Safe Harbor Statement

Forward-Looking Statements

This presentation, and our accompanying oral statements made in connection with this presentation, include statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the accuracy of which are necessarily subject to risks, uncertainties, and assumptions as to future events that may not prove to be accurate. Without limiting the foregoing, the words “believes,” “anticipates,” “plans,” “expects,” “may,” “should,” “could,” “estimate,” “intend” and other similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, express or implied forward-looking statements relating to 2020 guidance for net revenue, income (loss) before income taxes, net income, segment profit, adjusted net income, earnings per share and adjusted earnings per share; growth and margin opportunities and initiatives; business environment, long term opportunities and strategy; transformation, process improvement and innovation initiatives; new product offerings, digital tools and advanced analytics capabilities; our expectations regarding the benefits to the Company of the transaction to sell the Magellan Complete Care (“MCC”) business (the “transaction”), the ability of the Company to obtain regulatory approvals for the transaction and to satisfy other closing conditions, the anticipated timing of the closing of the transaction, the benefits to the Company of the commercial agreements entered into in connection with the transaction, the ability of the Company to use the proceeds of the transaction to fund future growth initiatives or otherwise create value for the Company, the ability of the Company to offset stranded overhead costs associated with the transaction, the ability of the Company to strategically focus on enhancing its behavioral and specialty health business, as well as the continued growth of its pharmacy business, and the ability of the Company to achieve our strategic and growth goals. These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Factors that could cause actual results to differ materially from those expressed or implied include the effectiveness of business continuity plans during, and the risks associated with, the COVID-19 pandemic; termination or non-renewal of customer contracts; changes in rates paid to and/or by the Company by customers and/or providers; our ability to develop and maintain satisfactory relationships with providers; higher utilization of healthcare services by the Company’s members; risks and uncertainties associated with the pharmacy benefits management industry; costs to maintain or upgrade our information technology and other business systems and the effectiveness and security of such systems; cyberattacks, other privacy/data security incidents, and/or our failure to comply with related regulations; delays, higher costs or inability to implement new business or other Company initiatives; the impact of changes in the contracting model for Medicaid contracts; impairment of our goodwill and intangible assets; the impact of new or amended laws or regulations; costs and other liabilities associated with litigation, government investigations, audits or reviews; competition; operational issues; healthcare reform; and general business conditions. Additional factors that could cause actual results to differ materially from those reflected in the forward-looking statements include, but are not limited to, the risks discussed in the “Risk Factors” section included within the Company’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, and subsequent reports on Forms 10-Q and 8-K. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

Non-GAAP Measures

In addition to results determined under Generally Accepted Accounting Principles (GAAP), Magellan provides certain non-GAAP financial measures that management believes are useful in assessing the Company’s performance. Following is a description of these important non-GAAP measures. Segment profit is equal to net revenue less the sum of cost of care, cost of goods sold, direct service costs and other operating expenses, and includes income from unconsolidated subsidiaries, but excludes segment profit or loss from non-controlling interests held by other parties, stock compensation expense, special charges or benefits, as well as changes in the fair value of contingent consideration recorded in relation to acquisitions. Adjusted net income and adjusted earnings per share reflect certain adjustments made for acquisitions completed after January 1, 2013, to exclude non cash stock compensation expense resulting from restricted stock purchases by sellers, changes in the fair value of contingent consideration, amortization of identified acquisition intangibles, as well as impairment of identified acquisition intangibles, special charges, and any impact related to the sale of MCC. Reconciliations of these non-GAAP measures can be found on pages 26-27 of this presentation.
Agenda

- Business Overview
- Priorities to Drive Growth
- Financial Overview & Outlook
MAGELLAN HEALTH

Business Overview

KEN FASOLA, CEO
Our Solutions

Independent Payer Solutions
- Behavioral Health
- Specialty Health
- Pharmacy Management

RESULT IN

Whole Person Focus
- Lower total cost of care
- Better clinical outcomes and overall health of members
National Footprint Serving Payers, Employers and Government Customers

$4.5B
2020P Revenue*

$155M
2020P Segment Profit*

8,500+
Associates

~50M
Behavioral & Specialty Health members including EAP

~16M
Specialty Medical Pharmacy Members

~2M
Commercial PBM members

~70
National & Regional Payers

~4,000
Employers

29
States & Federal Government

*Midpoint of 2020 continuing operations guidance range of $4.4B-$4.6B and $145M-$165M for revenue and segment profit, respectively.
Healthcare Segment
Behavioral & Specialty Health ("BSH") Solutions

<table>
<thead>
<tr>
<th>Behavioral Healthcare &amp; Employee Assistance Program (&quot;EAP&quot;) Solutions</th>
<th>Comprehensive offerings focused on mental illness, substance abuse disorders, autism and other special needs.</th>
<th>Behavioral health programs for health plan, public sector and accountable care organization (&quot;ACO&quot;) customers. EAP services for employer customers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty Healthcare Solutions</td>
<td>Comprehensive offerings focused on complex high-cost services: Radiology, Cardiac, Musculoskeletal, Physical Medicine, and other specialties under development.</td>
<td>Specialty health programs for health plan and ACO customers.</td>
</tr>
<tr>
<td>Federal Solutions</td>
<td>Offerings include EAP services, staffing, counseling, specialized training and coaching.</td>
<td>Programs for federal government clients, including the military.</td>
</tr>
</tbody>
</table>

Evidence-Based Clinical Expertise, Advanced Analytics, Network Strategies, Patient and Provider Resources
Pharmacy Management ("MRx") Solutions

**Pharmacy Benefit Management ("PBM")**
- Full-service PBM.
- Target customer markets include small/mid-sized health plans and third-party administrators ("TPAs").

**Government Rx**
- Pharmacy Benefit Administration ("PBA") for State Medicaid programs.
- AIDS Drug Assistance Programs ("ADAP") and other specialty Rx services for States.

**Specialty Rx**
- Medical pharmacy, specialty Rx and formulary management programs.
- Target customer markets include health plans, regional PBMs, employers and TPAs.

Market Leader in Government Rx and Specialty Rx, Leading Independent PBM Serving Middle Markets
Our Differentiators

Shaping the Future of HEALTHCARE

- Robust Data Analytics & Insights
- Personalized Clinical Programs & Solutions
- Digital Tools & Capabilities
- Market-Leading Availability & Access to High-Quality Care
Our Focus

Business Priorities

- Deliver on our commitments
- Execute on operational transformation initiatives to reduce our cost structure and improve efficiency, reliability and effectiveness
- Accelerate innovation to create compelling, contemporary and competitive new solutions for the market
- Build a robust growth engine across our businesses
Key Priorities to Drive Growth

- Transformation
- Innovation
- Sales Execution
- Deploy Capital
Magellan Connect is a Collaborative Care Model that Brings Together Key Assets

**Predictive Analytics**
Identify patients to participate in Collaborative Care

**Primary Care Provider (PCP)**
Screens, prescribes, refers to CM

**Psychiatric Consultant**
Reviews caseload with CM; recommends tx modifications

**Care Manager**
Coordinates care and registry review with psychiatric consultant

**Registry**

- **Collaborative Care Model is backed with 30+ years of research** and has the most evidence of any integrated care model leading to improved clinical outcomes, lower total costs of care and higher patient satisfaction
- **PCP-led care team** with behavioral health care managers and psychiatrists empowered to work at the top of their license
- **Patients, and their outcomes, are tracked** via a registry and care plans reviewed each week
- **Focused on treating common mental health conditions** such as depression and anxiety that require systematic follow-up due to their persistent nature

Source: Milliman Research Report: "How do individuals with behavioral health conditions contribute to physical and total healthcare spending?", August 13, 2020

- **Estimated $400B of physical healthcare costs** attributable to patients with behavioral issues
- **2020 Milliman study showed 5.7% of large 21M insured cohort** in a high-cost behavioral sub-group accounted for 44% of total health costs
MAGELLAN HEALTH

Financial Overview

DAVID BOURDON, CFO
## Guidance: FY 2020 Outlook, Continuing Operations

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$4.4B to $4.6B</td>
</tr>
<tr>
<td><strong>Segment Profit</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$145M to 165M</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$1M to $13M</td>
</tr>
<tr>
<td><strong>Adjusted Net Income</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$16M to $28M</td>
</tr>
<tr>
<td><strong>Earnings / Share</strong>&lt;sup&gt;*&lt;/sup&gt;</td>
<td>$0.04 to $0.51</td>
</tr>
<tr>
<td><strong>Adjusted Earnings / Share</strong>&lt;sup&gt;1&lt;/sup&gt;&lt;sup&gt;*&lt;/sup&gt;</td>
<td>$0.63 to $1.10</td>
</tr>
</tbody>
</table>

**COVID-19 and segment profit**
- Outlook assumes higher BSH utilization in 2H and MRx segment profit is weighted ~60% during 2H

**Stranded overhead**
- Segment profit outlook includes $25M-$30M overhead previously allocated to MCC segment

**Higher start-up investment in 2H**
- $10M-$15M of implementation costs for Medi-Cal PBA and additional start-up investment related to new BSH contracts planned for 2021

**MCC divestiture**
- Outlook is for continuing operations (ex. MCC) and assumes divestiture is completed by the end of Q1 2021 or sooner
- No capital deployment and/or share repurchase assumed in outlook

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<sup>1</sup> Non-GAAP measure

<sup>*</sup> Per share guidance includes share repurchases and option exercises through the close of business on October 23, 2020 but excludes the impact of any potential future activity. Based on average fully diluted shares of 25.5 million.
Strong liquidity at September 30, 2020  
MCC divestiture adds flexibility to balance sheet

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted cash held at cont. operations</td>
<td>$121M</td>
</tr>
<tr>
<td>Undrawn debt capacity</td>
<td>$400M</td>
</tr>
<tr>
<td><strong>Liquidity at September 30, 2020</strong></td>
<td><strong>$521M</strong></td>
</tr>
<tr>
<td><strong>Net cash proceeds from MCC + Part D exit</strong>*</td>
<td><strong>$1.04B</strong></td>
</tr>
</tbody>
</table>

**Flexible Balance Sheet**

Plan to maintain flexible balance sheet with moderate gross leverage following completion of MCC divestiture.

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*Represents future proceeds from pending MCC divestiture and $100M in capital from Medicare Part D exit within 12-18 months.
Disciplined Capital Allocation

**Organic growth**
- Investing in operations to support existing and new customer growth
- Investing in technology and capabilities to enhance existing solutions

**Inorganic growth**
- Disciplined approach to M&A
- Focus on expanding existing BSH portfolio with new offerings and digital capabilities
- May opportunistically pursue scale plays in pharmacy services
- Selectively make early-stage investments to test technology-enabled solutions

**Capital structure**
- Debt repayment and share repurchase
  - Maintain flexible balance sheet
  - Potential to reduce gross leverage following MCC transaction
  - $186M remaining share repurchase authorization
Outlook for 2021 and Beyond

Baseline Segment Profit for 2020

$145M  -  $165M

Key Factors for Segment Profit Outlook:
(+) Business Transformation
(+) Medi-Cal PBA Contract
(+) Medicare Part D Exit
(+) Capital Deployment

(-) IT Security Investments
(-) Elimination of HIF
(+/-) Uncertainties Related to Pandemic, Economy and Behavioral Health Demand
## Reconciliation of Non-GAAP Financial Measures:

(Continuing Operations)

<table>
<thead>
<tr>
<th></th>
<th>3Q20</th>
<th>3Q19</th>
<th>YTD 3Q20</th>
<th>YTD 3Q19</th>
<th>2020 GUIDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (loss) before income taxes</td>
<td>($19.6)</td>
<td>$ 4.9</td>
<td>$(4.2)</td>
<td>$6.5</td>
<td>$(42.0)</td>
</tr>
<tr>
<td>Stock compensation expense</td>
<td>5.4</td>
<td>4.6</td>
<td>17.8</td>
<td>19.2</td>
<td>~25.0</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>24.7</td>
<td>28.9</td>
<td>72.0</td>
<td>82.5</td>
<td>~98.0</td>
</tr>
<tr>
<td>Interest expense</td>
<td>7.3</td>
<td>8.9</td>
<td>24.2</td>
<td>27.0</td>
<td>~31.0</td>
</tr>
<tr>
<td>Interest income</td>
<td>(0.3)</td>
<td>(1.7)</td>
<td>(2.1)</td>
<td>(5.3)</td>
<td>~(2.0)</td>
</tr>
<tr>
<td>Special charges</td>
<td>16.6</td>
<td>-</td>
<td>24.9</td>
<td>-</td>
<td>~35.0</td>
</tr>
<tr>
<td><strong>Segment profit</strong></td>
<td>$34.1</td>
<td>$45.6</td>
<td>$132.7</td>
<td>$129.9</td>
<td>$ 145.0</td>
</tr>
</tbody>
</table>
Reconciliation of Non-GAAP Financial Measures:

<table>
<thead>
<tr>
<th></th>
<th>3Q20</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Net income (loss) from continuing operations Adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of acquired intangibles</td>
<td>$(17.3)</td>
<td>$4.1</td>
<td>$28.7</td>
<td>$3.1</td>
<td>$1.0</td>
</tr>
<tr>
<td>Special charges</td>
<td>$9.9</td>
<td>$7.8</td>
<td>$29.2</td>
<td>$23.3</td>
<td>~39.0</td>
</tr>
<tr>
<td>Tax impact</td>
<td>$16.6</td>
<td>-</td>
<td>$24.9</td>
<td>-</td>
<td>~35.0</td>
</tr>
<tr>
<td>Nonrecurring tax benefit - divestiture</td>
<td>$(7.0)</td>
<td>$(2.1)</td>
<td>$(14.4)</td>
<td>$(6.2)</td>
<td>~20.0</td>
</tr>
<tr>
<td>Adjusted net income from continuing operations</td>
<td>$2.1</td>
<td>$9.8</td>
<td>$29.4</td>
<td>$20.2</td>
<td>$16.0</td>
</tr>
</tbody>
</table>

|                                |      |      |          |          |               |               |
| Net income (loss) per common share - attributable to Magellan - Diluted Adjustments |      |      |          |          |               |               |
| Amortization of acquired intangibles | $(0.68) | $0.17  | $1.14    | $0.13    | $0.04         | $0.51         |
| Special charges                | 0.39   | 0.31  | 1.15     | 0.95     | ~1.54         | ~1.54         |
| Tax impact                     | 0.65   | -     | 0.98     | -        | ~1.37         | ~1.37         |
| Nonrecurring tax benefit - divestiture | (0.27) | (0.08) | (0.57)   | (0.25)   | ~0.78         | ~0.78         |
| Adjusted earnings per share    | $0.08  | $0.40 | $1.16    | $0.83    | $0.63         | $1.10         |

In millions, except for per share data