsidy, a settlement payment is made between CMS and our plans based on the difference between the prospective payments and actual claims experience.

Our specialty companies generate revenues under contracts with state and federal programs, healthcare organizations and other commercial organizations and from our own subsidiaries. Revenues are recognized when the related services are provided or as ratably earned over the covered period of services. For performance-based measures in our contracts, revenue is recognized as data sufficient to measure performance is available. We recognize revenue related to administrative services under the TRICARE government-sponsored Managed Care Support Contract for the Department of Defense (DoD's) TRICARE program on a straight-line basis over the option period, when the fees become fixed and determinable. The TRICARE contract includes various performance-based measures. For each of the measures, an estimate of the amount that has been earned is made at each interim date, and revenue is recognized accordingly. We concluded serving members at the end of 2024 upon the expiration of its TRICARE Managed Care Support Contract.

Some states enact premium taxes, similar assessments and provider pass-through payments, collectively premium taxes, and these taxes are recorded as a separate component of both revenues and operating expenses. For certain products, premium taxes and state assessments are not pass-through payments and are recorded as premium revenue and premium tax expense in the Consolidated Statements of Operations.

Some states require state directed payments that have minimal risk, but are administered as a premium adjustment. These payments are recorded as premium revenue and medical costs at close to a 100% HBR. In many instances, we have little visibility to the timing of these payments until they are paid by the state.

ITEM 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Market risk represents the risk of loss that may impact our financial condition due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates.

INVESTMENTS AND DEBT

As of December 31, 2024, we had short-term investments of \$2.6 billion and long-term investments of \$18.8 billion, including restricted deposits of \$1.4 billion. The short-term investments generally consist of highly liquid securities with maturities between three and 12 months. The long-term investments consist of municipal, corporate and U.S. Treasury securities, government-sponsored obligations, life insurance contracts, asset backed securities, equity securities and private equity investments and have maturities greater than one year. Private equity investments include direct investments in private equity securities as well as private equity funds. Restricted deposits consist of investments required by various state statutes to be deposited or pledged to state agencies. Due to the nature of the states' requirements, these investments are classified as long-term regardless of the contractual maturity date. Substantially all of our investments are subject to interest rate risk and will decrease in value if market rates increase. Assuming a hypothetical and immediate 1% increase in market interest rates at December 31, 2024, the fair value of our fixed income investments would decrease by approximately \$665 million. Declines in interest rates over time will reduce our investment income.

For a discussion of the interest rate risk that our investments are subject to, see "Risk Factors - *Our investment portfolio may suffer losses which could materially and adversely affect our results of operations or liquidity.*"

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Centene Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Centene Corporation and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive earnings (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 18, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the Audit and Compliance Committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the estimated medical claims liability

As discussed in Note 2 to the consolidated financial statements, the Company's medical claims liability includes claims reported but not yet paid, estimates for claims incurred but not reported, and estimates for the costs necessary to process unpaid claims. As discussed in Note 8 to the consolidated financial statements, the balance at December 31, 2024 was \$18,308 million.

We identified the evaluation of the estimated medical claims liability as a critical audit matter. The Company estimates its medical claims liability using actuarial methods. Specialized skills were required to evaluate these actuarial methods, which include analyzing historical claims data in order to estimate the medical claims liability. The medical claims liability included an estimate for medical claims developing under moderately adverse conditions, which represents the risk of adverse deviation in the Company's actuarial methods of reserving, which required auditor judgment to evaluate.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the critical audit matter. This included controls over the Company's process to evaluate the estimate of the medical claims liability. We involved actuarial professionals with specialized skills and knowledge who evaluated the actuarial methods used by the Company to estimate the medical claims liability. With the assistance of the actuarial professionals, we challenged the Company's estimate of the medical claims liability, including the effects of moderately adverse conditions, by developing an independent estimate for certain health plans using the Company's medical claims data, and relative range. We assessed the potential for management bias by evaluating the Company's position and movement within the actuarial professionals' relative range.

Evaluation of the estimated Affordable Care Act risk adjustment accruals

As discussed in Note 2 to the consolidated financial statements, the Affordable Care Act (ACA) established a permanent risk adjustment program. This program transfers funds from qualified individual and small group insurance plans with below average risk scores to those insurance plans with above average risk scores within each state. The final settlement of the December 31, 2024 ACA risk adjustment accruals is scheduled to be determined by the Centers for Medicare and Medicaid Services (CMS) in June 2025, based on data submitted by insurance companies through April 2025. As discussed in Note 9, the Company recorded an estimated asset and liability (the ACA risk adjustment accruals) of \$1,434 million, and \$1,605 million, respectively at December 31, 2024.

We identified the evaluation of the estimated ACA risk adjustment accruals as a critical audit matter. Specialized skills and a higher degree of auditor judgment were required to evaluate the Company's estimates. The Company's estimates are based on its analysis of member data, claims data, and projections of claims data expected to be submitted by the Company, and other insurance plans, to CMS for settlement.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to develop the estimated ACA risk adjustment accruals. We involved actuarial professionals with specialized skills and knowledge who assisted in evaluating the Company's methodology used in estimating the ACA risk adjustment accruals for consistency with the federally developed risk adjustment methodology. Additionally, the actuarial professionals assisted in evaluating the projections of claims data utilized to estimate the ACA risk adjustment accruals, and assessed the methodologies utilized by the Company for consistency with industry practice. We assessed the Company's process to estimate the ACA risk adjustment accruals, in order to consider the potential for management bias, by performing a retrospective review of the prior period ACA risk adjustment accruals and assessing the consistency of those estimated balances with the subsequent settlement.

/s/ KPMG LLP

We have served as the Company's auditor since 2005.

St. Louis, Missouri
February 18, 2025

CENTENE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except shares in thousands and per share data in dollars)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,063	\$ 17,193
Premium and trade receivables	19,713	15,532
Short-term investments	2,622	2,459
Other current assets	1,601	5,572
Total current assets	37,999	40,756
Long-term investments	17,429	16,286
Restricted deposits	1,390	1,386
Property, software and equipment, net	2,067	2,019
Goodwill	17,558	17,558
Intangible assets, net	5,409	6,101
Other long-term assets	593	535
Total assets	\$ 82,445	\$ 84,641
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Medical claims liability	\$ 18,308	\$ 18,000
Accounts payable and accrued expenses	13,174	16,420
Return of premium payable	2,008	1,462
Unearned revenue	661	715
Current portion of long-term debt	110	119
Total current liabilities	34,261	36,716
Long-term debt	18,423	17,710
Deferred tax liability	684	641
Other long-term liabilities	2,567	3,618
Total liabilities	55,935	58,685
Commitments and contingencies		
Redeemable noncontrolling interests	10	19
Stockholders' equity:		
Preferred stock, \$0.001 par value; authorized 10,000 shares; no shares issued or outstanding at December 31, 2024 and December 31, 2023	—	—
Common stock, \$0.001 par value; authorized 800,000 shares; 620,195 issued and 495,907 outstanding at December 31, 2024, and 615,291 issued and 534,484 outstanding at December 31, 2023	1	1
Additional paid-in capital	20,562	20,304
Accumulated other comprehensive (loss)	(504)	(652)
Retained earnings	15,348	12,043
Treasury stock, at cost (124,288 and 80,807 shares, respectively)	(8,997)	(5,856)
Total Centene stockholders' equity	26,410	25,840
Nonredeemable noncontrolling interest	90	97
Total stockholders' equity	26,500	25,937
Total liabilities, redeemable noncontrolling interests and stockholders' equity	\$ 82,445	\$ 84,641

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CENTENE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except shares in thousands and per share data in dollars)

	Year Ended December 31,		
	2024	2023	2022
Revenues:			
Premium	\$ 142,303	\$ 135,636	\$ 127,131
Service	3,202	4,459	8,348
Premium and service revenues	145,505	140,095	135,479
Premium tax	17,566	13,904	9,068
Total revenues	163,071	153,999	144,547
Expenses:			
Medical costs	125,707	118,894	111,529
Cost of services	2,729	3,564	7,032
Selling, general and administrative expenses	12,400	12,563	11,589
Depreciation expense	549	575	614
Amortization of acquired intangible assets	692	718	817
Premium tax expense	17,806	14,226	9,330
Impairment	13	529	2,318
Total operating expenses	159,896	151,069	143,229
Earnings from operations	3,175	2,930	1,318
Other income (expense):			
Investment and other income	1,784	1,393	1,279
Debt extinguishment	—	—	30
Interest expense	(702)	(725)	(665)
Earnings before income tax	4,257	3,598	1,962
Income tax expense	963	899	760
Net earnings	3,294	2,699	1,202
Loss attributable to noncontrolling interests	11	3	—
Net earnings attributable to Centene Corporation	\$ 3,305	\$ 2,702	\$ 1,202
Net earnings per common share attributable to Centene Corporation:			
Basic earnings per common share	\$ 6.33	\$ 4.97	\$ 2.09
Diluted earnings per common share	\$ 6.31	\$ 4.95	\$ 2.07
Weighted average number of common shares outstanding:			
Basic	521,790	543,319	575,191
Diluted	523,744	545,704	582,040

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CENTENE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)
(In millions)

	Year Ended December 31,		
	2024	2023	2022
Net earnings	\$ 3,294	\$ 2,699	\$ 1,202
Change in unrealized gain (loss) on investments	94	520	(1,475)
Change in unrealized gain (loss) on investments, tax effect	(29)	(128)	349
Change in unrealized gain (loss) on investments, net of tax	65	392	(1,126)
Reclassification adjustment, net of tax	83	62	11
Foreign currency translation adjustments, net of tax	—	36	(94)
Net unrealized (loss) on cash flow hedge, net of tax	—	(10)	—
Other comprehensive earnings (loss)	148	480	(1,209)
Comprehensive earnings (loss)	3,442	3,179	(7)
Comprehensive loss attributable to noncontrolling interests	11	3	—
Comprehensive earnings (loss) attributable to Centene Corporation	<u>\$ 3,453</u>	<u>\$ 3,182</u>	<u>\$ (7)</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CENTENE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions, except shares in thousands and per share data in dollars)

	Centene Stockholders' Equity								
	Common Stock					Treasury Stock		Non controlling Interest	Total
	\$0.001 Par Value Shares	Amt	Additional Paid-in Capital	Accumulated Other Comprehensive Earnings (Loss)	Retained Earnings	\$0.001 Par Value Shares	Amt		
Balance, December 31, 2021	602,704	\$ 1	\$ 19,672	\$ 77	\$ 8,139	20,225	\$(1,094)	\$ 145	\$ 26,940
Net earnings (loss)	—	—	—	—	1,202	—	—	(13)	1,189
Other comprehensive loss, net of \$(349) tax	—	—	—	(1,209)	—	—	—	—	(1,209)
Common stock issued for employee benefit plans	5,143	—	71	—	—	—	—	—	71
Fair value of unvested equity awards in connection with acquisition	—	—	60	—	—	—	—	—	60
Common stock repurchases	—	—	23	—	—	36,868	(3,119)	—	(3,096)
Stock compensation expense	—	—	234	—	—	—	—	—	234
Reclassification to non-redeemable	—	—	—	—	—	—	—	17	17
Divestiture of noncontrolling interest	—	—	—	—	—	—	—	(14)	(14)
Dividend to noncontrolling interest	—	—	—	—	—	—	—	(10)	(10)
Purchase of noncontrolling interest	—	—	—	—	—	—	—	(1)	(1)
Balance, December 31, 2022	607,847	\$ 1	\$ 20,060	\$ (1,132)	\$ 9,341	57,093	\$(4,213)	\$ 124	\$ 24,181
Net earnings (loss)	—	—	—	—	2,702	—	—	(3)	2,699
Other comprehensive earnings, net of \$144 tax	—	—	—	480	—	—	—	—	480
Common stock issued for employee benefit plans	7,444	—	44	—	—	—	—	—	44
Common stock repurchases	—	—	—	—	—	23,714	(1,643)	—	(1,643)
Stock compensation expense	—	—	216	—	—	—	—	—	216
Purchase of redeemable noncontrolling interest	—	—	(12)	—	—	—	—	—	(12)
Purchase of non-redeemable noncontrolling interest	—	—	(4)	—	—	—	—	(24)	(28)
Balance, December 31, 2023	615,291	\$ 1	\$ 20,304	\$ (652)	\$ 12,043	80,807	\$(5,856)	\$ 97	\$ 25,937
Net earnings (loss)	—	—	—	—	3,305	—	—	(5)	3,300
Other comprehensive earnings, net of \$31 tax	—	—	—	148	—	—	—	—	148
Common stock issued for employee benefit plans	4,904	—	46	—	—	—	—	—	46
Common stock repurchases	—	—	—	—	—	43,481	(3,141)	—	(3,141)
Stock compensation expense	—	—	212	—	—	—	—	—	212
Divestiture of noncontrolling interest	—	—	—	—	—	—	—	(2)	(2)
Balance, December 31, 2024	620,195	\$ 1	\$ 20,562	\$ (504)	\$ 15,348	124,288	\$(8,997)	\$ 90	\$ 26,500

The accompanying notes to the consolidated financial statements are an integral part of this statement.

CENTENE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Net earnings	\$ 3,294	\$ 2,699	\$ 1,202
Adjustments to reconcile net earnings to net cash provided by operating activities			
Depreciation and amortization	1,241	1,293	1,430
Stock compensation expense	212	216	234
Impairment	13	529	2,318
(Gain) loss on debt extinguishment	—	—	(25)
(Gain) on acquisition	—	—	(2)
Deferred income taxes	13	(78)	(631)
(Gain) loss on divestitures, net	(120)	(152)	(772)
Loss on disposal of equipment	—	—	221
Other adjustments, net	16	172	(31)
Changes in assets and liabilities			
Premium and trade receivables	(4,333)	(2,380)	(1,627)
Other assets	46	5	128
Medical claims liabilities	368	1,261	2,397
Unearned revenue	(54)	238	31
Accounts payable and accrued expenses	(528)	3,398	421
Other long-term liabilities	(70)	856	842
Other operating activities, net	56	(4)	125
Net cash provided by operating activities	<u>154</u>	<u>8,053</u>	<u>6,261</u>
Cash flows from investing activities:			
Capital expenditures	(644)	(799)	(1,004)
Purchases of investments	(7,183)	(6,622)	(6,736)
Sales and maturities of investments	5,785	5,523	3,802
Acquisitions, net of cash acquired	—	—	(1,460)
Divestiture proceeds, net of divested cash	990	707	2,477
Net cash used in investing activities	<u>(1,052)</u>	<u>(1,191)</u>	<u>(2,921)</u>
Cash flows from financing activities:			
Proceeds from long-term debt	1,300	2,335	360
Payments and repurchases of long-term debt	(622)	(2,316)	(1,490)
Common stock repurchases	(3,124)	(1,633)	(3,096)
Proceeds from common stock issuances	46	44	70
Payments for debt extinguishment	—	—	(14)
Purchase of noncontrolling interest	—	(88)	—
Other financing activities, net	(6)	—	(27)
Net cash used in financing activities	<u>(2,406)</u>	<u>(1,658)</u>	<u>(4,197)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	8	(32)	(11)
Net increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	<u>(3,296)</u>	<u>5,172</u>	<u>(868)</u>
Cash and cash equivalents reclassified (to) from held for sale	—	(50)	(16)
Cash, cash equivalents and restricted cash and cash equivalents, beginning of period	<u>17,452</u>	<u>12,330</u>	<u>13,214</u>
Cash, cash equivalents and restricted cash and cash equivalents, end of period	<u>\$ 14,156</u>	<u>\$ 17,452</u>	<u>\$ 12,330</u>
Supplemental disclosures of cash flow information:			
Interest paid	\$ 688	\$ 688	\$ 657
Income taxes paid, net	\$ 1,002	\$ 887	\$ 1,198
Equity issued in connection with acquisitions	\$ —	\$ —	\$ 60
The following table provides a reconciliation of cash, cash equivalents and restricted cash and cash equivalents reported within the Consolidated Balance Sheets to the totals above:			
	2024	2023	2022
Cash and cash equivalents	\$ 14,063	\$ 17,193	\$ 12,074
Restricted cash and cash equivalents, included in restricted deposits	93	259	256
Total cash, cash equivalents, and restricted cash and cash equivalents	<u>\$ 14,156</u>	<u>\$ 17,452</u>	<u>\$ 12,330</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CENTENE CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Operations

Centene Corporation, or the Company, is a leading provider of government-sponsored healthcare. Centene's focus is on improving health and health care for low-income populations with complex needs. The Company provides access to high-quality healthcare, innovative programs and a wide range of health solutions that help families and individuals get well, stay well and be well.

The Company operates in four segments: (1) a Medicaid segment, (2) a Medicare segment, (3) a Commercial segment and (4) an Other segment. The Medicaid, Medicare and Commercial segments primarily represent the government-sponsored or subsidized programs under which the Company offers managed healthcare services. Specifically, the Medicaid segment includes the Temporary Assistance for Needy Families (TANF) program, Medicaid Expansion programs, the Aged, Blind or Disabled (ABD) program, the Children's Health Insurance Program (CHIP), Long-Term Services and Supports (LTSS), Foster Care, Medicare-Medicaid Plans (MMP), which cover beneficiaries who are dually eligible for Medicaid and Medicare and other state-based programs. The Medicare segment includes Medicare Advantage, Medicare Supplement, Dual Eligible Special Needs Plans (D-SNPs) and Medicare Prescription Drug Plans (PDPs), also known as Medicare Part D. The Commercial segment includes the Health Insurance Marketplace product along with individual, small group and large group commercial health insurance products. The Other segment includes the Company's pharmacy operations, Envolve Benefit Options' vision and dental services, clinical healthcare, behavioral health, international operations and corporate management company, among others. The Company's international businesses, Operose Health Group (Operose Health) and Circle Health Group (Circle Health), which were included in the Other segment, were divested in December 2023 and January 2024, respectively.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Centene Corporation and all majority owned subsidiaries and subsidiaries over which the Company exercises the power and control to direct activities significantly impacting financial performance. All material intercompany balances and transactions have been eliminated.

Certain 2022 and 2023 amounts in the consolidated financial statements and notes to the consolidated financial statements have been reclassified to conform to the 2024 presentation. These reclassifications have no effect on net earnings or stockholders' equity as previously reported.

During 2024, the Company completed the divestitures of Circle Health and Collaborative Health Systems (CHS). See Note 3. *Acquisitions and Divestitures* for further details.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future events and their effects cannot be predicted with certainty; accordingly, the accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of the consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the operating environment changes. The Company evaluates and updates its assumptions and estimates on an ongoing basis and may employ outside experts to assist in its evaluation, as considered necessary. Actual results could differ from those estimates.

Business Combinations

Business combinations are accounted for using the acquisition method of accounting. The Company allocates the fair value of purchase consideration to the assets acquired and liabilities assumed based on their fair values at the acquisition date. The excess of the fair value of consideration transferred over the fair value of the net assets acquired is recorded as goodwill. Goodwill is generally attributable to the value of the synergies between the combined companies and the value of the acquired assembled workforce, neither of which qualifies for recognition as an intangible asset.

The Company uses its best estimates and assumptions to value assets acquired and liabilities assumed at the acquisition date; however, these estimates are sometimes preliminary and, in some instances, all information required to value the assets acquired and liabilities assumed may not be available or final as of the end of a reporting period subsequent to the business combination. If the accounting for the business combination is incomplete, provisional amounts are recorded. The provisional amounts are updated during the period determined, up to one year from the acquisition date. The Company includes the results of operations of acquired businesses in the Company's consolidated results prospectively from the date of acquisition.

Acquisition related expenses and post-acquisition restructuring costs are recognized separately from the business combination and are expensed as incurred.

Cash and Cash Equivalents

Investments with original maturities of three months or less are considered to be cash equivalents. Cash equivalents consist of money market funds, bank certificates of deposit and savings accounts.

The Company maintains amounts on deposit with various financial institutions, which may exceed federally insured limits. However, management periodically evaluates the credit-worthiness of those institutions, and the Company has not experienced any losses on such deposits.

Investments

Short-term investments include securities with maturities greater than three months to one year. Long-term investments include securities with maturities greater than one year.

Short-term and long-term investments are generally classified as available-for-sale and are carried at fair value. Certain equity investments are recorded using the fair value or equity method. The Company monitors the difference between the carrying value and fair value of its available-for-sale debt investments and whether declines in fair value are credit related. Unrealized gains and losses on debt investments available-for-sale are excluded from earnings and reported in accumulated other comprehensive earnings (loss), a separate component of stockholders' equity, net of income tax effects. If a loss is deemed to be credit related, the Company recognizes an allowance through earnings. For each security in an unrealized loss position, the Company assesses whether it intends to sell the security or if it is more likely than not the Company will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual or regulatory purposes. If the security meets this criterion, the decline in fair value is recorded in earnings through investment and other income. Premiums and discounts are amortized or accreted over the life of the related security using the effective interest method. To calculate realized gains and losses on the sale of investments, the Company uses the specific amortized cost of each investment sold. Realized gains and losses are recorded in investment and other income.

The Company uses the equity method to account for investments in entities that it does not control but has the ability to exercise significant influence over operating and financial policies. Generally, under the equity method, original investments in these entities are recorded at cost and subsequently adjusted by the Company's share of equity in income or losses after the date of acquisition as well as capital contributions to and distributions from these companies.

Restricted Deposits

Restricted deposits consist of investments required by various state statutes to be deposited or pledged to state agencies. These investments are classified as long-term, regardless of the contractual maturity date, due to the nature of the states' requirements. The Company is required to annually adjust the amount of the deposit pledged to certain states.

Fair Value Measurements

In the normal course of business, the Company invests in various financial assets and incurs various financial liabilities. Fair values are disclosed for all financial instruments, whether or not such values are recognized in the Consolidated Balance Sheets. Management obtains quoted market prices and other observable inputs for these disclosures. The carrying amounts reported in the Consolidated Balance Sheets for cash and cash equivalents, premium and trade receivables, medical claims liability, accounts payable and accrued expenses, unearned revenue and certain other current assets and liabilities are carried at cost, which approximates fair value because of their short-term nature.

The following methods and assumptions were used to estimate the fair value of each financial instrument:

- Available-for-sale investments and restricted deposits: The carrying amount is stated at fair value, based on quoted market prices, where available. For securities not actively traded, fair values were estimated using values obtained from independent pricing services or quoted market prices of comparable instruments.
- Senior unsecured notes: Estimated based on third-party quoted market prices for the same or similar issues.
- Variable rate debt: The carrying amount of the Company's floating rate debt approximates fair value since the interest rates adjust based on market rate adjustments.
- Contingent consideration: Estimated based on expected achievement of metrics included in the acquisition agreement considering circumstances that exist as of the acquisition date.

Property, Software and Equipment

Property, software and equipment are stated at cost less accumulated depreciation. Computer hardware and software includes certain costs incurred in the development of internal-use software, including external direct costs of materials and services and payroll costs of team members devoted to specific software development. Depreciation is calculated principally by the straight-line method over estimated useful lives. Leasehold improvements are depreciated using the straight-line method over the shorter of the expected useful life or the remaining term of the lease. Property, software and equipment are depreciated over the following periods:

Fixed Asset	Depreciation Period
Buildings and improvements	10 - 40 years
Computer hardware and software	3 - 5 years
Furniture and equipment	5 - 10 years
Land improvements	10 - 25 years
Leasehold improvements	1 - 20 years

The carrying amounts of all long-lived assets are evaluated to determine if adjustment to the depreciation and amortization period or to the unamortized balance is warranted. Such evaluation is based principally on the expected utilization of the long-lived assets.

The Company retains fully depreciated assets in property and accumulated depreciation accounts until it removes them from service. In the case of sale, retirement or disposal, the asset cost and related accumulated depreciation balance is removed from the respective account, and the resulting net amount, less any proceeds, is included as a component of earnings from operations in the Consolidated Statements of Operations.

Goodwill and Intangible Assets

Intangible assets represent assets acquired in purchase transactions and consist primarily of purchased contract rights and customer relationships, provider contracts, trade names, developed technologies and goodwill. Intangible assets are amortized using the straight-line method over the following periods:

Intangible Asset	Amortization Period
Purchased contract rights and customer relationships	3 - 21 years
Provider contracts	4 - 15 years
Trade names	7 - 20 years
Developed technologies	2 - 7 years

The Company tests for impairment of intangible assets, as well as long-lived assets, whenever events or circumstances indicate that the carrying value of an asset or asset group (hereinafter referred to as "asset group") may not be recoverable by comparing the sum of the estimated undiscounted future cash flows expected to result from use of the asset group and its eventual disposition to the carrying value. Such factors include significant changes in membership, financial performance, state funding, government contracts and provider networks and contracts. If the sum of the estimated undiscounted future cash flows is less than the carrying value, an impairment determination is required. The amount of impairment is calculated by subtracting the fair value of the asset group from the carrying value of the asset group. An impairment charge, if any, is recognized within earnings from operations.

The Company operates in four segments: (1) a Medicaid segment, (2) a Medicare segment, (3) a Commercial segment and (4) an Other segment. The Company defines its reporting units as its operating segments or one level below the operating segment. The Company tests goodwill for impairment at the reporting unit level using a fair value approach. The Company is required to test for impairment at least annually, absent a triggering event, which could include a significant decline in operating performance that would require an impairment assessment. Absent any impairment indicators, the Company performs its goodwill impairment testing during the fourth quarter of each year. The Company recognizes an impairment charge for any amount by which the carrying amount of goodwill exceeds its fair value.

The Company first assesses qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. The Company generally does not calculate the fair value of a reporting unit unless it determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount.

If the quantitative test is deemed necessary, the Company determines an appropriate valuation technique to estimate a reporting unit's fair value as of the testing date. The Company utilizes either the income approach or the market approach, whichever is most appropriate for the respective reporting unit. The income approach is based on an internally developed discounted cash flow model that includes assumptions related to future growth rates, discount factors, future tax rates and other various assumptions. The market approach is based on financial multiples of comparable companies derived from current market data. The Company then compares the fair value of the reporting unit calculated using the income approach or market approach with its carrying amount and recognizes an impairment charge for the amount by which the carrying amount exceeds fair value. The impairment charge is limited to the total amount of goodwill allocated to the reporting unit. Changes in economic and operating conditions impacting assumptions used in the Company's analyses could result in goodwill impairment in future periods.

Medical Claims Liability

Medical claims liability includes claims reported but not yet paid, or claims inventory, estimates for claims incurred but not reported, or IBNR, and estimates for the costs necessary to process unpaid claims at the end of each period. The Company estimates its medical claims liability using actuarial methods that are commonly used by health insurance actuaries and meet Actuarial Standards of Practice. These actuarial methods consider factors such as historical data for payment patterns, cost trends, product mix, seasonality, utilization of healthcare services and other relevant factors.

Actuarial Standards of Practice generally require that the medical claims liability estimates be adequate to cover obligations under moderately adverse conditions. Moderately adverse conditions are situations in which the actual claims are expected to be higher than the otherwise estimated value of such claims at the time of estimate. The claims amounts ultimately settled will most likely be different than the estimate that satisfies the Actuarial Standards of Practice. The Company includes in its IBNR an estimate for medical claims liability under moderately adverse conditions which represents the risk of adverse deviation of the estimates in its actuarial method of reserving.

The Company uses its judgment to determine the assumptions to be used in the calculation of the required estimates. The assumptions it considers when estimating IBNR include, without limitation, claims receipt and payment experience (and variations in that experience), changes in membership, provider billing practices, healthcare service utilization trends, cost trends, product mix, seasonality, prior authorization of medical services, benefit changes, known outbreaks of disease or increased incidence of illness such as influenza, provider contract changes, changes to fee schedules and the incidence of high-dollar or catastrophic claims.

The Company's development of the medical claims liability estimate is a continuous process which it monitors and refines on a monthly basis as additional claims receipts and payment information becomes available. As more complete claims information becomes available, the Company adjusts the amount of the estimates, and includes the changes in estimates in medical costs in the period in which the changes are identified. In every reporting period, the operating results include the effects of more completely developed medical claims liability estimates associated with previously reported periods. The Company consistently applies its reserving methodology from period to period. As additional information becomes known, it adjusts the actuarial models accordingly to establish medical claims liability estimates.

The Company reviews actual and anticipated experience compared to the assumptions used to establish medical costs. The Company establishes premium deficiency reserves if actual and anticipated experience indicates that existing policy liabilities together with the present value of future gross premiums will not be sufficient to cover the present value of future benefits, settlement and maintenance costs. For purposes of determining premium deficiencies, contracts are grouped in a manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts and expected investment income is excluded. In December 2023, the Company recorded a premium deficiency reserve of \$250 million related to the 2024 Medicare Advantage contract year. In December 2024, the Company recorded a premium deficiency reserve of \$92 million related to the 2025 Medicare Advantage contract year.

Revenue Recognition

The Company's health plans generate revenues primarily from premiums received from the states in which it operates health plans, premiums received from its members and the Centers for Medicare and Medicaid Services (CMS) for its Medicare product and premiums from members of its commercial health plans. In addition to member premium payments, its Marketplace contracts also generate revenues from subsidies received from CMS. The Company generally receives a fixed premium per member per month pursuant to its contracts and recognizes premium revenues during the period in which it is obligated to provide services to its members at the amount reasonably estimable. In some instances, the Company's base premiums are subject to an adjustment, in the form of a risk score or risk adjustment, based on the acuity of its membership. Generally, the risk score or risk adjustment is determined by the state or CMS analyzing submissions of processed claims and medical record data to determine the acuity of the Company's membership, often relative to the respective program's membership. The Company estimates the amount of risk score and risk adjustment based upon the processed claims and medical record data submitted and expected to be submitted to the state or CMS and records revenues on a risk adjusted basis. Some contracts allow for additional premiums related to certain supplemental services provided such as maternity deliveries.

The Company's contracts with states and CMS may require it to maintain a minimum medical loss ratio (MLR) or may require it to share cost-savings in excess of certain levels. In certain circumstances, including commercial plans, its plans may be required to return premium to the state or policyholders in the event costs are below established levels. The Company estimates the effect of these programs and recognizes reductions in revenue in the current period. Other states may require us to meet certain performance and quality metrics in order to receive additional or full contractual revenue. For performance-based contracts, the Company does not recognize revenue subject to refund until data is sufficient to measure performance.

Revenues are recorded based on membership and eligibility data provided by the states or CMS, which is adjusted on a monthly basis by the states or CMS for retroactive additions or deletions to membership data. These eligibility adjustments are estimated monthly and subsequent adjustments are made in the period known. The Company reviews and updates those estimates as new information becomes available. It is possible that new information could require us to make additional adjustments, which could be significant, to these estimates.

The Company's Medicare Advantage contracts are with CMS. CMS deploys a risk adjustment model which apportions premiums paid to all health plans according to health severity and certain demographic factors. The CMS risk adjustment model pays more for members whose medical history would indicate that they are expected to have higher medical costs. Under this risk adjustment methodology, CMS calculates the risk adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, physician treatment settings as well as prescription drug events. The Company and the healthcare providers collect, compile and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS and records revenues on a risk adjusted basis.

For qualifying low-income prescription drug benefit members, CMS pays for some, or all, of the member's monthly premium. The Company receives certain Part D prospective subsidy payments from CMS for these members as a fixed monthly per member amount, based on the estimated costs of providing prescription drug benefits over the plan year, as reflected in its bids. Approximately nine to ten months subsequent to the end of the plan year, or later in the case of the coverage gap discount subsidy, a settlement payment is made between CMS and the Company's plans based on the difference between the prospective payments and actual claims experience.

The Company's specialty companies generate revenues under contracts with state and federal programs, healthcare organizations and other commercial organizations, as well as from its own subsidiaries. Revenues are recognized when the related services are provided, when inventory is shipped, or as ratably earned over the covered period of services. For performance-based measures in the Company's contracts, revenue is recognized as data sufficient to measure performance is available. The Company recognizes revenue related to administrative services under the TRICARE government-sponsored Managed Care Support Contract for the Department of Defense (DoD's) TRICARE program on a straight-line basis over the option period, when the fees become fixed and determinable. The TRICARE contract includes various performance-based measures. For each of the measures, an estimate of the amount that has been earned is made at each interim date, and revenue is recognized accordingly. The Company concluded serving members at the end of 2024 upon the expiration of its TRICARE Managed Care Support Contract.

Some states enact premium taxes, similar assessments and provider pass-through payments, collectively premium taxes, and these taxes are recorded as a separate component of both revenues and operating expenses. For certain products, premium taxes and state assessments are not pass-through payments and are recorded as premium revenue and premium tax expense in the Consolidated Statements of Operations.

Some states require state directed payments that have minimal risk, but are administered as a premium adjustment. These payments are recorded as premium revenue and medical costs at close to a 100% health benefits ratio (HBR). In many instances, the Company has little visibility to the timing of these payments until they are paid by the state.

Affordable Care Act

The Affordable Care Act (ACA) established risk spreading premium stabilization programs as well as minimum MLR and cost sharing reductions (CSRs). The Company's accounting policies for the programs are as follows:

Risk Adjustment

The permanent risk adjustment program established by the ACA transfers funds from qualified individual and small group insurance plans with below average risk scores to those plans with above average risk scores within each state. The Company estimates the receivable or payable under the risk adjustment program based on its estimated risk score compared to the state average risk score. The Company may record a receivable or payable as an adjustment to premium revenues to reflect the year-to-date impact of the risk adjustment based on its best estimate. The Company refines its estimate as new information becomes available.

Minimum Medical Loss Ratio

Additionally, the ACA established a minimum MLR for the Health Insurance Marketplace. The risk adjustment program described above is taken into consideration to determine if the Company's estimated annual medical costs are less than the minimum MLR and require an adjustment to premium revenues to meet the minimum MLR.

Cost Sharing Reductions

The ACA directs issuers to reduce the Company's members' cost sharing for essential health benefits for individuals with Federal Poverty Levels (FPLs) between 100% and 250% who are enrolled in a silver tier product; eliminate cost sharing for Indians/Alaska Natives with a FPL less than 300% and eliminate cost sharing for Indians/Alaska Natives regardless of FPL when services are provided by an Indian Health Service. In October 2017, the Trump Administration issued an executive order that immediately ceased payments of CSRs to issuers, and beginning in 2018, premium rates for Health Insurance Marketplace were set without factoring in the cost sharing subsidy payments from the federal government. In 2024, the Company reached an agreement with the federal government to retroactively compensate the Company for the difference between its actual CSR experience and its pricing assumptions for 2018 through 2020.

Premium and Trade Receivables and Unearned Revenue

Premium and service revenues collected in advance are recorded as unearned revenue. For performance-based contracts, the Company does not recognize revenue subject to refund until data is sufficient to measure performance. Premiums and service revenues due to the Company are recorded as premium and trade receivables and are recorded net of an allowance based on historical trends and management's judgment on the collectability of these accounts. As the Company generally receives payments during the month in which services are provided, the allowance is typically not significant in comparison to total revenues and does not have a material impact on the presentation of the financial condition or results of operations. Amounts receivable under federal contracts are comprised primarily of contractually defined billings, accrued contract incentives under the terms of the contract and amounts related to change orders for services not originally specified in the contract.

Activity in the allowance for uncollectible accounts is summarized below (\$ in millions):

	Year Ended December 31,		
	2024	2023	2022
Balance, January 1	\$ 120	\$ 130	\$ 139
Amounts charged to expense	68	58	70
Write-offs of uncollectible receivables	(77)	(68)	(79)
Balance, December 31	<u>\$ 111</u>	<u>\$ 120</u>	<u>\$ 130</u>

Significant Customers

The Company receives the majority of its revenues under contracts or subcontracts with state Medicaid managed care programs. None of the Company's customers exceeded 10% of total annual revenues for the years ended December 31, 2024, 2023 and 2022.

Other Income (Expense)

Other income (expense) consists routinely of investment income, interest expense and equity method earnings from investments. Investment income is derived from the Company's cash, cash equivalents, restricted deposits and investments. Interest expense relates to borrowings under the senior notes, credit facilities, mortgage and construction loans and capital leases. Further, other income (expense) includes gains or losses on sales of investments, divestitures and acquisitions as well as debt extinguishment costs.

Income Taxes

Deferred tax assets and liabilities are recorded for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax law or tax rates is recognized in income in the period that includes the enactment date.

Valuation allowances are provided when it is considered more likely than not that deferred tax assets will not be realized. In determining if a deductible temporary difference or net operating loss can be realized, the Company considers future reversals of existing taxable temporary differences, future taxable income, taxable income in prior carryback periods and tax planning strategies.

Contingencies

The Company accrues for loss contingencies associated with outstanding litigation, claims and assessments for which it has determined it is probable that a loss contingency exists and the amount of loss can be reasonably estimated. The Company expenses professional fees associated with litigation claims and assessments as incurred.

Stock Based Compensation

Stock based compensation expense is recognized at grant date fair value over the period during which an employee is required to provide service in exchange for the award. Excess tax benefits related to stock compensation are presented as a cash inflow from operating activities. The Company accounts for forfeitures when they occur.

Recently Adopted Accounting Guidance

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07 - Segment Reporting: Improvements to Reportable Segment Disclosures which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The amendments will require public entities to disclose significant segment expenses that are regularly provided to the chief operating decision-maker and included within segment profit and loss. The new standard is effective for annual periods beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. The Company adopted the new guidance in the fourth quarter of 2024.

In December 2023, the FASB issued ASU 2023-09 - Income taxes: Improvements to Income Tax Disclosures which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The new standard is effective for annual periods beginning after December 15, 2024. The Company early adopted the new guidance in the fourth quarter of 2024, as permissible by the ASU.

Recent Accounting Guidance Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03 - Income Statement - Reporting Comprehensive Income: Disaggregation of Income Statement Expenses which expands disclosures about specific expense categories presented on the face of the Statement of Operations. The new standard is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. The Company is currently evaluating the effect of the new disclosure requirements.

3. Acquisitions and Divestitures

Spanish and Central European Divestiture

On November 16, 2022, the Company completed the divestiture of its ownership stakes in its Spanish and Central European businesses, including Ribera Salud, Torrejón Salud and Pro Diagnostics Group.

During 2022, the Company recorded an impairment charge primarily related to intangible assets and goodwill associated with the divestiture of \$163 million, or \$140 million after-tax. In 2023, the Company recognized an additional loss on sale of \$13 million, or \$10 million after-tax, which is included in investment and other income in the Consolidated Statements of Operations.

Magellan Rx Divestiture

On December 2, 2022, the Company completed the divestiture of Magellan Rx for \$1,337 million. The Company recognized a gain of \$269 million, or \$99 million after-tax, which is included in investment and other income in the Consolidated Statements of Operations.

During 2023, the Company recorded a reduction to the previously reported gain on the divestiture of \$22 million, or \$10 million after-tax, due to the finalization of working capital adjustments.

Magellan Specialty Health Divestiture

On January 20, 2023, the Company completed the divestiture of Magellan Specialty Health for \$646 million in cash and stock, including an estimated working capital adjustment, and recognized a gain of \$79 million, or \$68 million after-tax. The stock consideration was subsequently sold in April 2023 for cash proceeds of \$245 million.

During 2024, the Company recorded an additional gain on the previously reported divestiture of Magellan Specialty Health of \$83 million for achievement of contingent consideration related to the sale and finalization of working capital adjustments, which is included in investment and other income in the Consolidated Statements of Operations.

Centurion Divestiture

On January 10, 2023, the Company signed and closed a definitive agreement to divest Centurion. During 2022, the Company recorded an impairment charge related to goodwill and other current assets associated with the divestiture of \$259 million, or \$181 million after-tax. During 2023, the Company recognized a gain of \$15 million, or \$10 million after-tax, reflecting additional proceeds for contingent consideration, partially offset by net working capital adjustments. The gain is included in investment and other income in the Consolidated Statements of Operations.

HealthSmart Divestiture

On January 5, 2023, the Company completed the divestiture of HealthSmart. During 2022, the Company recorded an impairment charge related to goodwill associated with the divestiture of \$36 million, or \$27 million after-tax.

Apixio Divestiture

On June 13, 2023, the Company completed the divestiture of its majority stake in Apixio. During 2023, the Company recognized a pre-tax gain of \$93 million, or \$67 million after-tax, which is included in investment and other income in the Consolidated Statements of Operations.

Circle Health Group Divestiture

On August 28, 2023, the Company signed a definitive agreement to sell Circle Health, one of the U.K.'s largest independent hospital operators, which is included in the Other segment. As of December 31, 2023, the assets and liabilities of Circle Health were considered held for sale resulting in \$3,897 million of assets held for sale in other current assets and \$3,094 million of liabilities held for sale in accounts payable and accrued expenses in the Consolidated Balance Sheets. The majority of the held for sale assets were previously reported as other long-term assets, goodwill and property, software and equipment. The majority of the liabilities were previously reported as debt and other long-term liabilities.

In accordance with the signed definitive agreement in the third quarter of 2023, and subsequently updated in the fourth quarter of 2023, the Company recorded impairment charges related to goodwill associated with the pending divestiture totaling \$292 million, or \$258 million after-tax.

In order to manage the foreign exchange risk on the sale price associated with the pending divestiture of Circle Health, in August 2023 the Company entered into a foreign currency swap agreement for a notional amount of \$931 million, to sell £740 million. The swap agreement was formally designated and qualified as a cash flow hedge. The swap expired on the earlier of the divestiture closing date or March 28, 2024. The gain or loss due to changes in the fair value of the foreign currency swap was recorded in other comprehensive income until the Circle Health divestiture closed, at which time the gain or loss was recorded in earnings to the same line in the Consolidated Statements of Operations as the gain or loss on sale. The fair value of the swap agreement as of December 31, 2023 was \$13 million, which was recorded in accounts payable and accrued expenses in the Consolidated Balance Sheets.

On January 12, 2024, the Company completed the divestiture for \$931 million and settled the foreign currency swap. Upon closing the divestiture, the Company settled the foreign currency swap and recorded a corresponding gain of \$20 million, which includes the cumulative translation adjustment previously recorded in accumulated other comprehensive income in the Consolidated Balance Sheet. The gain is included in investment and other income in the Consolidated Statements of Operations. During the year ended December 31, 2024, the Company realized a net tax benefit of approximately \$40 million on the loss recognized on the divestiture.

Operose Health Group Divestiture

In November 2023, the Company signed a definitive agreement to sell Operose Health and completed the divestiture on December 28, 2023. During 2023, the Company recorded impairment charges to Operose Health primarily related to goodwill, intangible assets and property, software and equipment of \$140 million, or \$128 million after-tax based on market indicators of fair value.

Collaborative Health Systems Divestiture

In July 2024, the Company entered into a definitive agreement to sell CHS, a management services organization, which is included in the Other segment.

On October 4, 2024, the Company completed the previously announced sale of CHS. During 2024, the Company recognized a pre-tax gain of \$17 million, or \$13 million after-tax, which is included in investment and other income in the Consolidated Statements of Operations.

4. Short-term and Long-term Investments, Restricted Deposits

Short-term and long-term investments and restricted deposits by investment type consist of the following (\$ in millions):

	December 31, 2024				December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Debt securities:								
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 593	\$ 2	\$ (4)	\$ 591	\$ 403	\$ —	\$ (8)	\$ 395
Corporate securities	10,820	47	(360)	10,507	9,984	78	(461)	9,601
Restricted certificates of deposit	4	—	—	4	4	—	—	4
Restricted cash equivalents	93	—	—	93	259	—	—	259
Short-term time deposits	425	—	—	425	746	—	—	746
Municipal securities	4,174	7	(151)	4,030	4,135	21	(171)	3,985
Asset-backed securities	1,820	13	(21)	1,812	1,665	8	(35)	1,638
Residential mortgage-backed securities	1,807	1	(129)	1,679	1,503	7	(103)	1,407
Commercial mortgage-backed securities	1,298	3	(62)	1,239	1,149	5	(82)	1,072
Equity securities	14	—	—	14	17	—	—	17
Private equity investments	851	—	—	851	833	—	—	833
Life insurance contracts	196	—	—	196	174	—	—	174
Total	<u>\$ 22,095</u>	<u>\$ 73</u>	<u>\$ (727)</u>	<u>\$ 21,441</u>	<u>\$ 20,872</u>	<u>\$ 119</u>	<u>\$ (860)</u>	<u>\$ 20,131</u>

The Company's investments are debt securities classified as available-for-sale with the exception of equity securities, certain private equity investments and life insurance contracts. Private equity investments include direct investments in private equity securities as well as private equity funds. In December 2024, the Company impaired a private equity investment for \$50 million. The Company's investment policies are designed to provide liquidity, preserve capital and maximize total return on invested assets with a focus on high credit quality securities. The Company limits the size of investment in any single issuer other than U.S. treasury securities and obligations of U.S. government corporations and agencies. As of December 31, 2024, 99% of the Company's investments in rated securities carry an investment grade rating by nationally recognized statistical rating organizations. At December 31, 2024, the Company held certificates of deposit, equity securities, private equity investments and life insurance contracts, which did not carry a credit rating. Accrued interest income on available-for-sale debt securities was \$178 million and \$153 million at December 31, 2024 and 2023, respectively, and is included in other current assets in the Consolidated Balance Sheets.

The Company's residential mortgage-backed securities are primarily issued by the Federal National Mortgage Association, Government National Mortgage Association or Federal Home Loan Mortgage Corporation, which carry implicit or explicit guarantees of the U.S. government. The Company's commercial mortgage-backed securities are primarily senior tranches with a weighted average rating of AA+ and a weighted average duration of 3 years at December 31, 2024.

The fair value of available-for-sale debt securities with gross unrealized losses by investment type and length of time that individual securities have been in a continuous unrealized loss position were as follows (\$ in millions):

	December 31, 2024				December 31, 2023			
	Less Than 12 Months		12 Months or More		Less Than 12 Months		12 Months or More	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ (1)	\$ 60	\$ (3)	\$ 144	\$ —	\$ 79	\$ (8)	\$ 232
Corporate securities	(41)	2,621	(319)	4,782	(6)	658	(455)	6,260
Municipal securities	(16)	1,217	(135)	2,073	(4)	553	(167)	2,237
Asset-backed securities	(4)	301	(17)	331	(2)	197	(33)	855
Residential mortgage-backed securities	(18)	786	(111)	738	(2)	153	(101)	814
Commercial mortgage-backed securities	(4)	210	(58)	666	(2)	114	(80)	754
Short-term time deposits	—	—	—	—	—	31	—	—
Total	<u>\$ (84)</u>	<u>\$ 5,195</u>	<u>\$ (643)</u>	<u>\$ 8,734</u>	<u>\$ (16)</u>	<u>\$ 1,785</u>	<u>\$ (844)</u>	<u>\$ 11,152</u>

As of December 31, 2024, the gross unrealized losses were generated from 5,276 positions out of a total of 6,750 positions. The change in fair value of available-for-sale debt securities is primarily a result of movement in interest rates subsequent to the purchase of the security.

For each security in an unrealized loss position, the Company assesses whether it intends to sell the security or if it is more likely than not the Company will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual or regulatory purposes. If the security meets this criterion, the decline in fair value is recorded in earnings. The Company does not intend to sell these securities prior to maturity and it is not likely that the Company will be required to sell these securities prior to maturity; therefore, the Company did not record an impairment for these securities.

In addition, the Company monitors available-for-sale debt securities for credit losses. Certain investments have experienced a decline in fair value due to changes in credit quality, market interest rates and/or general economic conditions. The Company recognizes an allowance when evidence demonstrates that the decline in fair value is credit related. Evidence of a credit-related loss may include rating agency actions, adverse conditions specifically related to the security or failure of the issuer of the security to make scheduled payments.

The contractual maturities of short-term and long-term debt securities and restricted deposits are as follows (\$ in millions):

	December 31, 2024				December 31, 2023			
	Investments		Restricted Deposits		Investments		Restricted Deposits	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
One year or less	\$ 2,383	\$ 2,365	\$ 477	\$ 475	\$ 2,308	\$ 2,284	\$ 566	\$ 564
One year through five years	7,799	7,563	610	593	7,738	7,431	527	504
Five years through ten years	4,343	4,172	301	291	3,905	3,735	298	283
Greater than ten years	165	160	31	31	155	154	34	35
Asset-backed securities	4,925	4,730	—	—	4,317	4,117	—	—
Total	<u>\$ 19,615</u>	<u>\$ 18,990</u>	<u>\$ 1,419</u>	<u>\$ 1,390</u>	<u>\$ 18,423</u>	<u>\$ 17,721</u>	<u>\$ 1,425</u>	<u>\$ 1,386</u>

Actual maturities may differ from contractual maturities due to call or prepayment options. Equity securities, private equity investments and life insurance contracts are excluded from the table above because they do not have a contractual maturity. The Company has an option to redeem substantially all of the securities included in the greater than ten years category listed above at amortized cost.

5. Fair Value Measurements

Assets and liabilities recorded at fair value in the Consolidated Balance Sheets are categorized based upon observable or unobservable inputs used to estimate fair value. Level inputs are as follows:

Level Input:	Input Definition:
Level I	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level II	Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarizes fair value measurements by level at December 31, 2024, for assets and liabilities measured at fair value on a recurring basis (\$ in millions):

	Level I	Level II	Level III	Total
Assets				
Cash and cash equivalents	\$ 14,063	\$ —	\$ —	\$ 14,063
Investments:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 58	\$ —	\$ —	\$ 58
Corporate securities	—	10,505	—	10,505
Municipal securities	—	3,272	—	3,272
Short-term time deposits	—	425	—	425
Asset-backed securities	—	1,812	—	1,812
Residential mortgage-backed securities	—	1,679	—	1,679
Commercial mortgage-backed securities	—	1,239	—	1,239
Equity securities	13	1	—	14
Total investments	\$ 71	\$ 18,933	\$ —	\$ 19,004
Restricted deposits:				
Cash and cash equivalents	\$ 93	\$ —	\$ —	\$ 93
U.S. Treasury securities and obligations of U.S. government corporations and agencies	533	—	—	533
Corporate securities	—	2	—	2
Certificates of deposit	—	4	—	4
Municipal securities	—	758	—	758
Total restricted deposits	\$ 626	\$ 764	\$ —	\$ 1,390
Total assets at fair value	\$ 14,760	\$ 19,697	\$ —	\$ 34,457

The following table summarizes fair value measurements by level at December 31, 2023, for assets and liabilities measured at fair value on a recurring basis (\$ in millions):

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 17,193	\$ —	\$ —	\$ 17,193
Investments:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 62	\$ —	\$ —	\$ 62
Corporate securities	—	9,564	—	9,564
Municipal securities	—	3,232	—	3,232
Short-term time deposits	—	746	—	746
Asset-backed securities	—	1,638	—	1,638
Residential mortgage-backed securities	—	1,407	—	1,407
Commercial mortgage-backed securities	—	1,072	—	1,072
Equity securities	15	2	—	17
Total investments	<u>\$ 77</u>	<u>\$ 17,661</u>	<u>\$ —</u>	<u>\$ 17,738</u>
Restricted deposits:				
Cash and cash equivalents	\$ 259	\$ —	\$ —	\$ 259
U.S. Treasury securities and obligations of U.S. government corporations and agencies	333	—	—	333
Corporate securities	—	37	—	37
Certificates of deposit	—	4	—	4
Municipal securities	—	753	—	753
Total restricted deposits	<u>\$ 592</u>	<u>\$ 794</u>	<u>\$ —</u>	<u>\$ 1,386</u>
Total assets at fair value	<u>\$ 17,862</u>	<u>\$ 18,455</u>	<u>\$ —</u>	<u>\$ 36,317</u>
<u>Liabilities</u>				
Accounts payable and accrued expenses:				
Foreign currency swap agreement	\$ —	\$ 13	\$ —	\$ 13
Total liabilities at fair value	<u>\$ —</u>	<u>\$ 13</u>	<u>\$ —</u>	<u>\$ 13</u>

The Company utilizes matrix pricing services to estimate fair value for securities which are not actively traded on the measurement date. The Company designates these securities as Level II fair value measurements. In addition, the aggregate carrying amount of the Company's private equity investments and life insurance contracts, which approximates fair value, was \$1,047 million and \$1,007 million as of December 31, 2024 and December 31, 2023, respectively.

6. Property, Software and Equipment

Property, software and equipment consist of the following (\$ in millions):

	December 31, 2024	December 31, 2023
Computer software	\$ 3,051	\$ 2,631
Computer hardware	535	542
Buildings	523	534
Furniture and office equipment	332	304
Leasehold improvements	273	252
Land	156	156
Property, software and equipment, at cost	<u>4,870</u>	<u>4,419</u>
Less: accumulated depreciation	<u>(2,803)</u>	<u>(2,400)</u>
Property, software and equipment, net	<u><u>\$ 2,067</u></u>	<u><u>\$ 2,019</u></u>

Depreciation expense for the years ended December 31, 2024, 2023 and 2022 was \$549 million, \$575 million and \$614 million, respectively.

During the second quarter of 2022, in connection with the adoption of a more modern, flexible work environment, the Company undertook a real estate optimization initiative to evaluate future real estate needs and downsize its real estate footprint for owned and leased properties. As a result of this evaluation, the Company substantially changed the use or abandoned various properties and assessed for impairment. The Company engaged a third-party real estate specialist to determine the fair value of its owned properties. The valuation primarily considered comparable properties in each market as well as future cash flows.

As a result of the optimization, the Company recognized impairment charges related to owned real estate and fixed assets related to leased real estate of \$57 million and \$1,050 million for the years ended December 31, 2023 and 2022, respectively. The remainder of the \$97 million and \$1,627 million impairment charges for the years ended December 31, 2023 and 2022, respectively, relate to right-of-use (ROU) asset impairments, which is included within other long-term assets in the Consolidated Balance Sheets, refer to Note 11. *Leases*. Additionally, during 2024, the Company sold an owned property for a pre-tax gain of \$24 million.

7. Goodwill and Intangible Assets

The following table summarizes the changes in goodwill by operating segment (\$ in millions):

	Medicaid	Medicare	Commercial	Other	Consolidated Total
Balance, December 31, 2022	\$ 10,198	\$ 1,592	\$ 5,424	\$ 1,598	\$ 18,812
Divestitures	—	—	—	(912)	(912)
Impairments	—	—	—	(392)	(392)
Translation impact	—	—	—	50	50
Balance, December 31, 2023	<u>\$ 10,198</u>	<u>\$ 1,592</u>	<u>\$ 5,424</u>	<u>\$ 344</u>	<u>\$ 17,558</u>
Current year activity	—	—	—	—	—
Balance, December 31, 2024	<u><u>\$ 10,198</u></u>	<u><u>\$ 1,592</u></u>	<u><u>\$ 5,424</u></u>	<u><u>\$ 344</u></u>	<u><u>\$ 17,558</u></u>

In 2023, divestiture related activity in goodwill included the completed divestiture of Apixio as well as \$760 million of goodwill reclassified to other current assets associated with the divestiture of Circle Health, which was considered held for sale as of December 31, 2023.

The Company's Other segment impairments in 2023 were driven by the Circle Health and Operose Health divestitures.

Intangible assets at December 31, consist of the following (\$ in millions):

			Weighted Average Useful Life in Years	
	2024	2023	2024	2023
Purchased contract rights and customer relationships	\$ 7,845	\$ 7,845	13.5	13.5
Trade names	943	943	15.6	15.6
Provider contracts	612	612	14.0	14.0
Developed technologies	298	298	4.4	4.4
Intangible assets	<u>9,698</u>	<u>9,698</u>	13.4	13.4
Less: accumulated amortization				
Purchased contract rights and customer relationships	(3,348)	(2,768)		
Trade names	(383)	(320)		
Provider contracts	(271)	(227)		
Developed technologies	(287)	(282)		
Total accumulated amortization	<u>(4,289)</u>	<u>(3,597)</u>		
Intangible assets, net	<u>\$ 5,409</u>	<u>\$ 6,101</u>		

Amortization expense was \$692 million, \$718 million and \$817 million for the years ended December 31, 2024, 2023 and 2022, respectively. Estimated total amortization expense related to the December 31, 2024 intangible assets for each of the five succeeding fiscal years is as follows (\$ in millions):

	Estimated Total Amortization Expense	
2025	\$	690
2026		673
2027		663
2028		662
2029		558

8. Medical Claims Liability

The following table summarizes the change in medical claims liability for the year ended December 31, 2024 (\$ in millions):

	<u>Medicaid</u>	<u>Medicare</u>	<u>Commercial</u>	<u>Other</u>	<u>Consolidated Total</u>
Balance, January 1, 2024	\$ 10,814	\$ 3,612	\$ 3,460	\$ 114	\$ 18,000
Less: Reinsurance recoverables	5	—	44	—	49
Balance, January 1, 2024, net	10,809	3,612	3,416	114	17,951
Incurred related to:					
Current year	78,886	21,170	26,548	1,708	128,312
Prior years	(1,370)	(575)	(509)	7	(2,447)
Total incurred	77,516	20,595	26,039	1,715	125,865
Paid related to:					
Current year	69,351	18,036	22,547	1,522	111,456
Prior years	8,693	2,655	2,492	119	13,959
Total paid	78,044	20,691	25,039	1,641	125,415
Plus: Premium deficiency reserve	—	(158)	—	—	(158)
Balance, December 31, 2024, net	10,281	3,358	4,416	188	18,243
Plus: Reinsurance recoverables	18	—	47	—	65
Balance, December 31, 2024	<u>\$ 10,299</u>	<u>\$ 3,358</u>	<u>\$ 4,463</u>	<u>\$ 188</u>	<u>\$ 18,308</u>

The following table summarizes the change in medical claims liability for the year ended December 31, 2023 (\$ in millions):

	<u>Medicaid</u>	<u>Medicare</u>	<u>Commercial</u>	<u>Other</u>	<u>Consolidated Total</u>
Balance, January 1, 2023	\$ 11,253	\$ 3,431	\$ 1,921	\$ 140	\$ 16,745
Less: Reinsurance recoverables	7	—	19	—	26
Balance, January 1, 2023, net	11,246	3,431	1,902	140	16,719
Incurred related to:					
Current year	79,747	19,487	19,966	1,480	120,680
Prior years	(1,537)	(343)	(150)	(6)	(2,036)
Total incurred	78,210	19,144	19,816	1,474	118,644
Paid related to:					
Current year	69,904	16,631	16,823	1,367	104,725
Prior years	8,743	2,582	1,479	133	12,937
Total paid	78,647	19,213	18,302	1,500	117,662
Plus: Premium deficiency reserve	—	250	—	—	250
Balance, December 31, 2023, net	10,809	3,612	3,416	114	17,951
Plus: Reinsurance recoverables	5	—	44	—	49
Balance, December 31, 2023	<u>\$ 10,814</u>	<u>\$ 3,612</u>	<u>\$ 3,460</u>	<u>\$ 114</u>	<u>\$ 18,000</u>

The following table summarizes the change in medical claims liability for the year ended December 31, 2022 (\$ in millions):

	<u>Medicaid</u>	<u>Medicare</u>	<u>Commercial</u>	<u>Other</u>	<u>Consolidated Total</u>
Balance, January 1, 2022	\$ 9,845	\$ 2,286	\$ 2,014	\$ 98	\$ 14,243
Less: Reinsurance recoverables	23	—	—	—	23
Balance, January 1, 2022, net	9,822	2,286	2,014	98	14,220
Acquisitions and divestitures	—	—	—	105	105
Incurred related to:					
Current year	76,344	19,474	14,296	2,782	112,896
Prior years	(1,046)	(102)	(204)	(15)	(1,367)
Total incurred	75,298	19,372	14,092	2,767	111,529
Paid related to:					
Current year	66,221	16,275	12,556	2,747	97,799
Prior years	7,653	1,952	1,648	83	11,336
Total paid	73,874	18,227	14,204	2,830	109,135
Balance, December 31, 2022, net	11,246	3,431	1,902	140	16,719
Plus: Reinsurance recoverables	7	—	19	—	26
Balance, December 31, 2022	<u>\$ 11,253</u>	<u>\$ 3,431</u>	<u>\$ 1,921</u>	<u>\$ 140</u>	<u>\$ 16,745</u>

Reinsurance recoverables related to medical claims are included in premium and trade receivables. Changes in estimates of incurred claims for prior years were primarily attributable to reserving under moderately adverse conditions, including residual pandemic impacts. Additionally, as a result of minimum MLR and other return of premium programs, the Company recorded approximately \$243 million, \$382 million and \$198 million of the "Incurred related to: Prior years" as a reduction to premium revenues in 2024, 2023 and 2022, respectively. Further, claims processing and coordination of benefits initiatives yielded claim payment recoveries related to dates of service from prior years.

Changes in medical utilization, claims submission patterns, and cost trends and the effect of population health management initiatives may also contribute to changes in medical claim liability estimates. While the Company has evidence that population health management initiatives are effective on a case by case basis, population health management initiatives primarily focus on events and behaviors prior to the incurrence of the medical event and generation of a claim. Accordingly, any change in behavior, leveling of care or coordination of treatment occurs prior to claim generation and as a result, the costs prior to the population health management initiative are not known by the Company. Additionally, certain population health management initiatives are focused on member and provider education with the intent of influencing behavior to appropriately align the medical services provided with the member's acuity. In these cases, determining whether the population health management initiative changed the behavior cannot be determined. Because of the complexity of its business, the number of states in which it operates and the volume of claims that it processes, the Company is unable to practically quantify the impact of these initiatives on its changes in estimates of IBNR.

The Company reviews actual and anticipated experience compared to the assumptions used to establish medical costs. The Company establishes premium deficiency reserves if actual and anticipated experience indicates that existing policy liabilities together with the present value of future gross premiums will not be sufficient to cover the present value of future benefits, settlement and maintenance costs. For purposes of determining premium deficiencies, contracts are grouped in a manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts and expected investment income is excluded. In December 2023, the Company recorded a premium deficiency reserve of \$250 million related to the 2024 Medicare Advantage contract year. In December 2024, the Company recorded a premium deficiency reserve of \$92 million related to the 2025 Medicare Advantage contract year.

Information about incurred and paid claims development as of December 31, 2024 is included in the table below. The claims development information for all periods preceding the most recent reporting period is considered required supplementary information.

Consolidated incurred and paid claims development as of December 31, 2024 is as follows (\$ in millions):

Cumulative Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance					
For the Year Ended December 31,					
Claim Year	2022 (unaudited)		2023 (unaudited)		2024
2022	\$	112,896	\$	110,870	\$ 110,394
2023				120,680	118,709
2024					128,312
				Total incurred claims	\$ 357,415

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance					
For the Year Ended December 31,					
Claim Year	2022 (unaudited)		2023 (unaudited)		2024
2022	\$	97,799	\$	109,680	\$ 110,097
2023				104,725	117,635
2024					111,456
				Total payment of incurred claims	339,188
				All outstanding liabilities prior to 2022, net of reinsurance	174
				Medical claims liability, net of reinsurance	\$ 18,401

Incurred and paid claims development for the Medicaid segment as of December 31, 2024 is as follows (\$ in millions):

Cumulative Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance					
For the Year Ended December 31,					
Claim Year	2022 (unaudited)		2023 (unaudited)		2024
2022	\$	76,344	\$	74,861	\$ 74,722
2023				79,747	78,517
2024					78,885
				Total incurred claims	\$ 232,124

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance					
For the Year Ended December 31,					
Claim Year	2022 (unaudited)		2023 (unaudited)		2024
2022	\$	66,220	\$	74,125	\$ 74,608
2023				69,904	77,952
2024					69,351
				Total payment of incurred claims	221,911
				All outstanding liabilities prior to 2022, net of reinsurance	68
				Medical claims liability, net of reinsurance	\$ 10,281

Incurred and paid claims development for the Medicare segment as of December 31, 2024 is as follows (\$ in millions):

Cumulative Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance					
For the Year Ended December 31,					
Claim Year	2022 (unaudited)		2023 (unaudited)		2024
2022	\$	19,475	\$	19,124	\$ 19,027
2023				19,487	19,008
2024					21,171
			Total incurred claims	\$	59,206

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance					
For the Year Ended December 31,					
Claim Year	2022 (unaudited)		2023 (unaudited)		2024
2022	\$	16,276	\$	18,818	\$ 18,942
2023				16,631	18,778
2024					18,036
			Total payment of incurred claims		55,756
			All outstanding liabilities prior to 2022, net of reinsurance		66
			Medical claims liability, net of reinsurance	\$	3,516

Incurred and paid claims development for the Commercial segment as of December 31, 2024 is as follows (\$ in millions):

Cumulative Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance					
For the Year Ended December 31,					
Claim Year	2022 (unaudited)		2023 (unaudited)		2024
2022	\$	14,296	\$	14,110	\$ 13,870
2023				19,966	19,698
2024					26,548
			Total incurred claims	\$	60,116

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance					
For the Year Ended December 31,					
Claim Year	2022 (unaudited)		2023 (unaudited)		2024
2022	\$	12,556	\$	13,963	\$ 13,773
2023				16,823	19,420
2024					22,547
			Total payment of incurred claims		55,740
			All outstanding liabilities prior to 2022, net of reinsurance		40
			Medical claims liability, net of reinsurance	\$	4,416

Incurred and paid claims development for the Other segment as of December 31, 2024 is as follows (\$ in millions):

Cumulative Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance					
For the Year Ended December 31,					
Claim Year	2022 (unaudited)		2023 (unaudited)		2024
2022	\$	2,781	\$	2,775	\$ 2,775
2023				1,480	1,486
2024					1,708
			Total incurred claims	\$	5,969

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance					
For the Year Ended December 31,					
Claim Year	2022 (unaudited)		2023 (unaudited)		2024
2022	\$	2,747	\$	2,774	\$ 2,774
2023				1,367	1,485
2024					1,522
			Total payment of incurred claims		5,781
			All outstanding liabilities prior to 2022, net of reinsurance		—
			Medical claims liability, net of reinsurance	\$	188

Incurred claims and allocated claim adjustment expenses, net of reinsurance, total IBNR plus expected development on reported claims and cumulative claims data as of December 31, 2024 are included in the following table. For claims frequency information summarized below, a claim is defined as the financial settlement of a single medical event in which remuneration was paid to the servicing provider. Total IBNR plus expected development on reported claims represents estimates for claims incurred but not reported, development on reported claims and estimates for the costs necessary to process unpaid claims at the end of each period. The Company estimates its liability using actuarial methods that are commonly used by health insurance actuaries and meet Actuarial Standards of Practice. These actuarial methods consider factors such as historical data for payment patterns, cost trends, product mix, seasonality, utilization of healthcare services and other relevant factors.

Consolidated information is summarized as follows (in millions):

	December 31, 2024		
	Incurring Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance	Total IBNR Plus Expected Development on Reported Claims	Cumulative Paid Claims
2022	\$ 110,394	\$ 3	638.0
2023	118,709	383	623.6
2024	128,312	12,079	641.3

Information for the Medicaid segment is summarized as follows (in millions):

	December 31, 2024		
	Incurring Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance	Total IBNR Plus Expected Development on Reported Claims	Cumulative Paid Claims
2022	\$ 74,722	\$ 3	370.9
2023	78,517	218	345.6
2024	78,885	6,968	300.1

Information for the Medicare segment is summarized as follows (in millions):

	December 31, 2024		
	Incurring Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance	Total IBNR Plus Expected Development on Reported Claims	Cumulative Paid Claims
2022	\$ 19,027	\$ —	204.8
2023	19,008	102	200.6
2024	21,171	1,724	253.0

Information for the Commercial segment is summarized as follows (in millions):

	December 31, 2024		
	Incurring Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance	Total IBNR Plus Expected Development on Reported Claims	Cumulative Paid Claims
2022	\$ 13,870	\$ —	57.5
2023	19,698	62	72.9
2024	26,548	3,211	83.0

Information for the Other segment is summarized as follows (in millions):

	December 31, 2024		
	Incurring Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance	Total IBNR Plus Expected Development on Reported Claims	Cumulative Paid Claims
2022	\$ 2,775	\$ —	4.8
2023	1,486	1	4.5
2024	1,708	176	5.2

9. Affordable Care Act

The ACA established risk spreading premium stabilization programs as well as a minimum annual MLR and CSRs.

The Company's net receivables (payables) for each of the programs are as follows (\$ in millions):

	December 31, 2024	December 31, 2023
Risk adjustment receivable	\$ 1,434	\$ 893
Risk adjustment payable	(1,605)	(2,553)
Minimum medical loss ratio	(688)	(164)
Cost sharing reduction receivable	305	—
Cost sharing reduction payable	(74)	(114)

In July 2024, CMS announced the final risk adjustment transfers for the 2023 benefit year. As a result of the announcement, the risk adjustment net payable was decreased by \$1,475 million in the twelve months ended December 31, 2024. After consideration of minimum MLR and other related impacts, which includes the effect to the 2024 benefit year, the net pre-tax benefit recognized was \$853 million for the year ended December 31, 2024.

In October 2017, the Trump Administration issued an executive order that immediately ceased payments of CSRs to issuers, and beginning in 2018, premium rates for Health Insurance Marketplace were set without factoring in the cost sharing subsidy payments from the federal government. In 2024, the Company reached an agreement with the federal government to retroactively compensate the Company \$299 million (gross) for the difference between its actual CSR experience and its pricing assumptions for 2018 through 2020.

10. Debt

Debt consists of the following (\$ in millions):

	December 31, 2024	December 31, 2023
\$2,500 million 4.25% Senior Notes, due December 15, 2027	\$ 2,398	\$ 2,395
\$2,300 million 2.45% Senior Notes, due July 15, 2028	2,302	2,303
\$3,500 million 4.625% Senior Notes, due December 15, 2029	3,277	3,277
\$2,000 million 3.375% Senior Notes, due February 15, 2030	2,000	2,000
\$2,200 million 3.00% Senior Notes, due October 15, 2030	2,200	2,200
\$2,200 million 2.50% Senior Notes, due March 1, 2031	2,200	2,200
\$1,300 million 2.625% Senior Notes, due August 1, 2031	1,300	1,300
Total senior notes	<u>15,677</u>	<u>15,675</u>
Term Loan Facility	2,006	2,115
Revolving Credit Agreement	950	150
Finance leases and other	—	11
Debt issuance costs	(100)	(122)
Total debt	<u>18,533</u>	<u>17,829</u>
Less: current portion	(110)	(119)
Long-term debt	<u>\$ 18,423</u>	<u>\$ 17,710</u>

Senior Notes

The indentures governing the senior notes listed in the table above contain restrictive covenants of Centene Corporation. At December 31, 2024, the Company was in compliance with all covenants.

Circle Health Debt Refinancing

In May 2022, the Company refinanced certain debt agreements for its Circle Health subsidiary with a new £250 million credit facility maturing in May 2025. The Company recognized a \$13 million pre-tax gain on the extinguishment of the existing debt. As of December 31, 2023, £150 million was drawn on the facility, and was included in accounts payable and accrued expenses in the Consolidated Balance Sheets as a liability held for sale. The facility is guaranteed by the Company and has similar borrowing rates and covenants to the Company's Revolving Credit Agreement, except it uses the Sterling Overnight Index Average (SONIA) as the reference rate for the interest rate payable. In January 2024, the Company completed the divestiture of Circle Health and terminated the credit facility.

Revolving Credit Facility and Term Loan Credit Facility

In May 2023, the Company entered into a first amendment to the Company's Fourth Amended and Restated Credit Agreement. The amendment removed and replaced the interest rate benchmark based on the London Interbank Offered Rate (LIBOR) and related LIBOR-based mechanics applicable to U.S. dollar borrowings under the Amended and Restated Credit Agreement with an interest rate benchmark based on the Secured Overnight Financing Rate (SOFR) (including a customary credit spread adjustment) and related SOFR-based mechanics. Additionally, the amendment removed certain provisions which required the Company to make certain mandatory prepayments of the Term Loan Facility.

The Company has (i) unsecured \$2,000 million multi-currency revolving credit facility (the Revolving Credit Facility), which includes a \$300 million sub-limit for letters of credit and a \$200 million sub-limit for swingline loans and (ii) a \$2,200 million unsecured delayed-draw term loan facility (the Term Loan Facility, and together with the Revolving Credit Facility, the Company Credit Facility). Borrowings under the Revolving Credit Facility bear interest, at the Company's option, at SOFR, SONIA, Euro Interbank Offered Rate (EURIBOR), Swiss Average Rate Overnight (SARON), Tokyo Interbank Offered Rate (TIBOR), Bank Buying Rate (BBR) or base rates plus, in each case, an applicable margin between 1.50% to 1.125%, based on the total debt-to-EBITDA ratio and type of borrowing. Borrowings under the Term Loan Facility bear interest, at the Company's option, at SOFR or base rates plus, in each case, an applicable margin based on the total debt-to-EBITDA ratio. The Company has an uncommitted option to increase its Company Credit Facility by an additional \$500 million plus certain additional amounts based on its total debt-to-EBITDA ratio. The Term Loan Facility includes scheduled amortization payments equal to 0% for the first year following closing, 2.5% for the second year following closing and 5% thereafter until maturity.

The Company Credit Facility contains financial covenants including maintenance of a minimum fixed charge coverage ratio and a restriction on the Company's maximum total debt-to-EBITDA ratio not to exceed 4.0 to 1.0. It also contains certain non-financial covenants including: limitations on incurrence of additional indebtedness; restrictions on incurrence of liens; restrictions on dividends and other restricted payments; restrictions on investments, mergers, consolidations and asset sales; and limitations on transactions with affiliates. As of December 31, 2024, the Company was in compliance with all financial and non-financial covenants under the Company Credit Facility.

As of December 31, 2024, the Company had \$950 million of borrowings outstanding under the Revolving Credit Facility, with an interest rate of the base rate plus 0.25% margin, and \$2,006 million of borrowings outstanding under the Company's Term Loan Facility.

The Revolving Credit Facility and the Term Loan Facility will mature on August 16, 2026.

Senior Note Debt Repurchase Program

In June 2022, the Company's Board of Directors authorized a \$1,000 million senior note debt repurchase program in preparation for future debt reductions as part of the Company's strategic initiatives. No repurchases were made during the year ended December 31, 2024 and 2023. As of December 31, 2024, there was \$700 million available under the senior note debt repurchase program.

Letters of Credit & Surety Bonds

The Company had outstanding letters of credit of \$145 million as of December 31, 2024, which were not part of the Revolving Credit Facility. The letters of credit bore interest at 0.7% as of December 31, 2024. The Company had outstanding surety bonds of \$844 million as of December 31, 2024.

Aggregate maturities for the Company's debt for the years ending December 31, are as follows (\$ in millions):

	<u>Aggregate Maturities</u>
2025	\$ 110
2026	2,848
2027	2,405
2028	2,300
2029	3,277
Thereafter	7,700
Total	<u>\$ 18,640</u>

The fair value of outstanding debt was approximately \$16,929 million and \$16,322 million at December 31, 2024 and 2023, respectively.

11. Leases

The Company records ROU assets and lease liabilities for non-cancelable operating leases primarily for real estate and equipment. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Expense related to leases is recorded on a straight-line basis over the lease term, including rent holidays. The Company recognized operating lease expense of \$108 million and \$349 million during the years ended December 31, 2024 and 2023, respectively.

The Company considers the existence of options to extend or terminate leases in its analysis of the lease term for the purposes of measuring its ROU assets and lease liabilities. The renewal options are not included in the measurement of the ROU assets and lease liabilities unless the Company is reasonably certain to exercise the optional renewal periods.

The following table sets forth the ROU assets and lease liabilities (\$ in millions):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Assets		
ROU assets (recorded within other long-term assets)	\$ 359	\$ 396
Liabilities		
Short-term (recorded within accounts payable and accrued expenses)	\$ 158	\$ 168
Long-term (recorded within other long-term liabilities)	738	880
Total lease liabilities	<u>\$ 896</u>	<u>\$ 1,048</u>

Cash paid for amounts included in the measurement of lease liabilities, recorded as operating cash flows in the Consolidated Statements of Cash Flows, was \$227 million and \$378 million during the years ended December 31, 2024 and 2023, respectively. New operating leases commenced resulting in the recognition of ROU assets and lease liabilities of \$69 million and \$40 million during the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024, the Company had additional operating leases that have not yet commenced of \$8 million. These operating leases will commence in 2025 with lease terms of approximately five years.

As part of the real estate optimization initiative as described in Note 6. *Property, Software and Equipment*, the Company vacated and abandoned various domestic leased properties. As a result, the Company assessed the ROU assets for impairment. The Company engaged a third-party real estate specialist to determine the recoverability of the leased properties. The valuation primarily considered comparable leased properties in each market and the assessment of potential future rental income that could be generated by the ROU assets.

As a result of the real estate optimization initiative, the Company recognized \$40 million and \$577 million of ROU asset impairments for the years ended December 31, 2023 and 2022, respectively. The remainder of the \$97 million and \$1,627 million real estate optimization impairment charges for the years ended December 31, 2023 and 2022, respectively, was related to Property, Software and Equipment, refer to Note 6. *Property, Software and Equipment*. No impairment charges related to this optimization occurred in 2024.

As of December 31, 2024, the weighted average remaining lease term for the Company was 7.5 years. The lease liabilities as of December 31, 2024, reflect a weighted average discount rate of 3.4%.

Lease payments over the next five years and thereafter are as follows (\$ in millions):

	<u>Lease Payments</u>	
2025	\$	185
2026		157
2027		134
2028		112
2029		98
Thereafter		334
Total lease payments		<u>1,020</u>
Less: imputed interest		<u>(124)</u>
Total lease liabilities	\$	<u><u>896</u></u>

12. Stockholders' Equity

The Company's Board of Directors has authorized a stock repurchase program of the Company's common stock from time to time on the open market or through privately negotiated transactions. In 2023, the Company's Board of Directors authorized an increase under the program of \$4,000 million. With these increases, the Company is authorized to repurchase up to \$10,000 million, inclusive of past authorizations. As of December 31, 2024, the Company had a remaining amount of \$2,230 million available under the Company's stock repurchase program. No duration has been placed on the repurchase program. The Company reserves the right to discontinue the repurchase program at any time.

Share repurchases in 2024, 2023 and 2022 were primarily funded through divestiture proceeds and free cash flow generated from operations. The following represents the Company's share repurchase activity (\$ in millions, shares in thousands):

	<u>Year Ended December 31,</u>					
	<u>2024</u>		<u>2023</u>		<u>2022⁽²⁾</u>	
	<u>Shares</u>	<u>Cost</u>	<u>Shares</u>	<u>Cost</u>	<u>Shares</u>	<u>Cost</u>
Share buybacks	41,987	\$ 2,999	22,886	\$ 1,577	35,655	\$ 2,994
Income tax withholding	1,494	114	828	56	1,213	102
Total share repurchases ⁽¹⁾	<u>43,481</u>	<u>\$ 3,113</u>	<u>23,714</u>	<u>\$ 1,633</u>	<u>36,868</u>	<u>\$ 3,096</u>

⁽¹⁾ Excludes year-to-date share repurchase excise tax of approximately \$28 million and \$10 million accrued as of December 31, 2024 and 2023, respectively.

⁽²⁾ Includes 11.6 million shares delivered as part of an accelerated share repurchase (ASR) agreement with a \$1,000 million notional amount. The Company purchased additional shares throughout the year through open market repurchases, including repurchase plans designed to comply with Rule 10b5-1.

Shares repurchased for income tax withholding are shares withheld in connection with employee stock plans to meet applicable tax withholding requirements. These shares are typically included in the Company's treasury stock.

13. Statutory Capital Requirements and Dividend Restrictions

Various state laws require Centene's regulated subsidiaries to maintain minimum capital levels specified by each state and restrict the amount of dividends that may be paid without prior regulatory approval. At December 31, 2024 and 2023, Centene's subsidiaries had aggregate statutory capital and surplus of \$20,258 million and \$18,117 million, respectively, compared with the required minimum aggregate statutory capital and surplus of \$9,083 million and \$8,267 million, respectively. As of December 31, 2024, the amount of capital and surplus or net worth that was unavailable for the payment of dividends or return of capital to the Company was \$9,083 million in the aggregate.

14. Income Taxes

The consolidated income tax expense consists of the following (\$ in millions):

	Year Ended December 31,		
	2024	2023	2022
Income (loss) from continuing operations before income tax expense (benefit)			
U.S. Federal	\$ 3,529	\$ 3,686	\$ 1,938
Foreign ⁽¹⁾	728	(88)	24
Total	<u>\$ 4,257</u>	<u>\$ 3,598</u>	<u>\$ 1,962</u>
Income tax expense (benefit) from continuing operations			
Current tax expense			
Federal	\$ 798	\$ 833	\$ 1,144
State and local	142	132	261
Foreign	—	1	4
Total current tax expense	<u>\$ 940</u>	<u>\$ 966</u>	<u>\$ 1,409</u>
Deferred tax expense (benefit)			
Federal	\$ 8	\$ (71)	\$ (514)
State and local	7	33	(126)
Foreign	8	(29)	(9)
Total deferred tax expense (benefit)	<u>\$ 23</u>	<u>\$ (67)</u>	<u>\$ (649)</u>
Total income tax expense (benefit)			
Federal	\$ 806	\$ 762	\$ 630
State and local	149	165	135
Foreign	8	(28)	(5)
Total income tax expense (benefit)	<u>\$ 963</u>	<u>\$ 899</u>	<u>\$ 760</u>

⁽¹⁾ Foreign income from continuing operations includes the Company's Cayman Islands reinsurance entity. The Company has elected for its Cayman Islands entity to be taxed as a U.S. corporation and pays U.S. tax at the 21% tax rate. The U.S. tax resulting from this entity is included in Federal income tax expense. This entity is expected to cease operating in 2025.

The reconciliation of the tax provision at the U.S. federal statutory rate to income tax expense is as follows (\$ in millions):

	Year Ended December 31,					
	2024		2023		2022	
	Total	%	Total	%	Total	%
Earnings from continuing operations, before income tax expense	\$ 4,257		\$ 3,598		\$ 1,962	
Tax provision at the U.S. federal statutory rate	894	21.0 %	756	21.0 %	412	21.0 %
Federal						
Effect of cross-border tax laws						
Global Intangible Low-Taxed Income (GILTI)	44	1.0 %	4	0.1 %	—	— %
Cayman Islands						
Statutory income tax rate differential ⁽¹⁾	142	3.3 %	62	1.7 %	6	0.3 %
Other	2	— %	(21)	(0.6)%	(1)	(0.1)%
Tax credits	(14)	(0.3)%	(5)	(0.1)%	(8)	(0.4)%
Changes in valuation allowances	(12)	(0.3)%	(2)	(0.1)%	(11)	(0.6)%
Nontaxable or nondeductible items						
Nondeductible compensation	37	0.9 %	29	0.8 %	51	2.6 %
Nondeductible goodwill	—	— %	—	— %	56	2.9 %
Nontaxable or nondeductible divestiture (gains) losses	(97)	(2.3)%	(9)	(0.3)%	79	4.0 %
Other nontaxable or nondeductible items	(1)	— %	(6)	(0.2)%	13	0.7 %
Other						
Deferred taxes for investments in subsidiaries	—	— %	—	— %	70	3.6 %
Excess tax benefit on stock awards	(3)	(0.1)%	(59)	(1.6)%	(13)	(0.7)%
Other	9	0.2 %	26	0.7 %	29	1.5 %
Foreign tax effects						
United Kingdom						
Nondeductible goodwill	(34)	(0.8)%	83	2.3 %	—	— %
Other	12	0.3 %	(26)	(0.7)%	(2)	(0.1)%
Cayman Islands						
Statutory income tax rate differential ⁽¹⁾	(142)	(3.3)%	(62)	(1.7)%	(6)	(0.3)%
Other jurisdictions	7	0.2 %	(16)	(0.4)%	—	— %
Changes in unrecognized tax benefits	24	0.6 %	27	0.8 %	13	0.7 %
State income taxes, net of federal income tax benefit ⁽²⁾	95	2.2 %	118	3.3 %	72	3.7 %
Income tax expense	<u>\$ 963</u>	<u>22.6 %</u>	<u>\$ 899</u>	<u>25.0 %</u>	<u>\$ 760</u>	<u>38.7 %</u>

⁽¹⁾ The Company has elected for its Cayman Islands reinsurance entity to be taxed as a U.S. corporation and pays U.S. tax at the 21% tax rate. The taxability of this entity does not represent a reconciling item between the U.S. federal rate and the Company's effective tax rate. This entity ceased to operate in 2025.

⁽²⁾ During the year ended December 31, 2024, state taxes in California, Florida and Illinois comprised greater than 50% of the tax effect in this category. During the year ended December 31, 2023, state taxes in California and Florida comprised greater than 50% of the tax effect in this category. During the year ended December 31, 2022, state taxes in California and Pennsylvania comprised greater than 50% of the tax effect in this category.

Income taxes paid are as follows (\$ in millions):

	Year Ended December 31,		
	2024	2023	2022
U.S. Federal ⁽¹⁾	\$ 930	\$ 698	\$ 1,009
Pennsylvania	*	53	*
Other ⁽²⁾	71	138	175
Total U.S. State and Local	71	191	175
Foreign	1	(2)	14
Total income taxes paid, net	<u>\$ 1,002</u>	<u>\$ 887</u>	<u>\$ 1,198</u>

⁽¹⁾ Includes amounts paid to purchase transferable tax credits of \$100 million and \$49 million during the years ended December 31, 2024 and 2023, respectively.

⁽²⁾ Includes amounts paid to purchase transferable tax credits of \$15 million, \$10 million and \$19 million during the years ended December 31, 2024, 2023 and 2022, respectively.

* The amount of income taxes paid during the years ended December 31, 2024 and 2022 does not meet the 5% disaggregation threshold.

The tax effects of temporary differences which give rise to deferred tax assets and liabilities are presented below (\$ in millions):

	December 31, 2024	December 31, 2023
Deferred tax assets:		
Medical claims liability	\$ 178	\$ 217
Nondeductible liabilities	81	111
Net operating loss and tax credit carryforwards	70	71
Compensation accruals	93	113
Premium and trade receivables	72	94
Operating lease liability	231	269
Unrealized gain/loss	153	179
Software development costs	246	193
Other	92	92
Deferred tax assets	1,216	1,339
Valuation allowance	(77)	(82)
Net deferred tax assets	<u>\$ 1,139</u>	<u>\$ 1,257</u>
Deferred tax liabilities:		
Goodwill and intangible assets	\$ 1,518	\$ 1,603
Fixed assets	135	127
Right-of-use asset	88	98
Other	82	70
Deferred tax liabilities	1,823	1,898
Net deferred tax liabilities	<u>\$ (684)</u>	<u>\$ (641)</u>

Valuation allowances are provided when it is considered more likely than not that deferred tax assets will not be realized. The valuation allowances primarily relate to future tax benefits on certain federal and state net operating loss, federal and state capital loss and tax credit carryforwards.

Federal net operating loss and credit carryforwards of \$11 million expire beginning in 2025 through 2042. State net operating loss and tax credit carryforwards of \$42 million expire beginning in 2025 through 2043, while the remaining \$16 million have indefinite carryforward periods.

The Company maintains a reserve for uncertain tax positions that may be challenged by a tax authority. A rollforward of the beginning and ending amount of uncertain tax positions, exclusive of related interest and penalties, is as follows (\$ in millions):

	Year Ended December 31,	
	2024	2023
Gross unrecognized tax benefits, January 1	\$ 439	\$ 410
Gross increases:		
Current year tax positions	16	19
Prior year tax positions	31	29
Gross decreases:		
Settlements ⁽¹⁾	(133)	(2)
Prior year tax positions	(6)	(10)
Statute of limitation lapses	(7)	(7)
Gross unrecognized tax benefits, December 31	<u>\$ 340</u>	<u>\$ 439</u>

⁽¹⁾ Primarily reflects the resolution of an item that had no net impact on the Consolidated Statement of Operations.

As of December 31, 2024, \$213 million of unrecognized tax benefits would impact the Company's effective tax rate in future periods, if recognized.

The table above excludes interest and penalties, net of related tax benefits, which are treated as income tax expense (benefit) under the Company's accounting policy. The Company recognized net interest expense and penalties related to uncertain positions of \$13 million and \$18 million for the years ended December 31, 2024 and 2023, respectively. The Company had \$98 million and \$84 million of accrued interest and penalties for uncertain tax positions as of December 31, 2024 and 2023, respectively.

The Company files federal tax returns as well as returns for numerous state tax jurisdictions and is engaged in multiple audit proceedings for its state filings. Generally, no further state audit activity is expected for years prior to 2015. As of December 31, 2024, the Company is not under federal examination.

15. Stock Incentive Plans

The Company's stock incentive plans allow for the granting of restricted stock or restricted stock unit awards and options to purchase common stock. Both incentive stock options and nonqualified stock options can be awarded under the plans. However, an immaterial amount of options were granted, exercised or outstanding in 2024. The plans have 10 million shares available for future awards.

Compensation expense for stock options and restricted stock unit awards is recognized on a straight-line basis over the vesting period, generally three to five years for stock options and one to three years for restricted stock or restricted stock unit awards. Vesting is accelerated by one year for individuals who qualify under the Company's retirement eligible provisions. Certain restricted stock unit awards contain performance-based or market-based provisions as well as service-based provisions. The fair value of restricted stock and restricted stock units with only service-based or performance-based provisions is determined using the previous day's market close price at the time of grant. The fair value of restricted stock units with market-based provisions is determined using a Monte Carlo simulation model. The fair value of stock options is determined based on the Black-Scholes option-pricing model. Forfeitures for all stock awards are recognized as they occur. The total compensation cost that has been charged against income for the stock incentive plans was \$212 million, \$216 million and \$234 million for the years ended December 31, 2024, 2023 and 2022, respectively. The total income tax benefit recognized in the Statements of Operations for stock-based compensation arrangements was \$26 million, \$101 million and \$48 million for the years ended December 31, 2024, 2023 and 2022, respectively.

A summary of the Company's non-vested restricted stock and restricted stock unit shares as of December 31, 2024, and changes during the year ended December 31, 2024, is presented below (shares in thousands):

	Shares	Weighted Average Grant Date Fair Value
Non-vested balance, December 31, 2023	7,462	\$ 68.96
Granted	3,741	76.84
Vested	(4,196)	69.42
Forfeited	(655)	70.88
Non-vested balance, December 31, 2024	6,352	\$ 73.10

The total fair value of restricted stock and restricted stock units vested during the years ended December 31, 2024, 2023 and 2022, was \$317 million, \$185 million and \$298 million, respectively.

As of December 31, 2024, there was \$223 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the plans; that cost is expected to be recognized over a weighted-average period of 1.9 years.

The Company maintains an employee stock purchase plan and issued 572 thousand shares, 607 thousand shares and 449 thousand shares in 2024, 2023 and 2022, respectively.

16. Retirement Plan

Centene has a defined contribution plan which covers substantially all team members who are at least 21 years of age. Under the plan, eligible team members may contribute a percentage of their base salary, subject to certain limitations. Centene may elect to match a portion of the employee's contribution. Company expense related to matching contributions to the plan was \$136 million, \$131 million and \$133 million during the years ended December 31, 2024, 2023 and 2022, respectively.

17. Contingencies

The Company is routinely subjected to legal and regulatory proceedings in the normal course of business. These matters can include, without limitation:

- periodic compliance and other reviews and investigations by various federal and state regulatory agencies with respect to requirements applicable to the Company's business, which could result in litigation, including, without limitation, those related to payment of out-of-network claims, compliance with CMS Medicare and Marketplace regulations, including risk adjustment and broker compensation, compliance with the False Claims Act, the calculation of minimum MLR and rebates related thereto, submissions to state agencies related to payments or state false claims acts, pre-authorization penalties, timely review of grievances and appeals, timely and accurate payment of claims, provider directory accuracy, cybersecurity issues, including those related to the Company's or the Company's third-party vendors' information systems, and the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and other federal and state fraud, waste and abuse laws;
- litigation arising out of regulatory proceedings and general business activities, such as tax matters, disputes related to healthcare benefits coverage or reimbursement, putative securities class actions, and medical malpractice, privacy, real estate, intellectual property, vendor disputes and employment-related claims; and
- disputes regarding reinsurance arrangements, claims arising out of the acquisition or divestiture of various assets, class actions, and claims relating to the performance of contractual and non-contractual obligations to providers, members, employer groups, third-party vendors and others, including, but not limited to, the alleged failure to properly pay claims and challenges to the manner in which the Company processes claims, claims related to network adequacy, provider directory accuracy and claims alleging that the Company has engaged in unfair business practices.

Among other things, these matters may result in awards of damages, fines, or penalties, which could be substantial, and/or could require changes to the Company's business. The Company intends to vigorously defend itself against legal and regulatory proceedings to which it is currently a party; however, these proceedings are subject to many uncertainties. In some of the cases pending against the Company, substantial non-economic or punitive damages are being sought.

The Company records reserves and accrues costs for certain legal proceedings and regulatory matters to the extent that it determines an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. While such reserves and accrued costs reflect the Company's best estimate of the probable loss for such matters, the recorded amounts may differ materially from the actual amount of any such losses. In some cases, no estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made because of the inherently unpredictable nature of legal and regulatory proceedings, which may be exacerbated by various factors, including but not limited to, they may involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or legal uncertainties; involve disputed facts; represent a shift in regulatory policy; involve a large number of parties, claimants or regulatory bodies; are in the early stages of the proceedings; involve a number of separate proceedings and/or a wide range of potential outcomes; or result in a change of business practices.

As of the date of this report, amounts accrued for legal proceedings and regulatory matters were not material. It is possible that in a particular quarter or annual period the Company's financial condition, results of operations, cash flow, and/or liquidity could be materially adversely affected by an ultimate unfavorable resolution of or development in legal and/or regulatory proceedings. The Company believes that the ultimate outcome of any of the regulatory and legal proceedings that are currently pending against it should not have a material adverse effect on financial condition, results of operations, cash flow, or liquidity.

18. Earnings Per Share

The following table sets forth the calculation of basic and diluted net earnings per common share (\$ in millions, except per share data in dollars and shares in thousands):

	Year Ended December 31,		
	2024	2023	2022
Earnings attributable to Centene Corporation	\$ 3,305	\$ 2,702	\$ 1,202
Shares used in computing per share amounts:			
Weighted average number of common shares outstanding	521,790	543,319	575,191
Common stock equivalents (as determined by applying the treasury stock method)	1,954	2,385	6,849
Weighted average number of common shares and potential dilutive common shares outstanding	<u>523,744</u>	<u>545,704</u>	<u>582,040</u>
Net earnings per common share attributable to Centene Corporation:			
Basic earnings per common share	\$ 6.33	\$ 4.97	\$ 2.09
Diluted earnings per common share	\$ 6.31	\$ 4.95	\$ 2.07

The calculation of diluted earnings per common share for 2024, 2023 and 2022 excludes the impact of 278 thousand shares, 376 thousand shares and 187 thousand shares, respectively, related to anti-dilutive stock options and restricted stock units.

19. Segment Information

The Company operates in four segments: (1) a Medicaid segment, (2) a Medicare segment, (3) a Commercial segment and (4) an Other segment. The Medicaid, Medicare and Commercial segments primarily represent the government-sponsored or subsidized programs under which the Company offers managed healthcare services. The Other segment includes the Company's pharmacy operations, Envolve Benefit Options' vision and dental services, clinical healthcare, behavioral health, international operations and corporate management company, among others. The Company's international businesses, Operose Health and Circle Health, which were included in the Other segment, were divested in December 2023 and January 2024, respectively.

Factors used in determining the reportable business segments include the nature of operating activities, the existence of separate senior management teams and the type of information presented to the Company's chief operating decision-maker (CODM) to evaluate all results of operations. The Company's CODM is its Chief Executive Officer. The Company's CODM focuses primarily on each segment's ability to generate sufficient revenues and manage expenses associated with health benefits and cost of services (including estimated costs incurred). As such, the CODM measures operating performance at the segment level based on gross margin, including evaluation of budget to actual variances, to determine the allocation of financial and capital resources for each segment. The Company does not report total assets by segment since this is not a metric used by the Company's CODM to allocate resources or evaluate segment performance.

Segment information for the year ended December 31, 2024, is as follows (\$ in millions):

	Medicaid	Medicare	Commercial	Other/ Eliminations	Consolidated Total
Premium	\$ 83,758	\$ 23,032	\$ 33,699	\$ 1,814	\$ 142,303
Service	93	—	3	3,106	3,202
Premium and service revenues	83,851	23,032	33,702	4,920	145,505
Premium tax	17,566	—	—	—	17,566
Total external revenues	101,417	23,032	33,702	4,920	163,071
Internal revenues	—	—	—	16,879	16,879
Eliminations	—	—	—	(16,879)	(16,879)
Total revenues	<u>\$ 101,417</u>	<u>\$ 23,032</u>	<u>\$ 33,702</u>	<u>\$ 4,920</u>	<u>\$ 163,071</u>
Medical costs	\$ 77,516	\$ 20,437	\$ 26,039	\$ 1,715	\$ 125,707
Cost of services	89	—	—	2,640	2,729
Other operating expenses ⁽¹⁾					31,460
Other income (expense) ⁽²⁾					1,082
Earnings before income tax expense					<u>\$ 4,257</u>
Segment gross margin ⁽³⁾	\$ 6,246	\$ 2,595	\$ 7,663	\$ 565	\$ 17,069

⁽¹⁾ Other operating expenses include selling, general and administrative expenses, depreciation, amortization, premium tax expense and impairment.

⁽²⁾ Other income (expense) includes investment and other income, debt extinguishment and interest expense.

⁽³⁾ Segment gross margin represents premium and service revenues less medical costs and cost of services.

Segment information for the year ended December 31, 2023, is as follows (\$ in millions):

	<u>Medicaid</u>	<u>Medicare</u>	<u>Commercial</u>	<u>Other/ Eliminations</u>	<u>Consolidated Total</u>
Premium	\$ 86,853	\$ 22,261	\$ 24,843	\$ 1,679	\$ 135,636
Service	2	—	2	4,455	4,459
Premium and service revenues	86,855	22,261	24,845	6,134	140,095
Premium tax	13,904	—	—	—	13,904
Total external revenues	100,759	22,261	24,845	6,134	153,999
Internal revenues	—	—	—	16,735	16,735
Eliminations	—	—	—	(16,735)	(16,735)
Total revenues	<u>\$ 100,759</u>	<u>\$ 22,261</u>	<u>\$ 24,845</u>	<u>\$ 6,134</u>	<u>\$ 153,999</u>
Medical costs	\$ 78,210	\$ 19,394	\$ 19,816	\$ 1,474	\$ 118,894
Cost of services	4	—	—	3,560	3,564
Other operating expenses ⁽¹⁾					28,611
Other income (expense) ⁽²⁾					668
Earnings before income tax expense					<u>\$ 3,598</u>
Segment gross margin ⁽³⁾	\$ 8,641	\$ 2,867	\$ 5,029	\$ 1,100	\$ 17,637

(1) Other operating expenses include selling, general and administrative expenses, depreciation, amortization, premium tax expense and impairment.

(2) Other income (expense) includes investment and other income, debt extinguishment and interest expense.

(3) Segment gross margin represents premium and service revenues less medical costs and cost of services.

Segment information for the year ended December 31, 2022, is as follows (\$ in millions):

	<u>Medicaid</u>	<u>Medicare</u>	<u>Commercial</u>	<u>Other/ Eliminations</u>	<u>Consolidated Total</u>
Premium	\$ 84,084	\$ 22,484	\$ 17,377	\$ 3,186	\$ 127,131
Service	(1)	—	3	8,346	8,348
Premium and service revenues	84,083	22,484	17,380	11,532	135,479
Premium tax	9,068	—	—	—	9,068
Total external revenues	93,151	22,484	17,380	11,532	144,547
Internal revenues	—	—	—	25,191	25,191
Eliminations	—	—	—	(25,191)	(25,191)
Total revenues	<u>\$ 93,151</u>	<u>\$ 22,484</u>	<u>\$ 17,380</u>	<u>\$ 11,532</u>	<u>\$ 144,547</u>
Medical costs	\$ 75,298	\$ 19,372	\$ 14,092	\$ 2,767	\$ 111,529
Cost of services	—	—	—	7,032	7,032
Other operating expenses ⁽¹⁾					24,668
Other income (expense) ⁽²⁾					644
Earnings before income tax expense					<u>\$ 1,962</u>
Segment gross margin ⁽³⁾	\$ 8,785	\$ 3,112	\$ 3,288	\$ 1,733	\$ 16,918

(1) Other operating expenses include selling, general and administrative expenses, depreciation, amortization, premium tax expense and impairment.

(2) Other income (expense) includes investment and other income, debt extinguishment and interest expense.

(3) Segment gross margin represents premium and service revenues less medical costs and cost of services.

20. Condensed Financial Information of Registrant

Centene Corporation (Parent Company Only)
Condensed Balance Sheets
(In millions, except shares in thousands and per share data in dollars)

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7	\$ 7
Other current assets	9	7
Total current assets	<u>16</u>	<u>14</u>
Long-term investments	206	264
Investment in subsidiaries	45,148	43,853
Other long-term assets	85	186
Total assets	<u>\$ 45,455</u>	<u>\$ 44,317</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current liabilities	\$ 243	\$ 417
Current portion of long-term debt	110	110
Total current liabilities	<u>353</u>	<u>527</u>
Long-term debt	18,423	17,708
Other long-term liabilities	169	126
Total liabilities	<u>18,945</u>	<u>18,361</u>
Commitments and contingencies		
Redeemable noncontrolling interest	10	19
Stockholders' equity:		
Preferred stock, \$0.001 par value; authorized 10,000 shares; no shares issued or outstanding at December 31, 2024 and December 31, 2023	—	—
Common stock, \$0.001 par value; authorized 800,000 shares; 620,195 issued and 495,907 outstanding at December 31, 2024, and 615,291 issued and 534,484 outstanding at December 31, 2023	1	1
Additional paid-in capital	20,562	20,304
Accumulated other comprehensive (loss)	(504)	(652)
Retained earnings	15,348	12,043
Treasury stock, at cost (124,288 and 80,807 shares, respectively)	(8,997)	(5,856)
Total Centene stockholders' equity	<u>26,410</u>	<u>25,840</u>
Nonredeemable noncontrolling interest	90	97
Total stockholders' equity	<u>26,500</u>	<u>25,937</u>
Total liabilities, redeemable noncontrolling interests and stockholders' equity	<u>\$ 45,455</u>	<u>\$ 44,317</u>

See notes to condensed financial information of registrant.

Centene Corporation (Parent Company Only)
Condensed Statements of Operations
(In millions, except per share data in dollars)

	Year Ended December 31,		
	2024	2023	2022
Expenses:			
Selling, general and administrative expenses	\$ 13	\$ 14	\$ 21
Legal settlement	—	—	33
Other income (expense):			
Investment and other income	(34)	(47)	55
Gain (loss) on divestiture	(34)	108	13
Debt extinguishment	—	—	14
Interest expense	(700)	(710)	(643)
(Loss) before income taxes	(781)	(663)	(615)
Income tax (benefit)	(76)	(118)	(208)
Net (loss) before equity in subsidiaries	(705)	(545)	(407)
Equity in earnings from subsidiaries	3,999	3,244	1,609
Net earnings	3,294	2,699	1,202
Loss attributable to noncontrolling interests	11	3	—
Net earnings attributable to Centene Corporation	\$ 3,305	\$ 2,702	\$ 1,202
Net earnings per common share attributable to Centene Corporation:			
Basic earnings per common share	\$ 6.33	\$ 4.97	\$ 2.09
Diluted earnings per common share	\$ 6.31	\$ 4.95	\$ 2.07

See notes to condensed financial information of registrant.

Centene Corporation (Parent Company Only)
Condensed Statements of Cash Flows
(In millions)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Dividends from subsidiaries, return on investment	\$ 1,797	\$ 2,823	\$ 1,706
Payments for legal settlement	(263)	(326)	(282)
Other operating activities, net	(422)	(334)	(450)
Net cash provided by operating activities	<u>1,112</u>	<u>2,163</u>	<u>974</u>
Cash flows from investing activities:			
Capital contributions to subsidiaries	(730)	(443)	(880)
Purchases of investments	(2)	(202)	(2)
Dividends from subsidiaries, return of investment	321	85	10
Investments in acquisitions	—	—	(2,431)
Proceeds from divestitures	—	325	—
Intercompany activities	1,693	(357)	5,785
Other investing activities, net	—	—	3
Net cash (used in) provided by investing activities	<u>1,282</u>	<u>(592)</u>	<u>2,485</u>
Cash flows from financing activities:			
Proceeds from common stock issuances	46	44	70
Proceeds from long-term debt	1,300	2,305	75
Payments and repurchases of long-term debt	(610)	(2,290)	(491)
Common stock repurchases	(3,124)	(1,633)	(3,096)
Payments for debt extinguishment	—	—	(14)
Other financing activities, net	(6)	(2)	—
Net cash used in financing activities	<u>(2,394)</u>	<u>(1,576)</u>	<u>(3,456)</u>
Net increase (decrease) in cash and cash equivalents	<u>—</u>	<u>(5)</u>	<u>3</u>
Cash and cash equivalents, beginning of period	<u>7</u>	<u>12</u>	<u>9</u>
Cash and cash equivalents, end of period	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 12</u>

See notes to condensed financial information of registrant.

Notes to Condensed Financial Information of Registrant

Note A - Basis of Presentation and Significant Accounting Policies

The parent company only financial statements should be read in conjunction with Centene Corporation's audited consolidated financial statements and the notes to consolidated financial statements included in this Form 10-K.

The parent company's investment in subsidiaries is stated at cost plus equity in undistributed earnings of the subsidiaries. The parent company's share of net income of its unconsolidated subsidiaries is included in income using the equity method of accounting. Certain unrestricted subsidiaries receive monthly management fees from the Company's restricted subsidiaries. The management and service fees received by its unrestricted subsidiaries are associated with all of the functions required to manage the restricted subsidiaries including, but not limited to, salaries and wages for personnel, rent, utilities, population health management, provider contracting, compliance, member services, claims processing, information technology, cash management, finance and accounting and other services. Beginning in 2023, the management fees are based on a cost basis reimbursement.

Due to the Company's centralized cash management function, cash flows generated by its unrestricted subsidiaries are utilized by the parent company to the extent required, primarily to repay borrowings on the parent company's credit facilities, repurchase the parent company's common stock, make acquisitions, fund capital contributions to subsidiaries and fund its operations.

Certain amounts presented in the parent company only financial statements are eliminated in the consolidated financial statements of Centene Corporation.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures - Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2024. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2024, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting - Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control - Integrated Framework (2013)*, our management concluded that our internal control over financial reporting was effective at the reasonable assurance level as of December 31, 2024. Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2024, has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Changes in Internal Control Over Financial Reporting - No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the year ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Centene Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Centene Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive earnings (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements), and our report dated February 18, 2025 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

St. Louis, Missouri
February 18, 2025

Item 9B. Other Information

(a) None.

(b) During the three months ended December 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable

PART III

Item 10. Directors, Executive Officers and Corporate Governance

(a) Directors of the Registrant

Information concerning our directors will appear in our Proxy Statement for our 2025 annual meeting of stockholders under "Proposal One: Election of Directors." This portion of the Proxy Statement is incorporated herein by reference.

(b) Information about our Executive Officers

Pursuant to General Instruction G(3) to Form 10-K and the Instruction to Item 401 of Regulation S-K, information regarding our executive officers is provided in Item 1 of Part I of this Annual Report on Form 10-K under the caption "Information about our Executive Officers."

Information concerning our executive officers' compliance with Section 16(a) of the Exchange Act will appear in our Proxy Statement for our 2025 annual meeting of stockholders under "Delinquent Section 16(a) Reports," if applicable.

(c) Corporate Governance

Information concerning certain corporate governance matters, including information concerning our audit committee financial expert and identification of our Audit and Compliance Committee, and our code of ethics will appear in our Proxy Statement for our 2025 annual meeting of stockholders under "Corporate Governance." These portions of our Proxy Statement are incorporated herein by reference.

(d) Insider Trading Policies and Procedures

The Company has adopted the Policy on Inside Information and Insider Trading attached as Exhibit 19.1 hereto, which governs the purchase, sale, and/or other dispositions of the Company's securities by directors, officers and employees, and by the Company itself, and is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the NYSE listing standards.

Item 11. Executive Compensation

Information concerning executive compensation will appear in our Proxy Statement for our 2025 Annual Meeting of Stockholders under "Executive Compensation." Information concerning Compensation and Talent Committee interlocks and insider participation will appear in the Proxy Statement for our 2025 Annual Meeting of Stockholders under "Compensation & Talent Committee Interlocks and Insider Participation." These portions of the Proxy Statement are incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information concerning the security ownership of certain beneficial owners and management and our equity compensation plans will appear in our Proxy Statement for our 2025 annual meeting of stockholders under "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information." These portions of the Proxy Statement are incorporated herein by reference.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

Information concerning director independence, certain relationships and related transactions will appear in our Proxy Statement for our 2025 annual meeting of stockholders under "Corporate Governance," "Independence of Directors" and "Related Party Transactions." These portions of our Proxy Statement are incorporated herein by reference.

Item 14. *Principal Accountant Fees and Services*

Our independent registered public accounting firm is KPMG LLP, St. Louis, MO. The Auditor Firm ID is 185.

Information concerning principal accountant fees and services will appear in our Proxy Statement for our 2025 annual meeting of stockholders under "Proposal Three: Ratification of Appointment of Independent Registered Public Accounting Firm." This portion of our Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements and Schedules

The following documents are filed under Item 8 of this report:

1. Financial Statements:

Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets as of December 31, 2024 and 2023
Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022
Consolidated Statements of Comprehensive Earnings (Loss) for the years ended December 31, 2024, 2023 and 2022
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2024, 2023 and 2022
Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022
Notes to Consolidated Financial Statements

2. Financial Statement Schedules:

None.

3. The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this filing.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	FILED WITH THIS FORM 10-K	INCORPORATED BY REFERENCE		
			FORM	FILING DATE WITH SEC	EXHIBIT NUMBER
3.1	Amended and Restated Certificate of Incorporation of Centene Corporation, dated September 27, 2022		8-K	September 30, 2022	3.1
3.2	Amended and Restated By-laws of Centene Corporation, dated December 8, 2023		8-K	December 13, 2023	3.1
4.1	Description of Securities of the Company		S-3ASR	February 21, 2024	
4.2	Indenture, dated as of December 6, 2019, by and between Centene Corporation, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Company's 4.25% Senior Notes due 2027 (including the Form of Global Note attached thereto)		8-K	December 6, 2019	4.2
4.3	Indenture, dated as of December 6, 2019, by and between Centene Corporation, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Company's 4.625% Senior Notes due 2029 (including the Form of Global Note attached thereto)		8-K	December 6, 2019	4.3
4.4	Indenture, dated as of February 13, 2020, by and between Centene Corporation, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Company's 3.375% Senior Notes due 2030 (including the Form of Global Note attached thereto)		8-K	February 13, 2020	4.1
4.5	Base Indenture, dated as of October 7, 2020, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	October 7, 2020	4.1
4.6	First Supplemental Indenture, dated as of October 7, 2020, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	October 7, 2020	4.2
4.7	Second Supplemental Indenture, dated as of February 17, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	February 17, 2021	4.2
4.8	Third Supplemental Indenture, dated as of July 1, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	July 1, 2021	4.2
4.9	Fourth Supplemental Indenture, dated as of August 12, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	August 12, 2021	4.4
10.1	* 2002 Employee Stock Purchase Plan, As Amended and Restated		10-Q	July 23, 2019	10.1
10.2	* Amendment No.1 to the 2002 Employee Stock Purchase Plan, As Amended and Restated		S-8	May 22, 2020	4.2
10.3	* Centene Corporation 2012 Stock Incentive Plan, as amended		8-K	April 30, 2021	10.1
10.4	* Amended and Restated Non-Employee Directors Deferred Stock Compensation Plan		10-Q	July 26, 2024	10.1
10.5	* Amended and Restated Voluntary Nonqualified Deferred Compensation Plan		10-K	February 20, 2024	10.5
10.6	* Centene Corporation 2007 Long-Term Incentive Plan, as Amended		10-K	February 22, 2021	10.6
10.7	* Centene Corporation Short-Term Executive Compensation Plan		10-K	February 22, 2011	10.12

10.8	*	Executive Severance and Change in Control Plan		10-Q	October 25, 2024	10.1
10.9	*	Form of Non-Employee Director Compensation Policy	X			
10.10	*	Form of Non-Employee Director Restricted Stock Unit Agreement #1		10-Q	July 26, 2024	10.2
10.11	*	Form of Non-statutory Stock Option Agreement (Employees) #1		10-K	February 22, 2021	10.11
10.12	*	Form of Non-statutory Stock Option Agreement (Employees) #2		10-K	February 22, 2022	10.12
10.13	*	Form of Non-statutory Stock Option Agreement (Directors)		10-K	February 21, 2023	10.13
10.14	*	Form of Restricted Stock Agreement (Directors) #1		10-K	February 21, 2023	10.14
10.15	*	Form of Restricted Stock Agreement (Directors) #2		10-Q	July 28, 2023	10.1
10.16	*	Form of Restricted Stock Unit Agreement #1		10-Q	April 26, 2024	10.1
10.17	*	Form of Restricted Stock Unit Agreement #2		8-K	December 21, 2020	10.1
10.18	*	Form of Restricted Stock Unit Agreement #3		10-Q	April 25, 2023	10.1
10.19	*	Form of Restricted Stock Unit Agreement #4		10-Q	April 25, 2023	10.2
10.20	*	Form of Performance Based Restricted Stock Unit Agreement #1		10-Q	April 26, 2024	10.2
10.21	*	Form of Performance Based Restricted Stock Unit Agreement #2		8-K	December 21, 2020	10.2
10.22	*	Form of Performance Based Restricted Stock Unit Agreement #3		10-Q	April 25, 2023	10.3
10.23	*	Form of Long-Term Incentive Plan Agreement		8-K	December 21, 2020	10.3
10.24		Fourth Amended and Restated Credit Agreement, dated as of August 16, 2021, among the Company, Wells Fargo Bank, National Association, as administrative agent, and the lenders and other parties thereto		8-K	August 18, 2021	1.1
10.24a		First Amendment to the Fourth Amended and Restated Credit Agreement, dated as of May 31, 2023, by and among Centene Corporation, the several banks and other financial institutions party thereto, and Wells Fargo Bank, National Association, as the administrative agent.		8-K	June 6, 2023	10.1
10.25	*	Executive Employment Agreement between Centene Corporation and Sarah M. London, dated April 27, 2022		10-Q	July 26, 2022	10.1
10.25a	*	Amendment of Executive Employment Agreement between Centene Corporation and Sarah M. London, dated February 20, 2023		10-K	February 21, 2023	10.22a
10.26	*	Executive Employment Agreement between Centene Corporation and Andrew Asher, dated April 28, 2022		10-Q	July 26, 2022	10.3
10.26a	*	Amendment of Executive Employment Agreement between Centene Corporation and Andrew Asher, dated February 20, 2023		10-K	February 21, 2023	10.23a
10.27	*	Executive Employment Agreement between Centene Corporation and Kenneth Fasola, dated February 20, 2023		10-K	February 21, 2023	10.24
10.28	*	Executive Employment Agreement between Centene Corporation and James E. Murray, dated February 20, 2023		10-K	February 21, 2023	10.25
10.29	*	Transition Services Agreement between Centene Corporation and Kenneth Burdick, dated February 21, 2020		10-K	February 22, 2021	10.25

10.30	*	Executive Officer Cash Severance Policy		10-K	February 21, 2023	10.31
10.31	*	Executive Restricted Covenant Agreement		10-K	February 20, 2024	10.31
19.1		Policy on Inside Information and Insider Trading	X			
21		List of subsidiaries	X			
23		Consent of Independent Registered Public Accounting Firm incorporated by reference in each prospectus constituting part of the Registration Statements on Form S-8 (File Numbers 333-261993, 333-255735, 333-238597, 333-236036, 333-217634, 333-210376, 333-197737, 333-180976, and 333-90976) and Form S-3 (File Number 333-277218)	X			
31.1		Certification Pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer)	X			
31.2		Certification Pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer)	X			
32.1	#	Certification Pursuant to 18 U.S.C. Section 1350 (Chief Executive Officer)	X			
32.2	#	Certification Pursuant to 18 U.S.C. Section 1350 (Chief Financial Officer)	X			
97	*	Centene Corporation Clawback Policy		10-K	February 20, 2024	97
101		The following materials from the Centene Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2024, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Earnings (Loss), (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows and (vi) related notes.	X			
104		Cover Page Interactive Data File (embedded within the Inline XBRL document)	X			

* Indicates a management contract or compensatory plan or arrangement.

This certification is deemed not filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, as of February 18, 2025.

CENTENE CORPORATION

By: /s/ SARAH M. LONDON

Sarah M. London
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities as indicated, as of February 18, 2025.

<u>Signature</u>	<u>Title</u>
<u>/s/ Sarah M. London</u> Sarah M. London	Chief Executive Officer (principal executive officer)
<u>/s/ Andrew L. Asher</u> Andrew L. Asher	Executive Vice President, Chief Financial Officer (principal financial officer)
<u>/s/ Katie N. Casso</u> Katie N. Casso	Senior Vice President, Finance, Corporate Controller and Chief Accounting Officer (principal accounting officer)
<u>/s/ Jessica L. Blume</u> Jessica L. Blume	Director
<u>/s/ Kenneth A. Burdick</u> Kenneth A. Burdick	Director
<u>/s/ Christopher J. Coughlin</u> Christopher J. Coughlin	Director
<u>/s/ H. James Dallas</u> H. James Dallas	Director
<u>/s/ Wayne S. DeVeydt</u> Wayne S. DeVeydt	Director
<u>/s/ Fred H. Eppinger</u> Fred H. Eppinger	Director
<u>/s/ Monte E. Ford</u> Monte E. Ford	Director
<u>/s/ Thomas R. Greco</u> Thomas R. Greco	Director
<u>/s/ Lori J. Robinson</u> Lori J. Robinson	Director
<u>/s/ Theodore R. Samuels</u> Theodore R. Samuels	Director

CERTIFICATION

I, Sarah M. London, certify that:

1. I have reviewed this Annual Report on Form 10-K of Centene Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 18, 2025

/s/ SARAH M. LONDON
 Chief Executive Officer
 (principal executive officer)

CERTIFICATION

I, Andrew L. Asher, certify that:

1. I have reviewed this Annual Report on Form 10-K of Centene Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 18, 2025

/s/ ANDREW L. ASHER

Executive Vice President, Chief Financial Officer
(principal financial officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Centene Corporation (the Company) for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned, Sarah M. London, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 18, 2025

/s/ SARAH M. LONDON

Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Centene Corporation (the Company) for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned, Andrew L. Asher, Executive Vice President and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 18, 2025

/s/ ANDREW L. ASHER

Executive Vice President, Chief Financial Officer
(principal financial officer)

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CENTENE[®]
Corporation