

Attachment B.13.a  
Press Releases

## Press Releases

### **WellCare to Hold 2011 Annual Meeting of Stockholders on May 25 in Tampa, Florida**

**Tampa, Florida (May 19, 2011)** - WellCare Health Plans, Inc. (NYSE: WCG) will hold its 2011 Annual Meeting of Stockholders on Wednesday, May 25, 2011, at 10:00 a.m. Eastern Time. The meeting is to be held at the Company's headquarters in Tampa, Florida. In conjunction with the meeting, Alec Cunningham, WellCare's chief executive officer, will present information about the Company's results and outlook.

The presentation will be webcast live. In addition, a replay of the webcast will be available beginning approximately one hour following the conclusion of the live broadcast and for 30 days thereafter. Both the live presentation and the replay will be available via the Company's web site at [www.wellcare.com](http://www.wellcare.com).

#### **About WellCare Health Plans, Inc.**

WellCare Health Plans, Inc. provides managed care services targeted to government-sponsored health care programs, focusing on Medicaid and Medicare. Headquartered in Tampa, Florida, WellCare offers a variety of health plans for families, children, and the aged, blind, and disabled, as well as prescription drug plans. The Company served approximately 2.4 million members nationwide as of March 31, 2011. For more information about WellCare, please visit the Company's website at [www.wellcare.com](http://www.wellcare.com).

#### **CONTACTS:**

##### **Investor Relations:**

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## **WellCare Reports First Quarter 2011 Results**

### ***Company Announces Court Approval of Class Action Litigation Settlement***

**TAMPA, Fla., May 06, 2011** (BUSINESS WIRE) -- WellCare Health Plans, Inc. (NYSE: WCG) today reported results for the first quarter ended March 31, 2011. As determined under generally accepted accounting principles ("GAAP"), net income for the first quarter of 2011 was \$21.3 million, or \$0.50 per diluted share, compared with \$6.4 million, or \$0.15 per diluted share, for the first quarter of 2010. Adjusted net income for the first quarter of 2011 was \$28.2 million, or \$0.66 per diluted share, compared with \$7.4 million, or \$0.17 per diluted share, for the first quarter of 2010.

"We continue to deliver improvements in health care quality, access, and cost, as well as in our administrative cost structure, to ensure our capabilities are well aligned with the needs of our government customers," said Alec Cunningham, WellCare's chief executive officer. "These improvements were also key contributors to our solid first quarter financial results, setting the stage for a potentially strong year."

First quarter 2011 performance was highlighted by membership growth of 9% year-over-year, which was driven by growth in the Medicare Prescription Drug Plans ("PDP") segment membership. WellCare continued to invest in working with state governments to help improve health care quality, access, and cost through the increased use of managed care programs. New initiatives include piloting preventive care incentive programs for Medicaid members, services to address member care gaps, and investments in disease and case management. The Company also improved its administrative cost position while preparing to participate in various state Medicaid managed care expansion opportunities. In addition, WellCare made progress in resolving historic government investigations and related litigation.

### **Highlights of Operations for the First Quarter**

Adjusted net income for the first quarter of 2011 increased relative to the first quarter of 2010 primarily due to the favorable development of prior years' medical benefits payable as well as decreased selling, general and administrative ("SG&A") expense, offset in part by the increase in the PDP segment medical benefits ratio ("MBR").

Membership as of March 31, 2011, increased to 2.4 million, compared with 2.2 million members as of March 31, 2010. PDP segment membership increased 199,000 year-over-year, or 27%. Medicare Advantage membership increased year-over-year by 1,000 members. Medicaid segment membership decreased by 3,000 year-over-year to 1.3 million members as of March 31, 2011.

Premium revenue for the first quarter 2011 increased 8% year-over-year to \$1.5 billion. The increase was primarily due to growth in PDP segment premium revenue, which increased 36% year-over-year. In addition, first quarter 2011 Medicaid segment premium revenue increased 5% relative to the first quarter 2010.

Medical benefits expense for the first quarter 2011 was \$1.2 billion, an increase of 7% from the first quarter of 2010. The MBR was 85.7% in the first quarter of 2011, compared with 86.8% in the first quarter of 2010. The decrease was driven by favorable development of prior years' medical benefits payable in the Medicaid and Medicare Advantage segments, offset in part by an increase in the PDP segment MBR.

SG&A expense as determined under GAAP was \$169 million in the first quarter of 2011, compared with \$164 million for the same period in 2010. Adjusted SG&A was \$158 million in the first quarter of 2011, a decrease of 2% from \$162 million in the same period last year. The year-over-year decrease in adjusted SG&A expense was due mainly to reduced Medicare marketing expense as well as gains in operating efficiency. The adjusted administrative expense ratio was 10.9% in the first quarter of 2011, compared with 12.1% for the same period in 2010. The 120 basis point decrease in the ratio year-over-year resulted from lower expenses and improved operating leverage.

### **Class Action Litigation Resolution**

On May 4, 2011, the United States District Court for the Middle District of Florida approved the previously disclosed Stipulation and Agreement of Settlement, fully resolving all claims in the securities class action consolidated complaint. The class action complaints were filed in October 2007 and November 2007. On August 9, 2010, WellCare announced that the parties had reached an agreement on the material terms of the settlement.

Consistent with the terms of the previously disclosed settlement agreement, WellCare made a cash payment of \$52.5 million to the class on March 24, 2011, and will make a payment of \$35.0 million by July 31, 2011. The Company also will issue later this quarter to the class tradable, unsecured notes having an aggregate face value of \$112.5 million, with a fixed coupon of 6%. The notes have a maturity date of December 31, 2016. A charge for the full amount of the settlement was recorded by the Company in the second quarter of 2010.

### **Cash Flow and Financial Condition Highlights**

Net cash used in operating activities as determined under GAAP was \$44 million and \$171 million for the three months ended March 31, 2011 and 2010, respectively. Net cash used in operating activities, modified for the timing of receipts from, and payments to, the Company's government clients, was \$4 million and \$109 million for the three months ended March 31, 2011 and 2010, respectively. As of March 31, 2011, unregulated cash and investments were approximately \$130 million. Unregulated cash and investments were approximately \$193 million as of December 31, 2010, and \$121 million on March 31, 2010.

Days in claims payable were 57 days as of March 31, 2011, compared with 62 days as of December 31, 2010, and 55 days as of March 31, 2010.

### **Financial Outlook**

WellCare is updating its financial outlook for the year ended December 31, 2011. The following elements of WellCare's financial outlook have changed:

- Adjusted net income per diluted share now is expected to be between approximately \$3.35 and \$3.65, an increase from the previous guidance for adjusted net income per diluted share of between approximately \$2.45 and \$2.70. The increase is driven by favorable development of prior years' medical benefits payable recorded in the first quarter, as well as an improved operating outlook.
- The 2011 Medicaid segment MBR is anticipated to be below the 2010 MBR. The previous guidance was for the 2011 Medicaid segment MBR to be above the 2010 MBR.

The following elements of WellCare's financial outlook have not changed:

- Premium revenue is expected to be between approximately \$5.8 and \$5.9 billion.
- The 2011 Medicare Advantage and PDP segments' MBRs each are anticipated to increase relative to the respective 2010 segment MBRs.

- The adjusted administrative expense ratio is expected to be in the range of 10.7% to 10.9%.

All elements of the Company's outlook exclude the impact of Medicaid premium taxes.

### **Webcast**

A discussion of WellCare's first quarter 2011 results will be webcast live on Friday, May 6, 2011, beginning at 8:30 a.m. Eastern Time. A replay will be available beginning approximately one hour following the conclusion of the live broadcast and will be available for 30 days. The webcast is available via the Company's web site at [www.wellcare.com](http://www.wellcare.com) and at [www.earnings.com](http://www.earnings.com).

### **About WellCare Health Plans, Inc.**

WellCare Health Plans, Inc. provides managed care services targeted to government-sponsored health care programs, focusing on Medicaid and Medicare. Headquartered in Tampa, Florida, WellCare offers a variety of health plans for families, children, and the aged, blind, and disabled, as well as prescription drug plans. The Company served approximately 2.4 million members nationwide as of March 31, 2011. For more information about WellCare, please visit the Company's website at [www.wellcare.com](http://www.wellcare.com).

### **Basis of Presentation**

In the fourth quarter of 2010, WellCare began reporting Medicaid premium tax expense separate from SG&A expense. Prior to the fourth quarter of 2010, the Company reported premium tax expense within SG&A expense. As a result of this change in reporting practice, the Company is excluding Medicaid premium taxes from premium revenue when calculating its MBRs, and administrative expense ratio. Amounts and ratios for the first quarter of 2010 have been reclassified from those originally reported to reflect this change.

In addition to results determined under GAAP, net income and certain other operating results described in this news release are reported after adjustment for certain SG&A expenses related to previously disclosed government investigations and related litigation and associated resolution costs that management believes are not indicative of long-term business operations. Please refer to the schedules in this news release that provide supplemental information reconciling results determined under GAAP to adjusted results.

### **Cautionary Statement Regarding Forward-Looking Statements**

This news release contains "forward-looking" statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," and similar expressions are forward-looking statements. The Company's financial outlook contains forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause WellCare's actual future results to differ materially from those projected or contemplated in the forward-looking statements. These risks and uncertainties include, but are not limited to, WellCare's progress on top priorities such as improving health care quality and access, ensuring a competitive cost position, and delivering prudent, profitable growth.

Additional information concerning these and other important risks and uncertainties can be found under the captions "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2010, and other subsequent filings by WellCare with the U.S. Securities and Exchange Commission, which contain discussions of

WellCare's business and the various factors that may affect it. WellCare undertakes no duty to update these forward-looking statements to reflect any future events, developments, or otherwise.

**WELLCARE HEALTH PLANS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

*(Unaudited; Dollars in thousands except per share data)*

|   | <b>Three Months Ended</b> |              |
|---|---------------------------|--------------|
|   | <b>March 31,</b>          |              |
|   | <b>2011</b>               | <b>2010</b>  |
| Revenues:                                   |                           |              |
| Premiums                                    | \$ 1,453,552              | \$ 1,343,714 |
| Medicaid premium taxes                      | 18,864                    | 9,744        |
| Total premiums                              | 1,472,416                 | 1,353,458    |
| Investment and other income                 | 2,326                     | 2,495        |
| Total revenues                              | 1,474,742                 | 1,355,953    |
| Expenses:                                   |                           |              |
| Medical benefits                            | 1,245,040                 | 1,165,972    |
| Selling, general and administrative         | 169,243                   | 163,593      |
| Medicaid premium taxes                      | 18,864                    | 9,744        |
| Depreciation and amortization               | 6,475                     | 5,756        |
| Interest                                    | 77                        | 10           |
| Total expenses                              | 1,439,699                 | 1,345,075    |
| Income before income taxes                  | 35,043                    | 10,878       |
| Income tax expense                          | 13,713                    | 4,460        |
| Net income                                  | \$ 21,330                 | \$ 6,418     |
| Net income per common share:                |                           |              |
| Basic                                       | \$ 0.50                   | \$ 0.15      |
| Diluted                                     | \$ 0.50                   | \$ 0.15      |
| Weighted average common shares outstanding: |                           |              |
| Basic                                       | 42,621,908                | 42,193,662   |
| Diluted                                     | 43,040,529                | 42,707,241   |

**WELLCARE HEALTH PLANS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(Dollars in thousands except per share data)*

|  | <b>March 31,<br/>2011</b> | <b>Dec. 31,<br/>2010</b> |
|--|---------------------------|--------------------------|
|  | <b>(Unaudited)</b>        |                          |
| <b>ASSETS</b>  |                           |                          |
| Current Assets:  |                           |                          |
| Cash and cash equivalents  | \$ 1,232,918              | \$ 1,359,548             |
| Investments  | 201,894                   | 108,788                  |
| Premium receivables, net   | 190,182                   | 127,796                  |
| Funds receivable for the benefit of members  | -                         | 33,182                   |
| Income taxes receivable  | 16,838                    | 9,973                    |
| Prepaid expenses and other current assets, net   | 117,815                   | 114,492                  |
| Deferred income tax asset  | 42,963                    | 61,392                   |
| Total current assets   | 1,802,610                 | 1,815,171                |
| Property, equipment and capitalized software, net  | 75,980                    | 76,825                   |
| Goodwill   | 111,131                   | 111,131                  |
| Other intangible assets, net   | 11,045                    | 11,428                   |
| Long-term investments  | 83,717                    | 62,931                   |
| Restricted investments   | 105,812                   | 107,569                  |
| Deferred income tax asset  | 55,188                    | 58,340                   |
| Other assets   | 3,726                     | 3,898                    |
| Total Assets   | \$ 2,249,209              | \$ 2,247,293             |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                           |                          |
| Current Liabilities:   |                           |                          |
| Medical benefits payable   | \$ 790,624                | \$ 742,990               |
| Unearned premiums  | 84,532                    | 67,383                   |
| Accounts payable   | 7,629                     | 8,284                    |
| Other accrued expenses and liabilities   | 152,348                   | 199,033                  |
| Current portion of amounts accrued related to investigation resolution                     | 68,799                    | 121,406                  |
| Other payables to government partners  | 52,179                    | 46,605                   |
| Funds held for the benefit of members  | 4,624                     | -                        |
| Total current liabilities  | 1,160,735                 | 1,185,701                |
| Amounts accrued related to investigation resolution  | 218,274                   | 216,136                  |
| Other liabilities  | 12,546                    | 13,410                   |
| Total liabilities  | 1,391,555                 | 1,415,247                |
| Commitments and contingencies  | -                         | -                        |
| Stockholders' Equity:  |                           |                          |
| Preferred stock, \$0.01 par value (20,000,000 authorized, no shares issued or outstanding) | -                         | -                        |

|   |              |              |
|---|--------------|--------------|
| Common stock, \$0.01 par value (100,000,000 authorized, 42,557,404 and 42,541,725 shares issued and outstanding at March 31, 2011, and December 31, 2010, respectively) | 426          | 425          |
| Paid-in capital   | 432,810      | 428,818      |
| Retained earnings   | 426,442      | 405,112      |
| Accumulated other comprehensive loss  | (2,024 )     | (2,309 )     |
| Total stockholders' equity  | 857,654      | 832,046      |
| Total Liabilities and Stockholders' Equity  | \$ 2,249,209 | \$ 2,247,293 |

**WELLCARE HEALTH PLANS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(Unaudited; Dollars in thousands)*

|   | <b>Three Months Ended</b> |             |
|---|---------------------------|-------------|
|   | <b>March 31,</b>          |             |
|   | <b>2011</b>               | <b>2010</b> |
| Cash from (used in) operating activities:                                     |                           |             |
| Net income  | \$ 21,330                 | \$ 6,418    |
| Adjustments to reconcile net income to net cash used in operating activities: |                           |             |
| Depreciation and amortization   | 6,475                     | 5,756       |
| Equity-based compensation expense   | 4,849                     | 1,142       |
| Deferred taxes, net   | 21,581                    | 16,721      |
| Changes in operating accounts:  |                           |             |
| Premium receivables, net  | (62,386 )                 | 23,781      |
| Prepaid expenses and other current assets, net                                | (3,323 )                  | (2,985 )    |
| Medical benefits payable  | 47,634                    | (95,690 )   |
| Unearned premiums   | 17,149                    | (90,353 )   |
| Accounts payable and other accrued expenses                                   | (43,475 )                 | (18,466 )   |
| Other payables to government partners   | 5,574                     | 4,547       |
| Amounts accrued related to investigation resolution                           | (50,469 )                 | 511         |
| Income taxes, net   | (8,012 )                  | (14,401 )   |
| Other, net  | (869 )                    | (7,525 )    |
| Net cash used in operating activities   | (43,942 )                 | (170,544 )  |
| Cash from (used in) investing activities:                                     |                           |             |
| Purchases of investments  | (198,305 )                | (117 )      |
| Proceeds from sale and maturities of investments                              | 85,043                    | 12,322      |
| Purchases of restricted investments   | (4,012 )                  | (289 )      |
| Proceeds from maturities of restricted investments                            | 5,601                     | 368         |
| Additions to property, equipment and capitalized software, net                | (8,715 )                  | (4,235 )    |
| Net cash (used in) provided by investing activities                           | (120,388 )                | 8,049       |
| Cash from (used in) financing activities:                                     |                           |             |
| Proceeds from option exercises and other                                      | 1,034                     | 770         |
| Purchase of treasury stock  | (744 )                    | (3,030 )    |
| Payments on capital leases  | (396 )                    | (58 )       |
| Funds received for the benefit of members                                     | 37,806                    | 34,019      |

|  |              |              |
|--|--------------|--------------|
| Net cash provided by financing activities          | 37,700       | 31,701       |
| Cash and cash equivalents:                         |              |              |
| Decrease during period                             | (126,630 )   | (130,794 )   |
| Balance at beginning of year                       | 1,359,548    | 1,158,131    |
| Balance at end of period                           | \$ 1,232,918 | \$ 1,027,337 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: |              |              |
| Cash paid for taxes                                | \$ 446       | \$ 8,161     |
| Cash paid for interest                             | \$ 74        | \$ 7         |
| Equipment acquired through capital leases          | \$ -         | \$ 8,411     |

**WELLCARE HEALTH PLANS, INC.  
MEMBERSHIP STATISTICS**

|                                      | As of March 31, |           |
|--------------------------------------|-----------------|-----------|
|                                      | 2011            | 2010      |
| <b>Membership by Program</b>         |                 |           |
| <i>Medicaid Membership</i>           |                 |           |
| TANF                                 | 1,076,000       | 1,076,000 |
| S-CHIP                               | 164,000         | 166,000   |
| SSI and ABD                          | 79,000          | 78,000    |
| FHP                                  | 10,000          | 12,000    |
| Total Medicaid Membership            | 1,329,000       | 1,332,000 |
| <i>Medicare Membership</i>           |                 |           |
| Medicare Advantage                   | 119,000         | 118,000   |
| Prescription Drug Plan (stand-alone) | 935,000         | 736,000   |
| Total Medicare Membership            | 1,054,000       | 854,000   |
| Total Membership                     | 2,383,000       | 2,186,000 |
| <b>Medicaid Membership by State</b>  |                 |           |
| Florida                              | 410,000         | 422,000   |
| Georgia                              | 559,000         | 537,000   |
| Other states                         | 360,000         | 373,000   |
| Total Medicaid Membership            | 1,329,000       | 1,332,000 |

**WELLCARE HEALTH PLANS, INC.  
SEGMENT INFORMATION  
(Unaudited; Dollars in thousands)**

|                         | Three Months Ended |            |
|-------------------------|--------------------|------------|
|                         | March 31,          |            |
|                         | 2011               | 2010       |
| <b>Premium revenue:</b> |                    |            |
| Medicaid:               |                    |            |
| Florida                 | \$ 221,666         | \$ 223,818 |
| Georgia                 | 353,112            | 325,159    |
| Other states            | 262,201            | 250,312    |
| Medicaid premium taxes  | 18,864             | 9,744      |

|                          |              |              |
|--------------------------|--------------|--------------|
| Total Medicaid           | 855,843      | 809,033      |
| Medicare:                |              |              |
| Medicare Advantage plans | 354,645      | 351,083      |
| Prescription Drug plans  | 261,928      | 193,342      |
| Total Medicare           | 616,573      | 544,425      |
| Total Premium Revenue    | \$ 1,472,416 | \$ 1,353,458 |

**WELLCARE HEALTH PLANS, INC.**

**UNAUDITED SUPPLEMENTAL INFORMATION**

**Reconciliation of GAAP Statements of Operations to Adjusted Statements of Operations**

*(Dollars in thousands except per share data)*

The Company reports adjusted operating results on a non-GAAP basis to exclude certain expenses that management believes are not indicative of longer term business trends and operations. The following are statements of operations and related measures for the first quarter ended March 31, 2011 and 2010, as determined under GAAP, reconciled to the adjusted statements of operations and related measures for each of the same periods.

|                                     | Three Months Ended March 31, 2011 |             |              | Three Months Ended March 31, 2010 |             |              |
|-------------------------------------|-----------------------------------|-------------|--------------|-----------------------------------|-------------|--------------|
|                                     | GAAP                              | Adjustments | Adjusted     | GAAP                              | Adjustments | Adjusted     |
| Revenues:                           |                                   |             |              |                                   |             |              |
| Premium                             | \$ 1,453,552                      | \$ -        | \$ 1,453,552 | \$ 1,343,714                      | \$ -        | \$ 1,343,714 |
| Medicaid premium taxes              | 18,864                            | -           | 18,864       | 9,744                             | -           | 9,744        |
| Total premium                       | 1,472,416                         | -           | 1,472,416    | 1,353,458                         | -           | 1,353,458    |
| Investment and other income         | 2,326                             | -           | 2,326        | 2,495                             | -           | 2,495        |
| Total revenues                      | 1,474,742                         | -           | 1,474,742    | 1,355,953                         | -           | 1,355,953    |
| Expenses:                           |                                   |             |              |                                   |             |              |
| Medical benefits                    | 1,245,040                         | -           | 1,245,040    | 1,165,972                         | -           | 1,165,972    |
| Selling, general and administrative | 169,243                           | (10,747)    | (a) 158,496  | 163,593                           | (a) (1,267) | (b) 162,326  |
| Medicaid premium taxes              | 18,864                            | -           | 18,864       | 9,744                             | -           | 9,744        |
| Depreciation and amortization       | 6,475                             | -           | 6,475        | 5,756                             | -           | 5,756        |
| Interest                            | 77                                | -           | 77           | 10                                | -           | 10           |
| Total expenses                      | 1,439,699                         | (10,747)    | 1,428,952    | 1,345,075                         | (1,267)     | 1,343,808    |

|                              |            |          |                   |            |         |            |                   |      |   |
|------------------------------|------------|----------|-------------------|------------|---------|------------|-------------------|------|---|
| Income before income taxes   | 35,043     | 10,747   | 45,790            | 10,878     | 1,267   | 12,145     |                   |      |   |
| Income tax expense           | 13,713     | 3,884    | 17,597            | 4,460      | 321     | 4,781      |                   |      |   |
| Net income                   | \$ 21,330  | \$ 6,863 | \$ 28,193         | \$ 6,418   | \$ 946  | \$ 7,364   |                   |      |   |
| Weighted average shares:     |            |          |                   |            |         |            |                   |      |   |
| Basic                        | 42,621,908 | -        | 42,621,908        | 42,193,662 | -       | 42,193,662 |                   |      |   |
| Diluted                      | 43,040,529 | -        | 43,040,529        | 42,707,241 | -       | 42,707,241 |                   |      |   |
| Net income per share:        |            |          |                   |            |         |            |                   |      |   |
| Basic                        | \$ 0.50    | \$ 0.16  | \$ 0.66           | \$ 0.15    | \$ 0.02 | \$ 0.17    |                   |      |   |
| Diluted                      | \$ 0.50    | \$ 0.16  | \$ 0.66           | \$ 0.15    | \$ 0.02 | \$ 0.17    |                   |      |   |
| Medical benefits ratio:      |            |          |                   |            |         |            |                   |      |   |
| Medicaid                     | 84.1       | % -      | 84.1              | % 87.8     | % -     | 87.8       | %                 |      |   |
| Medicare Advantage           | 78.1       | % -      | 78.1              | % 78.7     | % -     | 78.7       | %                 |      |   |
| Prescription Drug Plans      | 100.9      | % -      | 100.9             | % 97.2     | % -     | 97.2       | %                 |      |   |
| Aggregate                    | 85.7       | % -      | 85.7              | % 86.8     | % -     | 86.8       | %                 |      |   |
| Administrative expense ratio | 11.6       | % (0.7   | %) <sup>(b)</sup> | 10.9       | % 12.2  | % (0.1     | %) <sup>(b)</sup> | 12.1 | % |
| Days in claims payable       | 57         | -        | 57                | 55         | -       | 55         |                   |      |   |

Investigation-related legal, accounting, employee retention, and other costs: Administrative expenses associated with the government and Company investigations amounted to an expense of \$8.7 million and expense of \$0.9 million, in the quarters ended March 31, 2011 and 2010, respectively.

Liability for investigation resolution: Based on the status of the government investigations, the Company recorded expense of \$2.0 million and \$0.4 million, respectively, in the quarters ended March 31, 2011 and 2010.

**WELLCARE HEALTH PLANS, INC.**  
**UNAUDITED SUPPLEMENTAL INFORMATION**  
**Reconciliation of GAAP Net Cash Used in Operating Activities**  
**to Net Cash Used in Operating Activities Modified**  
**for the Timing of Receipts from and Payments to Government Clients**  
*(Dollars in thousands)*

The Company reports cash used in operating activities on a non-GAAP basis to exclude the changes in premium receivables, unearned premiums, and other receivables from, and payables to, government customers. The Company believes that operating cash flow excluding these changes is a useful measure for investors, as the excluded changes are a function of the timing of cash receipts from, and payments to, federal and state government agencies at the end of a period.

|  | <b>Three Months Ended</b> |               |
|--|---------------------------|---------------|
|  | <b>March 31,</b>          |               |
|  | <b>2011</b>               | <b>2010</b>   |
| Net cash used in operating activities, as reported under GAAP  | \$ (43,942 )              | \$ (170,544 ) |
| Modifications to eliminate changes in:   |                           |               |
| Premium receivables, net   | 62,386                    | (23,781 )     |
| Unearned premiums  | (17,149 )                 | 90,353        |
| Other payables to government partners  | (5,574 )                  | (4,547 )      |
| Net cash used in operating activities, modified for the timing of receipts from and payments to government clients | \$ (4,279 )               | \$ (108,519 ) |

SOURCE: WellCare Health Plans, Inc.

**WellCare Health Plans, Inc.**

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**`Ohana Announces Dr. Richard O. Banner, M.D. State Medicaid Director**

**WAIPAHU, HI (April 12, 2011)** - `Ohana Health Plan today announced that Richard O. Banner, M.D., has joined the company as the plan's state medical director. Dr. Banner will oversee the clinical direction of medical services and quality improvement functions for `Ohana, reporting directly to `Ohana's region president, Erhardt H.L. Preitauer.

## **WellCare to Report First Quarter 2011 Results on May 6**

**Tampa, Florida (March 31, 2011)** - WellCare Health Plans, Inc. (NYSE: WCG) will report on Friday, May 6, 2011, at 6:30 a.m. Eastern Time its results for the quarter ended March 31, 2011. Beginning at 8:30 a.m. Eastern Time the same day, Alec Cunningham, WellCare's chief executive officer, will lead a discussion about these results. The discussion will be webcast live via the internet from the Company's web site at [www.wellcare.com](http://www.wellcare.com) and from [www.earnings.com](http://www.earnings.com).

Replays of the discussion will be available beginning approximately one hour following the conclusion of the live broadcast. A telephonic replay will be available until midnight on Friday, May 6, 2011. This replay may be accessed by calling 1-800-633-8284 and entering reservation number 21518513. A replay will be available via webcast for 30 days on [www.wellcare.com](http://www.wellcare.com).

### **About WellCare Health Plans, Inc.**

WellCare Health Plans, Inc. provides managed care services targeted to government-sponsored health care programs, focusing on Medicaid and Medicare. Headquartered in Tampa, Florida, WellCare offers a variety of health plans for families, children, and the aged, blind, and disabled, as well as prescription drug plans. The Company served approximately 2.2 million members nationwide as of December 31, 2010. For more information about WellCare, please visit the Company's website at [www.wellcare.com](http://www.wellcare.com).

### **Contacts:**

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Media Relations:

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## **WellCare Awarded Contract Extension by Georgia Department of Community Health**

**Tampa, Florida (February 18, 2011)** - WellCare Health Plans, Inc. (NYSE: WCG) today announced that the Georgia Department of Community Health ("DCH") is extending the term of the Georgia Families program managed care contract between DCH and WellCare of Georgia, Inc., subject to the execution of a contract amendment. The amendment is expected to extend the contract by one year to June 30, 2013. The amendment also is expected to include a renewal option allowing the contract term to be further extended by one additional year to June 30, 2014.

"The Georgia Families program is well designed and has been highly effective in improving health care quality, access and cost," said Alec Cunningham, WellCare's chief executive officer. "We are delighted to have the opportunity to continue to serve our members, state customers and providers in Georgia."

As of December 31, 2010, WellCare served approximately 566,000 children and adults in the Georgia Families program. For the year 2010, premium revenue from the program, excluding premium taxes, was \$1.36 billion, which represented approximately 25% of the Company's total premium revenue excluding premium taxes in 2010.

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### **Cautionary Statement Regarding Forward-Looking Statements**

This news release contains "forward-looking" statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," and similar expressions are forward-looking statements. Our financial outlook contains forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause WellCare's actual future results to differ materially from those projected or contemplated in the forward-looking statements. These risks and uncertainties include, but are not limited to, WellCare's current financial outlook for 2011 and progress on top priorities such as improving health care quality and access, ensuring a competitive cost position, and reestablishing prudent, profitable growth.

Additional information concerning these and other important risks and uncertainties can be found under the captions "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2010, and other filings by WellCare with the U.S. Securities and Exchange Commission, which contain discussions of WellCare's business and the various factors that may affect it. WellCare undertakes no duty to update these forward-looking statements to reflect any future events, developments, or otherwise.

**CONTACTS:**

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## **WellCare Reports Annual and Fourth Quarter 2010 Results**

**TAMPA, Fla., Feb 16, 2011 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) today reported results for the year and fourth quarter ended December 31, 2010. As determined under generally accepted accounting principles ("GAAP"), net income for the fourth quarter of 2010 was \$26.1 million, or \$0.61 per diluted share, compared with \$11.1 million, or \$0.26 per diluted share, for the fourth quarter of 2009. Adjusted net income for the fourth quarter of 2010 was \$30.4 million, or \$0.71 per diluted share, compared with \$20.0 million, or \$0.47 per diluted share for the fourth quarter of 2009. As determined under GAAP, the Company reported a net loss for the year 2010 of \$53.4 million, or \$1.26 per diluted share, compared with net income of \$39.9 million, or \$0.95 per diluted share, for the year 2009. Adjusted net income for the year 2010 was \$114.2 million, or \$2.67 per diluted share, compared with \$126.6 million, or \$3.00 per diluted share, for the year 2009.

"We are pleased with our accomplishments in 2010, which are the foundation for our optimism about continued strategic, operational, and financial progress in 2011," said Alec Cunningham, WellCare's chief executive officer. "We are confident that we will continue to strengthen our service and value to our members, government customers, and business partners in 2011 and beyond."

WellCare made progress on its top priorities during 2010. With respect to improving health care quality and access, WellCare received full URAC health plan accreditation for its two Florida health plans, increased many of its Medicare Advantage plans' and prescription drug plans' ("PDPs") star scores, and increased a number of Healthcare Effectiveness Data and Information Set ("HEDIS(R)") measures for its Medicaid plans. In addition, the Company's administrative cost structure was a focus with the execution of a strategic and organizational restructuring and process improvements that have positioned WellCare for an anticipated 80 to 100 basis point reduction in its administrative expense ratio in 2011.

During 2010, WellCare also invested in delivering prudent, profitable growth in its three business segments. These investments are the drivers of expected premium revenue growth of 8% to 10% in 2011. Finally, the Company made progress in resolving complex legal and regulatory matters, including various previously disclosed government investigations and related litigation.

### **Basis of Presentation**

WellCare has reassessed its reporting practices and, beginning this quarter, is reporting Medicaid premium tax expense separate from selling, general, and administrative ("SG&A") expense. Historically, the Company has reported premium tax expense within SG&A expense. In addition, the Company is excluding Medicaid premium taxes from premium revenue when calculating its medical benefits ratios ("MBRs"), administrative expense ratio, and other key measurements. The Company believes that reporting certain measurements excluding Medicaid premium taxes provides useful information for investors, as the impact of Medicaid premium taxes on the Company's key ratios and measurements is not indicative of operating performance.

In addition to results determined under GAAP, net income and certain other operating results described in this news release are reported after adjustment for certain SG&A expenses related to previously disclosed government investigations and related litigation and associated resolution costs that management believes are not indicative of long-term business operations. Please refer to the schedules in this news release that provide supplemental information reconciling results determined under GAAP to adjusted results.

### **Highlights of Operations for the Fourth Quarter**

Adjusted net income for the fourth quarter of 2010 was favorable in comparison to the fourth quarter of 2009 primarily due to decreases in the MBRs of all three of the Company's segments, which were driven by lower medical benefits expense, as well as decreased SG&A expense. These improvements were offset in part by decreased gross margin from the December 31, 2009, withdrawal of the Company's Medicare Advantage private fee-for-service ("PFFS") plans and from reduced membership in the Company's Medicare Advantage coordinated care plans ("CCPs") due mainly to the impact of the previously disclosed 2009 Centers for Medicare & Medicaid Services ("CMS") marketing sanction.

Membership as of December 31, 2010, decreased to 2.2 million, compared with 2.3 million members as of December 31, 2009. Medicaid segment membership decreased by 9,000 year-over-year to 1.3 million as of December 31, 2010. Medicare Advantage membership decreased year-over-year by 109,000 members. The withdrawal from PFFS plans reduced membership by 95,000 year-over-year. Medicare Advantage CCP membership decreased 14,000. PDP membership increased 21,000 year-over-year, to end the year at 768,000 members, up from 747,000 members at December 31, 2009.

Premium revenue for the fourth quarter 2010 decreased 17% year-over-year to \$1.3 billion. The decrease was attributable to the withdrawal of PFFS plans and to the impact of the 2009 CMS marketing sanction on Medicare Advantage segment revenue, offset in part by growth in revenue in the PDP and Medicaid segments.

Medical benefits expense was \$1.1 billion, a decrease of 21% from the fourth quarter of 2009. The MBR was 82.5% in the fourth quarter of 2010, compared with 86.0% in the fourth quarter of 2009. The decrease was driven by the improved performance of the Company's PDPs and Medicaid plans, as well as the withdrawal from PFFS plans.

SG&A expense as determined under GAAP was \$194 million in the fourth quarter of 2010, compared with \$203 million for the same period in 2009. Adjusted SG&A was \$179 million in the fourth quarter of 2010, a decrease of 6% from \$191 million in the same period last year. The year-over-year decrease in adjusted SG&A expense resulted principally from gains in operating efficiency and the withdrawal from PFFS plans. The adjusted administrative expense ratio was 13.4% in the fourth quarter of 2010, compared with 11.8% for the same period in 2009, due primarily to a lower revenue base in 2010 resulting from the withdrawal of the Company's PFFS plans and the impact of the 2009 CMS marketing sanction.

### **Cash Flow and Financial Condition Highlights**

Net cash provided by operating activities as determined under GAAP was \$223 million and \$58 million for the years ended December 31, 2010 and 2009, respectively. Net cash provided by operating activities, modified for the timing of receipts from, and payments to, the Company's government clients, was \$73 million and \$93 million for the years ended December 31, 2010 and 2009, respectively.

As of December 31, 2010, unregulated cash and short-term investments were approximately \$193 million. Unregulated cash and short-term investments were approximately \$201 million as of September 30, 2010, and \$120 million on December 31, 2009.

Days in claims payable were 62 days as of December 31, 2010, compared with 56 days as of September 30, 2010, and 53 days as of December 31, 2009.

## **Financial Outlook**

WellCare is providing its financial outlook for the year ended December 31, 2011.

- Adjusted net income per diluted share is expected to be between approximately \$2.45 and \$2.70.
- Premium revenue is expected to be between approximately \$5.8 and \$5.9 billion.
- The 2011 Medicaid, Medicare Advantage, and PDP segments' MBRs each are anticipated to increase relative to the respective 2010 segment MBRs.
- The adjusted administrative expense ratio is expected to be in the range of 10.7% to 10.9%.

All elements of the Company's outlook exclude the impact of Medicaid premium taxes.

## **Webcast**

A discussion of WellCare's annual and fourth quarter 2010 results will be webcast live on Wednesday, February 16, 2011, beginning at 8:30 a.m. Eastern Time. A replay will be available beginning approximately one hour following the conclusion of the live broadcast and will be available for 30 days. The webcast is available via the Company's web site at [www.wellcare.com](http://www.wellcare.com) and at [www.earnings.com](http://www.earnings.com).

## **About WellCare Health Plans, Inc.**

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## **Cautionary Statement Regarding Forward-Looking Statements**

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Additional information concerning these and other important risks and uncertainties can be found under the captions "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, and other subsequent filings by WellCare with the U.S. Securities and Exchange Commission, which contain discussions of WellCare's business and the various factors that may affect it. WellCare undertakes no duty to update these forward-looking statements to reflect any future events, developments, or otherwise.

**WELLCARE HEALTH PLANS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(Unaudited; Dollars in thousands except per share data)*

|   | Three Months Ended<br>December 31, |              | Year Ended<br>December 31, |              |
|---|------------------------------------|--------------|----------------------------|--------------|
|   | 2010                               | 2009         | 2010                       | 2009         |
| Revenues:                                   |                                    |              |                            |              |
| Premium                                     | \$ 1,334,625                       | \$ 1,610,529 | \$ 5,373,816               | \$ 6,776,226 |
| Medicaid premium taxes                      | 18,296                             | 10,914       | 56,374                     | 91,026       |
| Total premium                               | 1,352,921                          | 1,621,443    | 5,430,190                  | 6,867,252    |
| Investment and other income                 | 2,529                              | 2,537        | 10,035                     | 10,912       |
| Total revenues                              | 1,355,450                          | 1,623,980    | 5,440,225                  | 6,878,164    |
| Expenses:                                   |                                    |              |                            |              |
| Medical benefits                            | 1,100,761                          | 1,385,247    | 4,536,631                  | 5,862,457    |
| Selling, general and administrative         | 194,203                            | 202,862      | 895,894                    | 805,238      |
| Medicaid premium taxes                      | 18,296                             | 10,914       | 56,374                     | 91,026       |
| Depreciation and amortization               | 6,176                              | 5,789        | 23,946                     | 23,336       |
| Interest                                    | 69                                 | -            | 229                        | 3,087        |
| Total expenses                              | 1,319,505                          | 1,604,812    | 5,513,074                  | 6,785,144    |
| Income (loss) before income taxes           | 35,945                             | 19,168       | (72,849 )                  | 93,020       |
| Income tax expense (benefit)                | 9,808                              | 8,029        | (19,449 )                  | 53,149       |
| Net income (loss)                           | \$ 26,137                          | \$ 11,139    | \$ (53,400 )               | \$ 39,871    |
| Net income (loss) per common share:         |                                    |              |                            |              |
| Basic                                       | \$ 0.62                            | \$ 0.27      | \$ (1.26 )                 | \$ 0.95      |
| Diluted                                     | \$ 0.61                            | \$ 0.26      | \$ (1.26 )                 | \$ 0.95      |
| Weighted average common shares outstanding: |                                    |              |                            |              |
| Basic                                       | 42,492,250                         | 41,977,007   | 42,365,061                 | 41,823,497   |
| Diluted                                     | 42,898,465                         | 42,758,030   | 42,365,061                 | 42,150,777   |

**WELLCARE HEALTH PLANS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(Unaudited; Dollars in thousands)*

|  | As of December 31, |              |
|--|--------------------|--------------|
|  | 2010               | 2009         |
| <b>ASSETS</b>                                  |                    |              |
| Current Assets:                                |                    |              |
| Cash and cash equivalents                      | \$ 1,359,548       | \$ 1,158,131 |
| Investments                                    | 108,788            | 62,722       |
| Premium receivables, net                       | 127,796            | 285,808      |
| Funds receivable for the benefit of members    | 33,182             | 77,851       |
| Income taxes receivable                        | 9,973              | -            |
| Prepaid expenses and other current assets, net | 114,492            | 104,079      |
| Deferred income tax asset                      | 61,392             | 28,874       |
| Total current assets                           | 1,815,171          | 1,717,465    |

|   |              |              |
|---|--------------|--------------|
| Property, equipment and capitalized software, net | 76,825       | 61,785       |
| Goodwill  | 111,131      | 111,131      |
| Other intangible assets, net                      | 11,428       | 12,961       |
| Long-term investments                             | 62,931       | 51,710       |
| Restricted investments                            | 107,569      | 130,550      |
| Deferred income tax asset                         | 58,340       | 29,654       |
| Other assets                                      | 3,898        | 3,191        |
| Total Assets                                      | \$ 2,247,293 | \$ 2,118,447 |

#### **LIABILITIES AND STOCKHOLDERS' EQUITY**

##### Current Liabilities:

|  |            |            |
|--|------------|------------|
| Medical benefits payable   | \$ 742,990 | \$ 802,515 |
| Unearned premiums  | 67,383     | 90,496     |
| Accounts payable   | 8,284      | 5,270      |
| Other accrued expenses and liabilities                                 | 199,033    | 220,562    |
| Current portion of amounts accrued related to investigation resolution | 121,406    | 18,192     |
| Other payables to government partners                                  | 46,605     | 38,147     |
| Income taxes payable   | -          | 4,888      |
| Total current liabilities  | 1,185,701  | 1,180,070  |
| Amounts accrued related to investigation resolution                    | 216,136    | 40,205     |
| Other liabilities  | 13,410     | 17,272     |
| Total liabilities  | 1,415,247  | 1,237,547  |

##### Commitments and contingencies

##### Stockholders' Equity:

|   |              |              |
|---|--------------|--------------|
| Preferred stock, \$0.01 par value (20,000,000 authorized, no shares issued or outstanding)  | -            | -            |
| Common stock, \$0.01 par value (100,000,000 authorized, 42,541,725 and 42,361,207 shares issued and outstanding at December 31, 2010 and December 31, 2009, respectively) | 425          | 424          |
| Paid-in capital   | 428,818      | 425,083      |
| Retained earnings   | 405,112      | 458,512      |
| Accumulated other comprehensive loss  | (2,309 )     | (3,119 )     |
| Total stockholders' equity  | 832,046      | 880,900      |
| Total Liabilities and Stockholders' Equity  | \$ 2,247,293 | \$ 2,118,447 |

#### **WELLCARE HEALTH PLANS, INC.**

#### **CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(Unaudited; Dollars in thousands)*

|  | <b>Year Ended</b>            |             |
|--|------------------------------|-------------|
|  | <b>December 31,<br/>2010</b> | <b>2009</b> |
| Cash provided by (used in) operating activities:   |                              |             |
| Net (loss) income  | \$ (53,400 )                 | \$ 39,871   |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: |                              |             |
| Depreciation and amortization  | 23,946                       | 23,336      |
| Equity-based compensation expense  | 14,801                       | 44,149      |
| Deferred taxes, net  | (61,204 )                    | 10,443      |
| Provision for doubtful receivables   | (6,889 )                     | 1,945       |
| Changes in operating accounts:   |                              |             |

|  |              |              |
|--|--------------|--------------|
| Premium receivables, net   | 158,124      | (74,014 )    |
| Other receivables from government partners, net                    | 6,728        | (564 )       |
| Prepaid expenses and other current assets, net                     | (10,362 )    | 28,586       |
| Medical benefits payable   | (59,525 )    | 36,336       |
| Unearned premiums  | (23,113 )    | 9,299        |
| Accounts payable and other accrued expenses                        | 752          | (69,440 )    |
| Other payables to government partners                              | 8,458        | 30,047       |
| Amounts accrued related to investigation resolution                | 256,207      | 8,397        |
| Income taxes, net  | (21,134 )    | (15,645 )    |
| Other, net   | (10,332 )    | (14,821 )    |
| Net cash provided by operating activities                          | 223,057      | 57,925       |
| Cash provided by (used in) investing activities:                   |              |              |
| Purchases of investments   | (219,961 )   | (16,115 )    |
| Proceeds from sale and maturities of investments                   | 163,993      | 27,466       |
| Purchases of restricted investments                                | (21,820 )    | (65,299 )    |
| Proceeds from maturities of restricted investments                 | 44,800       | 133,665      |
| Additions to property, equipment and capitalized software, net     | (27,516 )    | (16,078 )    |
| Net cash (used in) provided by investing activities                | (60,504 )    | 63,639       |
| Cash provided by (used in) financing activities:                   |              |              |
| Proceeds from option exercises and other                           | 1,443        | 1,167        |
| Purchase of treasury stock   | (6,237 )     | (2,413 )     |
| Payments on debt   | -            | (152,800 )   |
| Payments on capital leases   | (1,011 )     | -            |
| Funds received for the benefit of members                          | 44,669       | 8,691        |
| Net cash provided by (used in) financing activities                | 38,864       | (145,355 )   |
| Cash and cash equivalents:   |              |              |
| Increase (decrease) during year                                    | 201,417      | (23,791 )    |
| Balance at beginning of year                                       | 1,158,131    | 1,181,922    |
| Balance at end of year   | \$ 1,359,548 | \$ 1,158,131 |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>          |              |              |
| Cash paid for taxes  | \$ 75,962    | \$ 80,621    |
| Cash paid for interest   | \$ 228       | \$ 2,642     |
| Equipment acquired through capital leases                          | \$ 8,868     | \$ 805       |
| Non-cash additions to property, equipment and capitalized software | \$ 2,354     | \$ 923       |

**WELLCARE HEALTH PLANS, INC.**

**MEMBERSHIP STATISTICS**

|                              | <b>As of December 31,</b> |             |
|------------------------------|---------------------------|-------------|
|                              | <b>2010</b>               | <b>2009</b> |
| <b>Membership by Program</b> |                           |             |
| <i>Medicaid Membership</i>   |                           |             |
| TANF                         | 1,085,000                 | 1,094,000   |
| S-CHIP                       | 168,000                   | 163,000     |
| SSI and ABD                  | 77,000                    | 79,000      |
| FHP                          | 10,000                    | 13,000      |
| Total Medicaid Membership    | 1,340,000                 | 1,349,000   |
| <i>Medicare Membership</i>   |                           |             |
| Medicare Advantage           | 116,000                   | 225,000     |

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Prescription Drug Plan (stand-alone) | 768,000   | 747,000   |
| Total Medicare Membership            | 884,000   | 972,000   |
| Total Membership                     | 2,224,000 | 2,321,000 |

**Medicaid Membership by State**

|                           |           |           |
|---------------------------|-----------|-----------|
| Florida                   | 415,000   | 425,000   |
| Georgia                   | 566,000   | 546,000   |
| Other states              | 359,000   | 378,000   |
| Total Medicaid Membership | 1,340,000 | 1,349,000 |

**WELLCARE HEALTH PLANS, INC.**

**SEGMENT INFORMATION**

*(Unaudited; Dollars in thousands)*

|                              | Three Months Ended  |                     | Year Ended          |                     |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
|                              | December 31,        |                     | December 31,        |                     |
|                              | 2010                | 2009                | 2010                | 2009                |
| <b>Premium revenue:</b>      |                     |                     |                     |                     |
| Medicaid:                    |                     |                     |                     |                     |
| Florida                      | \$ 220,052          | \$ 216,207          | \$ 889,705          | \$ 916,689          |
| Georgia                      | 352,847             | 329,270             | 1,357,354           | 1,273,712           |
| Other states                 | 252,932             | 263,292             | 1,005,318           | 975,304             |
| Medicaid premium taxes       | 18,296              | 10,914              | 56,374              | 91,026              |
| Total Medicaid               | 844,127             | 819,683             | 3,308,751           | 3,256,731           |
| Medicare:                    |                     |                     |                     |                     |
| Medicare Advantage plans     | 323,723             | 632,521             | 1,336,089           | 2,775,442           |
| Prescription Drug plans      | 185,071             | 169,239             | 785,350             | 835,079             |
| Total Medicare               | 508,794             | 801,760             | 2,121,439           | 3,610,521           |
| <b>Total Premium Revenue</b> | <b>\$ 1,352,921</b> | <b>\$ 1,621,443</b> | <b>\$ 5,430,190</b> | <b>\$ 6,867,252</b> |

**WELLCARE HEALTH PLANS, INC. UNAUDITED SUPPLEMENTAL INFORMATION**

**Reconciliation of GAAP Statements of Operations to Adjusted Statements of Operations**

*(Dollars in thousands except per-share data)*

The Company reports adjusted operating results on a non-GAAP basis to exclude certain expenses that management believes are not indicative of longer-term business trends and operations. Following are statements of operations and related measures for the fourth quarter and year ended December 31, 2010 and 2009, as determined under GAAP, reconciled to the adjusted statements of operations and related measures for each of the same periods.

|                             | Three Months Ended |             |              | Three Months Ended |             |              |
|-----------------------------|--------------------|-------------|--------------|--------------------|-------------|--------------|
|                             | December 31, 2010  |             |              | December 31, 2009  |             |              |
|                             | GAAP               | Adjustments | Adjusted     | GAAP               | Adjustments | Adjusted     |
| Revenues:                   |                    |             |              |                    |             |              |
| Premium                     | \$ 1,334,625       | \$ -        | \$ 1,334,625 | \$ 1,610,529       | \$ -        | \$ 1,610,529 |
| Medicaid premium taxes      | 18,296             | -           | 18,296       | 10,914             | -           | 10,914       |
| Total premium               | 1,352,921          | -           | 1,352,921    | 1,621,443          | -           | 1,621,443    |
| Investment and other income | 2,529              | -           | 2,529        | 2,537              | -           | 2,537        |
| Total revenues              | 1,355,450          | -           | 1,355,450    | 1,623,980          | -           | 1,623,980    |

|  |            |           |     |            |            |           |     |            |   |
|--|------------|-----------|-----|------------|------------|-----------|-----|------------|---|
| Expenses:                                  |            |           |     |            |            |           |     |            |   |
| Medical benefits                           | 1,100,761  | -         |     | 1,100,761  | 1,385,247  | -         |     | 1,385,247  |   |
| Selling, general,<br>and<br>administrative | 194,203    | (15,557 ) | (a) | 178,646    | 202,862    | (11,815 ) | (a) | 191,047    |   |
| Medicaid<br>premium taxes                  | 18,296     | -         | (b) | 18,296     | 10,914     | -         | (b) | 10,914     |   |
| Depreciation<br>and<br>amortization        | 6,176      | -         |     | 6,176      | 5,789      | -         |     | 5,789      |   |
| Interest                                   | 69         | -         |     | 69         | -          | -         |     | -          |   |
| Total expenses                             | 1,319,505  | (15,557 ) |     | 1,303,948  | 1,604,812  | (11,815 ) |     | 1,592,997  |   |
| Income before<br>income taxes              | 35,945     | 15,557    |     | 51,502     | 19,168     | 11,815    |     | 30,983     |   |
| Income tax<br>expense                      | 9,808      | 11,287    |     | 21,095     | 8,029      | 2,989     |     | 11,018     |   |
| Net income                                 | \$ 26,137  | \$ 4,270  |     | \$ 30,407  | \$ 11,139  | \$ 8,826  |     | \$ 19,965  |   |
| Weighted<br>average shares:                |            |           |     |            |            |           |     |            |   |
| Basic                                      | 42,492,250 | -         |     | 42,492,250 | 41,977,007 | -         |     | 41,977,007 |   |
| Diluted                                    | 42,898,465 | -         |     | 42,898,465 | 42,758,030 | -         |     | 42,758,030 |   |
| Net income per<br>share:                   |            |           |     |            |            |           |     |            |   |
| Basic                                      | \$ 0.62    | \$ 0.10   |     | \$ 0.72    | \$ 0.27    | \$ 0.21   |     | \$ 0.48    |   |
| Diluted                                    | \$ 0.61    | \$ 0.10   |     | \$ 0.71    | \$ 0.26    | \$ 0.21   |     | \$ 0.47    |   |
| Medical benefits<br>ratio:                 |            |           |     |            |            |           |     |            |   |
| Medicaid                                   | 86.5       | % -       |     | 86.5       | % 88.9     | % -       |     | 88.9       | % |
| Medicare<br>Advantage                      | 79.8       | % -       |     | 79.8       | % 84.9     | % -       |     | 84.9       | % |
| Prescription<br>Drug Plans                 | 69.4       | % -       |     | 69.4       | % 76.4     | % -       |     | 76.4       | % |
| Aggregate                                  | 82.5       | % -       | (a) | 82.5       | % 86.0     | % -       | (a) | 86.0       | % |
| Administrative<br>expense ratio            | 14.5       | % (1.1 %) | (b) | 13.4       | % 12.6     | % (0.8 %) | (b) | 11.8       | % |
| Days in claims<br>payable                  | 62         | -         |     | 62         | 53         | -         |     | 53         |   |

(a) Investigation-related legal, accounting, employee retention, and other costs: Administrative expenses associated with the government and Company investigations, net of D&O insurance recoveries, amounted to an expense of \$9.1 million and expense of \$11.4 million, in the quarters ended December 31, 2010 and 2009, respectively.

(b) Liability for investigation resolution: Based on the status of the government investigations, the Company recorded expense of \$6.5 million and \$0.4 million, respectively, in the quarters ended December 31, 2010 and 2009.

**WELLCARE HEALTH PLANS, INC. UNAUDITED SUPPLEMENTAL INFORMATION**  
**Reconciliation of GAAP Statements of Operations to Adjusted Statements of Operations**  
*(Dollars in thousands except per-share data)*

|                                      | Year Ended        |             |              | Year Ended        |             |              |     |     |  |
|--------------------------------------|-------------------|-------------|--------------|-------------------|-------------|--------------|-----|-----|--|
|                                      | December 31, 2010 |             |              | December 31, 2009 |             |              |     |     |  |
|                                      | GAAP              | Adjustments | Adjusted     | GAAP              | Adjustments | Adjusted     |     |     |  |
| Revenues:                            |                   |             |              |                   |             |              |     |     |  |
| Premium                              | \$ 5,373,816      |             | \$ 5,373,816 | \$ 6,776,226      |             | \$ 6,776,226 |     |     |  |
| Medicaid premium taxes               | 56,374            |             | 56,374       | 91,026            |             | 91,026       |     |     |  |
| Total premium                        | 5,430,190         |             | 5,430,190    | 6,867,252         |             | 6,867,252    |     |     |  |
| Investment and other income          | 10,035            |             | 10,035       | 10,912            |             | 10,912       |     |     |  |
| Total revenues                       | 5,440,225         |             | 5,440,225    | 6,878,164         |             | 6,878,164    |     |     |  |
| Expenses:                            |                   |             |              |                   |             |              |     |     |  |
| Medical benefits                     | 4,536,631         |             | 4,536,631    | 5,862,457         |             | 5,862,457    |     |     |  |
| Selling, general, and administrative | 895,894           | (265,938 )  | 629,956      | 805,238           | (104,961 )  | 700,277      | (a) | (a) |  |
| Medicaid premium taxes               | 56,374            |             | 56,374       | 91,026            |             | 91,026       | (b) | (b) |  |
| Depreciation and amortization        | 23,946            |             | 23,946       | 23,336            |             | 23,336       |     |     |  |
| Interest                             | 229               |             | 229          | 3,087             |             | 3,087        |     |     |  |
| Total expenses                       | 5,513,074         | (265,938 )  | 5,247,136    | 6,785,144         | (104,961 )  | 6,680,183    |     |     |  |
| (Loss) income before income taxes    | (72,849 )         | 265,938     | 193,089      | 93,020            | 104,961     | 197,981      |     |     |  |
| Income tax (benefit) expense         | (19,449 )         | 98,325      | 78,876       | 53,149            | 18,281      | 71,430       |     |     |  |
| Net (loss) income                    | \$ (53,400 )      | \$ 167,613  | \$ 114,213   | \$ 39,871         | \$ 86,680   | \$ 126,551   |     |     |  |
| Weighted average shares:             |                   |             |              |                   |             |              |     |     |  |
| Basic                                | 42,365,061        | -           | 42,365,061   | 41,823,497        | -           | 41,823,497   |     |     |  |
| Diluted                              | 42,365,061        | 428,989     | 42,794,050   | 42,150,777        | -           | 42,150,777   |     |     |  |
| Net (loss) income per share:         |                   |             |              |                   |             |              |     |     |  |
| Basic                                | \$ (1.26 )        | \$ 3.96     | \$ 2.70      | \$ 0.95           | \$ 2.08     | \$ 3.03      |     |     |  |
| Diluted                              | \$ (1.26 )        | \$ 3.93     | \$ 2.67      | \$ 0.95           | \$ 2.05     | \$ 3.00      |     |     |  |
| Medical benefits ratio:              |                   |             |              |                   |             |              |     |     |  |
| Medicaid                             | 87.5              | % -         | 87.5         | % 88.8            | % -         | 88.8         | %   |     |  |
| Medicare Advantage                   | 78.9              | % -         | 78.9         | % 82.8            | % -         | 82.8         | %   |     |  |
| Prescription Drug Plans              | 80.9              | % -         | 80.9         | % 90.1            | % -         | 90.1         | %   |     |  |

|                              |      |   |       |     |      |   |      |   |       |     |      |   |
|------------------------------|------|---|-------|-----|------|---|------|---|-------|-----|------|---|
| Aggregate                    | 84.4 | % | -     |     | 84.4 | % | 86.5 | % | -     |     | 86.5 | % |
|                              |      |   |       | (a) |      |   |      |   |       | (a) |      |   |
| Administrative expense ratio | 16.6 | % | (4.9) | (%) | 11.7 | % | 11.9 | % | (1.6) | (%) | 10.3 | % |
|                              |      |   |       | (b) |      |   |      |   |       | (b) |      |   |

(a) Investigation-related legal, accounting, employee retention, and other costs: Administrative expenses associated with the government and Company investigations, net of D&O insurance recoveries, amounted to an expense of \$7.2 million and expense of \$44.3 million, in the year ended December 31, 2010 and 2009, respectively.

(b) Liability for investigation resolution: Based on the status of the government investigations, the Company recorded expense of \$258.7 million and \$60.7 million, respectively, in the year ended December 31, 2010 and 2009.

#### WELLCARE HEALTH PLANS, INC.

#### UNAUDITED SUPPLEMENTAL INFORMATION

#### Reconciliation of GAAP Net Cash Provided by Operating Activities to Net Cash Provided by Operating Activities Modified for the Timing of Receipts from and Payments to Government Clients (Dollars in thousands)

The Company reports cash provided by operating activities on a non-GAAP basis to exclude the changes in premium receivables, unearned premiums, and other receivables from, and payables to, government customers. The Company believes that cash flow excluding these changes is a useful measure for investors, as the excluded changes are a function of the timing of cash receipts from, and payments to, federal and state government agencies at the end of a period.

|  | Year Ended        |           |
|--|-------------------|-----------|
|  | December 31, 2010 | 2009      |
| Net cash provided by operating activities, as reported under GAAP  | \$ 223,057        | \$ 57,925 |
| Modifications to eliminate changes in:   |                   |           |
| Premium receivables, net   | (158,124 )        | 74,014    |
| Other receivables from government partners, net  | (6,728 )          | 564       |
| Unearned premiums  | 23,113            | (9,299 )  |
| Other payables to government partners  | (8,458 )          | (30,047 ) |
| Net cash provided by operating activities, modified for the timing of receipts from and payments to government clients | \$ 72,860         | \$ 93,157 |

#### WELLCARE HEALTH PLANS, INC.

#### UNAUDITED SUPPLEMENTAL INFORMATION

WellCare has reassessed its reporting practices and, beginning this quarter, is reporting Medicaid premium tax expense separate from SG&A expense. Historically, the Company has reported premium tax expense within SG&A expense. In addition, the Company is excluding Medicaid premium taxes from premium revenue when calculating its MBRs, administrative expense ratio, and other key measurements. The Company believes that reporting certain measurements excluding Medicaid premium taxes provides useful information for investors, as the impact of Medicaid premium taxes on the Company's key ratios and measurements is not indicative of operating performance. The following table provides MBRs and adjusted administrative expense ratios computed using the new reporting practice for the quarters ended March 31, June 30, September 30, and December 31, 2010, and the years ended December 31, 2009 and 2010.

|                     |           |          |       | Years Ended  |      |
|---------------------|-----------|----------|-------|--------------|------|
| Three Months Ended, |           |          |       | December 31, |      |
| December            | September | June 30, | March | 2010         | 2009 |

|                                       | 31, 2010 |   | 30, 2010 |   | 2010 |   | 31, 2010 |   |      |   |      |   |
|---------------------------------------|----------|---|----------|---|------|---|----------|---|------|---|------|---|
| Medical benefits ratio:               |          |   |          |   |      |   |          |   |      |   |      |   |
| Medicaid                              | 86.5     | % | 88.9     | % | 87.0 | % | 87.8     | % | 87.5 | % | 88.8 | % |
| Medicare Advantage                    | 79.8     | % | 78.7     | % | 78.4 | % | 78.7     | % | 78.9 | % | 82.8 | % |
| PDP                                   | 69.4     | % | 71.7     | % | 84.7 | % | 97.2     | % | 80.9 | % | 90.1 | % |
| Aggregate                             | 82.5     | % | 83.9     | % | 84.5 | % | 86.8     | % | 84.4 | % | 86.5 | % |
| Adjusted administrative expense ratio | 13.4     | % | 11.0     | % | 10.4 | % | 12.1     | % | 11.7 | % | 10.3 | % |

SOURCE: WellCare Health Plans, Inc.

**WellCare Health Plans, Inc.**

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or

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## **WellCare Names Charles G. Berg Non-Executive Chairman of the Board**

**TAMPA, Fla., Dec 20, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) announced today that its Board of Directors has elected Charles G. Berg non-executive chairman of the Board. Mr. Berg has served as WellCare's executive chairman since January 2008. The change is effective January 1, 2011, following the expiration of Mr. Berg's employment agreement on December 31, 2010.

"Having accomplished our objectives with Chuck's leadership as executive chairman, he and the Board believe the time is right for this transition," said Kevin F. Hickey, WellCare's lead independent director and chair of the Board's Nominating and Corporate Governance Committee. "With WellCare in a new chapter, we look forward to Chuck's continuing and substantial contributions as chairman of our Board."

WellCare's Board created the executive chairman position in January 2008 to ensure that the company would address, effectively and expeditiously, various issues and challenges that existed at that time. Under Mr. Berg's leadership, WellCare transformed its corporate culture and governance and its compliance program. The Company strengthened its balance sheet and improved its capabilities in the areas of health care quality, product development and cost management. Over the past two years, WellCare also resolved a number of complex legal, accounting and regulatory matters.

"WellCare has made substantial progress over the past three years and has created a culture that places a premium on integrity, operational excellence and compliance," said Mr. Berg. "Under the leadership of our chief executive officer, Alec Cunningham, the Company is well positioned for the future. I look forward to continuing to work with the Board and senior management team as WellCare executes on its plan to create value for our members, government clients, providers and stockholders."

### **About WellCare Health Plans, Inc.**

WellCare Health Plans, Inc. provides managed care services targeted to government-sponsored health care programs, focusing on Medicaid and Medicare. Headquartered in Tampa, Florida, WellCare offers a variety of health plans for families, children, and the aged, blind, and disabled, as well as prescription drug plans. The Company served approximately 2.2 million members nationwide as of September 30, 2010. For more information about WellCare, please visit the Company's website at [www.wellcare.com](http://www.wellcare.com).

### **Cautionary Statement Regarding Forward-Looking Statements**

This news release contains "forward-looking" statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," and similar expressions are forward-looking statements. Our financial outlook contains forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause WellCare's actual future results to differ materially from those projected or contemplated in the forward-looking statements.

These risks and uncertainties include, but are not limited to, WellCare's current financial outlook for 2010 and progress on top priorities such as improving health care quality and access, ensuring a competitive cost position, and reestablishing prudent, profitable growth.

Additional information concerning these and other important risks and uncertainties can be found under the captions "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, and other filings by WellCare with the U.S. Securities and Exchange Commission, which contain discussions of WellCare's

business and the various factors that may affect it. WellCare undertakes no duty to update these forward-looking statements to reflect any future events, developments, or otherwise.

SOURCE: WellCare Health Plans, Inc.  
WellCare Health Plans, Inc.

**Investor relations:**

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or

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## **WellCare Partners with The Results Companies to Bring More Than 200 Jobs to Central Florida**

**TAMPA, Fla., Dec 13, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG), a leading provider of managed care services for government-sponsored health care programs, and The Results Companies (Results), a leading customer contact solutions provider, today announced a partnership to expand WellCare's call center operations and bring 200 new jobs to Winter Haven, Fla. The two companies are jointly staffing a new Central Florida call center, and applications are currently being accepted for English- and bilingual Spanish-speaking representatives to assist Medicare and Medicaid beneficiaries.

"Partnering with Results to employ 200 more people in a state-of-the-art support center is just one example of our commitment to ensuring that our members have timely access to important health care information and services," said Walt Cooper, WellCare's chief administrative officer. "English is not the first language of many of our members, so the call center's ability to assist Spanish-speaking members is an important enhancement."

"During a time when our state is facing significant economic challenges, we are delighted to help stimulate job growth by creating more than 200 new jobs in Florida," said Christina Cooper, WellCare's Florida and Hawaii Division president. "The Results team understands the important role it plays in serving our members, and we are pleased with the first-rate customer service it is providing."

Like WellCare, Results is headquartered in Florida and is widely recognized for its proven track record in customer service and innovation. Among other things, Results provides an array of inbound and outbound customer management solutions designed to improve call management, as well as enhance service, performance and the customer's overall satisfaction.

"Results is focused on providing best-in-class service to its clients," said Shannan Bjortvedt, vice president of Client Services at Results. "We believe that Winter Haven and the surrounding communities can provide a workforce that will help us exceed expectations for WellCare."

To explore employment opportunities offered by WellCare and Results, applicants are encouraged to visit each organization's website at [www.wellcare.com](http://www.wellcare.com) and [www.theresultscompanies.com](http://www.theresultscompanies.com).

### **About WellCare Health Plans, Inc.**

WellCare Health Plans, Inc. provides managed care services targeted to government-sponsored health care programs, focusing on Medicaid and Medicare. Headquartered in Tampa, Florida, WellCare offers a variety of health plans for families, children, and the aged, blind, and disabled, as well as prescription drug plans. The Company served approximately 2.2 million members nationwide as of September 30, 2010. For more information about WellCare, please visit the Company's website at [www.wellcare.com](http://www.wellcare.com).

### **About The Results Companies**

The Results Companies (Results) is one of the fastest growing providers of business process outsourcing (BPO) services focused exclusively on partner branded support. Results has crafted stand-alone and integrated models helping clients reinforce their unique identities when interacting with consumers through phone, email web-chat and Social Media. With a foundation rich in technology and innovation, Results has developed systems designed to improve call management, as well as enhance service, performance and the customer's overall experience. Established in 1990, Results provides services through over 5,000 agents located in 16 locations worldwide. For more information, please call 954-921-2400 or visit [www.theresultscompanies.com](http://www.theresultscompanies.com).

SOURCE: WellCare Health Plans, Inc.

**WellCare investor relations:**

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or

**WellCare media relations:**

Amy Knapp, 813-206-2762

or

**Results media relations:**

Linette Caicedo, 954-495-0340

## **WellCare Reports Third Quarter 2010 Results**

**TAMPA, Fla., Nov 04, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) today reported results for the three and nine months ended September 30, 2010. As determined under generally accepted accounting principles ("GAAP"), the Company reported net income for the third quarter of 2010 of \$42.9 million, or \$1.00 per diluted share, compared with net income of \$28.7 million, or \$0.68 per diluted share, for the prior year period.

Adjusted net income for the third quarter of 2010 was \$37.9 million, or \$0.89 per diluted share, as compared with \$34.7 million, or \$0.82 per diluted share, for the same period in 2009. Adjusted net income excludes a benefit, net of certain expenses and before income taxes, of \$7 million, which results from matters related to previously disclosed government investigations and related litigation. Additional information on this benefit is provided later in this news release.

"We are pleased with our financial and operating results for the third quarter, which were driven by our progress in improving health care quality and access, ensuring a competitive cost structure, and re-establishing prudent, profitable growth," said Alec Cunningham, WellCare's chief executive officer. "We will sustain our focus on these objectives in 2011 to continue to strengthen our performance in meeting the needs of our members, government customers, and business partners."

In addition to results determined under GAAP, net income and certain other operating results described in this news release are reported after adjustment for certain selling, general, and administrative ("SG&A") expenses, primarily related to previously disclosed government investigations and related litigation that management believes are not indicative of long-term business operations. Please refer to the schedules in this news release that provide supplemental information reconciling results determined under GAAP to adjusted results.

### **Highlights of Operations for the Third Quarter**

Adjusted net income for the third quarter of 2010 was favorable in comparison to the third quarter of 2009 primarily due to the performance of the Medicare prescription drug plan ("PDP") and Medicaid segments, as well as lower SG&A expense. These improvements were offset in part by the loss of gross margin from the December 31, 2009, withdrawal of our Medicare Advantage private fee-for-service ("PFFS") plans, and from reduced membership in our Medicare Advantage coordinated care plans ("CCPs") due mainly to the impact of the previously disclosed 2009 CMS marketing sanction.

Membership as of September 30, 2010, decreased to 2.2 million compared with 2.3 million members as of September 30, 2009. Medicaid segment membership increased by 6,000 year-over-year to 1.3 million as of September 30, 2010, principally due to growth in the Georgia Medicaid program. Medicare Advantage membership decreased year-over-year by 124,000 members. The withdrawal from PFFS plans reduced membership by 101,000 year-over-year. Medicare Advantage CCP membership decreased 23,000, and PDP membership decreased 12,000 year-over-year, principally due to the impact of the 2009 CMS marketing sanction.

Premium revenue for the third quarter 2010 decreased 17% year-over-year to \$1.4 billion. The decrease is attributable to the withdrawal of PFFS plans and to the impact of the 2009 CMS marketing sanction on Medicare Advantage CCP premium revenue, offset in part by growth in revenue for the Medicaid and PDP segments.

Medical benefits expense was \$1.1 billion, a decrease of 19% from the third quarter of 2009. The medical benefits ratio ("MBR") was 82.8% in the third quarter of 2010, compared with 85.2% in the third quarter of 2009. Excluding the impact of premium taxes, the third quarter 2010 MBR was 83.9%, a decrease of 270 basis points from 86.6% in the third quarter of 2009. The decrease was driven by the improved performance of the Company's PDPs and Medicaid plans, as well as the withdrawal from PFFS plans.

SG&A expense as determined under GAAP was \$162 million in the third quarter of 2010, compared with \$196 million for the same period in 2009. Adjusted SG&A was \$169 million in 2010, a decrease of 9% from \$186 million in the same period last year. Adjusted SG&A expense excludes a net benefit of \$7 million resulting from directors and officers ("D&O") liability insurance recoveries of \$25 million, offset in part by \$18 million in government investigations and related litigation expense. The year-over-year decrease in adjusted SG&A expense resulted principally from the reduction in the Georgia Medicaid program premium tax rate, the withdrawal from PFFS plans, and from gains in operating efficiency.

Adjusted SG&A expense was 12.2% of total revenues in the third quarter of 2010, compared with 11.2% of total revenues in the same period in 2009, due primarily to a lower revenue base in 2010 resulting from the withdrawal of the Company's PFFS plans and the impact of the 2009 CMS marketing sanction.

#### **Cash Flow and Financial Condition Highlights**

Net cash used in operating activities as determined under GAAP was \$72 million, compared with net cash provided by operating activities of \$70 million for the nine month periods ended September 30, 2010 and 2009, respectively. Net cash used in operating activities, modified for the timing of receipts from and payments to the Company's government clients, was \$28 million for the nine months ended September 30, 2010, compared with net cash provided by operating activities of \$142 million for the nine months ended September 30, 2009.

As of September 30, 2010, unregulated cash and short-term investments were approximately \$201 million. Unregulated cash and short-term investments were approximately \$160 million as of June 30, 2010, \$120 million on December 31, 2009, and \$93 million on September 30, 2009.

Days in claims payable were 56 days as of September 30, 2010, compared with 54 days as of June 30, 2010, and 56 days as of September 30, 2009. Excluding the impact of Medicare Advantage PFFS plans, days in claims payable were 55 days as of September 30, 2010, 51 days as of June 30, 2010, and 52 days as of September 30, 2009.

#### **Financial Outlook**

WellCare is updating its financial outlook for the year ended December 31, 2010. Adjusted net income per diluted share now is expected to be between approximately \$2.30 and \$2.35, an increase from the previous guidance for adjusted net income per diluted share of between approximately \$2.05 and \$2.20. The following elements of WellCare's financial outlook also have changed.

- Premium revenue is expected to be between approximately \$5.40 and \$5.45 billion, an increase from the previous guidance of \$5.30 to \$5.40 billion.
- The 2010 Medicaid segment MBR is anticipated to be above the 2009 MBR. The previous guidance was for the 2010 Medicaid segment MBR to be below the 2009 MBR. Excluding the impact of premium taxes, the 2010 Medicaid segment MBR is expected to decrease relative to the 2009 MBR.
- The adjusted administrative expense ratio is expected to be in the mid-12% range, down from the high 12% range as described in the previous guidance.

The following elements of WellCare's financial outlook are unchanged from the Company's previous guidance.

- The 2010 Medicare Advantage segment MBR will decrease relative to the 2009 MBR.
- The 2010 PDP segment MBR will decrease from the 2009 MBR.

### Webcast

A discussion of WellCare's third quarter 2010 results will be webcast live on Thursday, November 4, 2010, beginning at 8:30 a.m. Eastern Time. A replay will be available beginning approximately one hour following the conclusion of the live broadcast and will be available for 30 days. The webcast is available via the Company's web site at <http://www.wellcare.com> and at <http://www.earnings.com>.

### About WellCare Health Plans, Inc.

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### Cautionary Statement Regarding Forward-Looking Statements

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These risks and uncertainties include, but are not limited to, WellCare's current financial outlook for 2010 and progress on top priorities such as improving health care quality and access, ensuring a competitive cost position, and reestablishing prudent, profitable growth.

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### WELLCARE HEALTH PLANS, INC.

#### CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

*(Unaudited; dollars in thousands except per share data)*

|           | Three Months Ended |              | Nine Months Ended |              |
|-----------|--------------------|--------------|-------------------|--------------|
|           | September 30,      |              | September 30,     |              |
|           | 2010               | 2009         | 2010              | 2009         |
| Revenues: |                    |              |                   |              |
| Premium   | \$ 1,385,874       | \$ 1,666,031 | \$ 4,077,269      | \$ 5,245,809 |

|   |            |            |              |            |
|---|------------|------------|--------------|------------|
| Investment and other income                 | 2,299      | 1,614      | 7,506        | 8,375      |
| Total revenues                              | 1,388,173  | 1,667,645  | 4,084,775    | 5,254,184  |
| Expenses:                                   |            |            |              |            |
| Medical benefits                            | 1,147,107  | 1,420,193  | 3,435,870    | 4,477,210  |
| Selling, general and administrative         | 161,662    | 195,665    | 739,769      | 682,488    |
| Depreciation and amortization               | 6,123      | 5,851      | 17,770       | 17,547     |
| Interest                                    | 117        | 4          | 160          | 3,087      |
| Total expenses                              | 1,315,009  | 1,621,713  | 4,193,569    | 5,180,332  |
| Income (loss) before income taxes           | 73,164     | 45,932     | (108,794 )   | 73,852     |
| Income tax expense (benefit)                | 30,248     | 17,272     | (29,257 )    | 45,120     |
| Net income (loss)                           | \$ 42,916  | \$ 28,660  | \$ (79,537 ) | \$ 28,732  |
| Net income (loss) per common share:         |            |            |              |            |
| Basic                                       | \$ 1.01    | \$ 0.68    | \$ (1.88 )   | \$ 0.69    |
| Diluted                                     | \$ 1.00    | \$ 0.68    | \$ (1.88 )   | \$ 0.68    |
| Weighted average common shares outstanding: |            |            |              |            |
| Basic                                       | 42,411,455 | 41,849,749 | 42,313,973   | 41,771,713 |
| Diluted                                     | 42,740,369 | 42,280,035 | 42,313,973   | 42,007,302 |

**WELLCARE HEALTH PLANS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(Dollars in thousands)*

|   | <b>Sept. 30,</b>   | <b>Dec. 31,</b> |
|---|--------------------|-----------------|
|   | <b>2010</b>        | <b>2009</b>     |
|   | <i>(Unaudited)</i> |                 |
| <b>ASSETS</b>                                     |                    |                 |
| Current Assets:                                   |                    |                 |
| Cash and cash equivalents                         | \$ 1,091,015       | \$ 1,158,131    |
| Investments                                       | 72,709             | 62,722          |
| Premium and other receivables, net                | 309,998            | 285,808         |
| Funds receivable for the benefit of members       | 55,262             | 77,851          |
| Prepaid expenses and other current assets, net    | 121,106            | 104,079         |
| Deferred income tax asset                         | 56,638             | 28,874          |
| Total current assets                              | 1,706,728          | 1,717,465       |
| Property, equipment and capitalized software, net | 68,534             | 61,785          |
| Goodwill  | 111,131            | 111,131         |
| Other intangible assets, net                      | 11,811             | 12,961          |
| Long-term investments                             | 46,838             | 51,710          |
| Restricted investments                            | 124,694            | 130,550         |
| Deferred income tax asset                         | 69,277             | 29,654          |
| Other assets                                      | 4,118              | 3,191           |
| Total Assets                                      | \$ 2,143,131       | \$ 2,118,447    |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>       |                    |                 |
| Current Liabilities:                              |                    |                 |
| Medical benefits payable                          | \$ 703,664         | \$ 802,515      |
| Unearned premiums                                 | 65,992             | 90,496          |
| Accounts payable                                  | 8,869              | 5,270           |
| Other accrued expenses and liabilities            | 150,834            | 220,562         |

|  |             |             |
|--|-------------|-------------|
| Current portion of amounts accrued related to investigation resolution   | 117,601     | 18,192      |
| Other payables to government partners  | 42,447      | 38,147      |
| Income taxes payable   | 18,362      | 4,888       |
| Total current liabilities  | 1,107,769   | 1,180,070   |
| Amounts accrued related to investigation resolution  | 213,649     | 40,205      |
| Other liabilities  | 19,677      | 17,272      |
| Total liabilities  | 1,341,095   | 1,237,547   |
| Commitments and contingencies  | -           | -           |
| Stockholders' Equity:  |             |             |
| Preferred stock, \$0.01 par value (20,000,000 authorized, no shares issued or outstanding)   | -           | -           |
| Common stock, \$0.01 par value (100,000,000 authorized, 42,538,975 and 42,361,207 shares issued and outstanding at September 30, 2010 and December 31, 2009, respectively) | 425         | 424         |
| Paid-in capital  | 424,529     | 425,083     |
| Retained earnings  | 378,975     | 458,512     |
| Accumulated other comprehensive loss   | (1,893 )    | (3,119 )    |
| Total stockholders' equity   | 802,036     | 880,900     |
| Total Liabilities and Stockholders' Equity   | \$2,143,131 | \$2,118,447 |

**WELLCARE HEALTH PLANS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(Unaudited; dollars in thousands)*

|  | <b>Nine Months Ended</b> |             |
|--|--------------------------|-------------|
|  | <b>September 30,</b>     | <b>2010</b> |
|  | <b>2010</b>              | <b>2009</b> |
| Cash provided by (used in) operating activities:   |                          |             |
| Net (loss) income  | \$ (79,537 )             | \$ 28,732   |
| Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities: |                          |             |
| Depreciation and amortization  | 17,770                   | 17,547      |
| Equity-based compensation expense  | 8,655                    | 29,776      |
| Deferred taxes, net  | (67,386 )                | 8,526       |
| Changes in operating accounts:   |                          |             |
| Premium and other receivables, net   | (24,190 )                | 10,111      |
| Other receivables from government partners, net  | -                        | (40,073 )   |
| Prepaid expenses and other current assets, net   | (17,027 )                | 15,301      |
| Medical benefits payable   | (98,851 )                | 91,708      |
| Unearned premiums  | (24,504 )                | (60,489 )   |
| Accounts payable and other accrued expenses  | (43,635 )                | (64,465 )   |
| Other payables to government partners  | 4,300                    | 18,397      |
| Amounts accrued related to investigation resolution  | 249,915                  | 30,249      |
| Income taxes, net  | 7,594                    | (5,450 )    |
| Other, net   | (5,088 )                 | (10,328 )   |
| Net cash (used in) provided by operating activities  | (71,984 )                | 69,542      |
| Cash provided by (used in) investing activities:   |                          |             |
| Purchases of investments   | (117,903 )               | (19,295 )   |
| Proceeds from sales and maturities of investments  | 114,726                  | 34,012      |

|  |              |              |
|--|--------------|--------------|
| Purchases of restricted investments                            | (18,386 )    | (64,039 )    |
| Proceeds from maturities of restricted investments             | 24,298       | 131,707      |
| Additions to property, equipment and capitalized software, net | (16,192 )    | (9,908 )     |
| Net cash (used in) provided by investing activities            | (13,457 )    | 72,477       |
| Cash provided by (used in) financing activities:               |              |              |
| Proceeds from option exercises and other                       | 1,091        | 418          |
| Purchase of treasury stock                                     | (4,420 )     | -            |
| Payments on debt   | -            | (152,800 )   |
| Payments on capital leases                                     | (935 )       | -            |
| Funds received (used) for the benefit of members               | 22,589       | (341 )       |
| Net cash provided by (used in) financing activities            | 18,325       | (152,723 )   |
| Cash and cash equivalents:                                     |              |              |
| Decrease during the period                                     | (67,116 )    | (10,704 )    |
| Balance at beginning of year                                   | 1,158,131    | 1,181,922    |
| Balance at end of period                                       | \$ 1,091,015 | \$ 1,171,218 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:             |              |              |
| Cash paid for taxes  | \$ 35,686    | \$ 58,489    |
| Cash paid for interest   | \$ 183       | \$ 2,642     |
| Equipment acquired through capital leases                      | \$ 8,868     | \$ 559       |

**WELLCARE HEALTH PLANS, INC.**  
**MEMBERSHIP STATISTICS**

|                                      | As of September 30, |           |
|--------------------------------------|---------------------|-----------|
|                                      | 2010                | 2009      |
| <b>Membership by Program</b>         |                     |           |
| <i>Medicaid Membership</i>           |                     |           |
| TANF                                 | 1,073,000           | 1,072,000 |
| S-CHIP                               | 168,000             | 158,000   |
| SSI and ABD                          | 77,000              | 78,000    |
| FHP                                  | 10,000              | 14,000    |
| Total Medicaid Membership            | 1,328,000           | 1,322,000 |
| <i>Medicare Membership</i>           |                     |           |
| Medicare Advantage                   | 116,000             | 240,000   |
| Prescription Drug Plan (stand-alone) | 756,000             | 768,000   |
| Total Medicare Membership            | 872,000             | 1,008,000 |
| Total Membership                     | 2,200,000           | 2,330,000 |
| <b>Medicaid Membership by State</b>  |                     |           |
| Florida                              | 418,000             | 412,000   |
| Georgia                              | 548,000             | 527,000   |
| Other states                         | 362,000             | 383,000   |
| Total Medicaid Membership            | 1,328,000           | 1,322,000 |

**WELLCARE HEALTH PLANS, INC.**

**SEGMENT INFORMATION**

*(Unaudited; dollars in thousands)*

|                              | Three Months Ended  |                     | Nine Months Ended   |                     |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
|                              | September 30,       |                     | September 30,       |                     |
|                              | 2010                | 2009                | 2010                | 2009                |
| <b>Premium revenue:</b>      |                     |                     |                     |                     |
| Medicaid:                    |                     |                     |                     |                     |
| Florida                      | \$ 223,409          | \$ 220,409          | \$ 669,654          | \$ 720,662          |
| Georgia                      | 359,744             | 345,640             | 1,013,471           | 999,487             |
| Other states                 | 271,740             | 248,062             | 781,499             | 716,899             |
| Total Medicaid               | 854,893             | 814,111             | 2,464,624           | 2,437,048           |
| Medicare:                    |                     |                     |                     |                     |
| Medicare Advantage plans     | 331,338             | 660,009             | 1,012,366           | 2,142,921           |
| Prescription Drug plans      | 199,643             | 191,911             | 600,279             | 665,840             |
| Total Medicare               | 530,981             | 851,920             | 1,612,645           | 2,808,761           |
| <b>Total Premium Revenue</b> | <b>\$ 1,385,874</b> | <b>\$ 1,666,031</b> | <b>\$ 4,077,269</b> | <b>\$ 5,245,809</b> |

**WELLCARE HEALTH PLANS, INC. UNAUDITED SUPPLEMENTAL INFORMATION**

**Reconciliation of GAAP Statements of Operations to Adjusted Statements of Operations**

*(Dollars in thousands except per-share data)*

The Company reports adjusted operating results on a non-GAAP basis to exclude certain expenses that management believes are not indicative of longer-term business trends and operations. Following are statements of operations and related measures for the third quarters ended September 30, 2010 and 2009, as determined under GAAP, reconciled to the adjusted statements of operations and related measures for each of the same periods.

|                                      | Three Months Ended September 30, 2010 |             |              | Three Months Ended September 30, 2009 |             |              |
|--------------------------------------|---------------------------------------|-------------|--------------|---------------------------------------|-------------|--------------|
|                                      | GAAP                                  | Adjustments | Adjusted     | GAAP                                  | Adjustments | Adjusted     |
| Revenues:                            |                                       |             |              |                                       |             |              |
| Premium                              | \$ 1,385,874                          | \$ -        | \$ 1,385,874 | \$ 1,666,031                          | \$ -        | \$ 1,666,031 |
| Investment and other income          | 2,299                                 | -           | 2,299        | 1,614                                 | -           | 1,614        |
| Total revenues                       | 1,388,173                             | -           | 1,388,173    | 1,667,645                             | -           | 1,667,645    |
| Expenses:                            |                                       |             |              |                                       |             |              |
| Medical benefits                     | 1,147,107                             | -           | 1,147,107    | 1,420,193                             | -           | 1,420,193    |
|                                      |                                       | (a)         |              |                                       |             |              |
| Selling, general, and administrative | 161,662                               | 7,342       | (b) 169,004  | 195,665                               | (9,463 )    | (a) 186,202  |
|                                      |                                       |             | (c)          |                                       | (b)         |              |
| Depreciation and amortization        | 6,123                                 | -           | 6,123        | 5,851                                 | -           | 5,851        |
| Interest                             | 117                                   | -           | 117          | 4                                     | -           | 4            |
| Total expenses                       | 1,315,009                             | 7,342       | 1,322,351    | 1,621,713                             | (9,463 )    | 1,612,250    |
| Income before income taxes           | 73,164                                | (7,342 )    | 65,822       | 45,932                                | 9,463       | 55,395       |

|                              |            |             |            |                  |          |            |      |   |      |                  |      |   |
|------------------------------|------------|-------------|------------|------------------|----------|------------|------|---|------|------------------|------|---|
| Income tax expense           | 30,248     | (2,280 )    | 27,968     | 17,272           | 3,414    | 20,686     |      |   |      |                  |      |   |
| Net income                   | \$ 42,916  | \$ (5,062 ) | \$ 37,854  | \$ 28,660        | \$ 6,049 | \$ 34,709  |      |   |      |                  |      |   |
| Weighted average shares:     |            |             |            |                  |          |            |      |   |      |                  |      |   |
| Basic                        | 42,411,455 | -           | 42,411,455 | 41,849,749       | -        | 41,849,749 |      |   |      |                  |      |   |
| Diluted                      | 42,740,369 | -           | 42,740,369 | 42,280,035       | -        | 42,280,035 |      |   |      |                  |      |   |
| Net income per share:        |            |             |            |                  |          |            |      |   |      |                  |      |   |
| Basic                        | \$ 1.01    | \$ (0.12 )  | \$ 0.89    | \$ 0.68          | \$ 0.15  | \$ 0.83    |      |   |      |                  |      |   |
| Diluted                      | \$ 1.00    | \$ (0.11 )  | \$ 0.89    | \$ 0.68          | \$ 0.14  | \$ 0.82    |      |   |      |                  |      |   |
| Medical benefits ratio:      |            |             |            |                  |          |            |      |   |      |                  |      |   |
| Medicaid                     | 86.9       | %           | 86.9       | %                | 87.2     | %          | 87.2 | % |      |                  |      |   |
| Medicare Advantage           | 78.7       | %           | 78.7       | %                | 83.4     | %          | 83.4 | % |      |                  |      |   |
| Prescription Drug Plans      | 71.7       | %           | 71.7       | %                | 83.2     | %          | 83.2 | % |      |                  |      |   |
| Aggregate                    | 82.8       | %           | 82.8       | %                | 85.2     | %          | 85.2 | % |      |                  |      |   |
|                              |            |             | (a)        |                  |          |            | (a)  |   |      |                  |      |   |
| Administrative expense ratio | 11.6       | %           | 0.6        | % <sup>(b)</sup> | 12.2     | %          | 11.7 | % | -0.5 | % <sup>(b)</sup> | 11.2 | % |
|                              |            |             | (c)        |                  |          |            |      |   |      |                  |      |   |
| Days in claims payable       | 56         |             | 56         |                  | 56       |            | 56   |   |      |                  |      |   |

<sup>(a)</sup> Investigation-related legal, accounting, employee retention, and other costs: Administrative expenses associated with the government and Company investigations, net of D&O insurance recoveries, amounted to a credit of \$10.5 million and expense of \$9.0 million, in the quarters ended September 30, 2010 and 2009, respectively.

<sup>(b)</sup> Liability for investigation resolution: Based on the status of the government investigations, the Company recorded expense of \$2.3 million and \$0.5 million, respectively, in the quarters ended September 30, 2010 and 2009.

<sup>(c)</sup> Liability for securities class action litigation resolution: The Company recorded expense of \$0.8 million in the three months ended September 30, 2010, as its estimate for the resolution of putative securities class action litigation.

## WELLCARE HEALTH PLANS, INC. UNAUDITED SUPPLEMENTAL INFORMATION

### Reconciliation of GAAP Statements of Operations to Adjusted Statements of Operations

*(Dollars in thousands except per-share data)*

|                             | Nine Months Ended September 30, 2010 |             |              | Nine Months Ended September 30, 2009 |             |              |
|-----------------------------|--------------------------------------|-------------|--------------|--------------------------------------|-------------|--------------|
|                             | GAAP                                 | Adjustments | Adjusted     | GAAP                                 | Adjustments | Adjusted     |
| Revenues:                   |                                      |             |              |                                      |             |              |
| Premium                     | \$ 4,077,269                         | \$ -        | \$ 4,077,269 | \$ 5,245,809                         | \$ -        | \$ 5,245,809 |
| Investment and other income | 7,506                                | -           | 7,506        | 8,375                                | -           | 8,375        |
| Total revenues              | 4,084,775                            | -           | 4,084,775    | 5,254,184                            | -           | 5,254,184    |
| Expenses:                   |                                      |             |              |                                      |             |              |
| Medical benefits            | 3,435,870                            | -           | 3,435,870    | 4,477,210                            | -           | 4,477,210    |

|                                      |              |            |             |            |           |             |   |  |
|--------------------------------------|--------------|------------|-------------|------------|-----------|-------------|---|--|
|                                      |              |            | (a)         |            |           | (a)         |   |  |
| Selling, general, and administrative | 739,769      | (250,381 ) | (b) 489,388 | 682,488    | (93,146 ) | (b) 589,342 |   |  |
|                                      |              |            | (c)         |            |           |             |   |  |
| Depreciation and amortization        | 17,770       | -          | 17,770      | 17,547     | -         | 17,547      |   |  |
| Interest                             | 160          | -          | 160         | 3,087      | -         | 3,087       |   |  |
| Total expenses                       | 4,193,569    | (250,381 ) | 3,943,188   | 5,180,332  | (93,146 ) | 5,087,186   |   |  |
| (Loss) income before income taxes    | (108,794 )   | 250,381    | 141,587     | 73,852     | 93,146    | 166,998     |   |  |
| Income tax (benefit) expense         | (29,257 )    | 87,038     | 57,781      | 45,120     | 15,120    | 60,240      |   |  |
| Net (loss) income                    | \$ (79,537 ) | \$ 163,343 | \$ 83,806   | \$ 28,732  | \$ 78,026 | \$ 106,758  |   |  |
| Weighted average shares:             |              |            |             |            |           |             |   |  |
| Basic                                | 42,313,973   | -          | 42,313,973  | 41,771,713 | -         | 41,771,713  |   |  |
| Diluted                              | 42,313,973   | 424,564    | 42,738,537  | 42,007,302 | -         | 42,007,302  |   |  |
| Net (loss) income                    |              |            |             |            |           |             |   |  |
| per share:                           |              |            |             |            |           |             |   |  |
| Basic                                | \$ (1.88 )   | \$ 3.86    | \$ 1.98     | \$ 0.69    | \$ 1.87   | \$ 2.56     |   |  |
| Diluted                              | \$ (1.88 )   | \$ 3.84    | \$ 1.96     | \$ 0.68    | \$ 1.86   | \$ 2.54     |   |  |
| Medical benefits ratio:              |              |            |             |            |           |             |   |  |
| Medicaid                             | 86.6         | %          | 86.6        | % 85.8     | %         | 85.8        | % |  |
| Medicare Advantage                   | 78.6         | %          | 78.6        | % 82.2     | %         | 82.2        | % |  |
| Prescription Drug Plans              | 84.4         | %          | 84.4        | % 93.6     | %         | 93.6        | % |  |
| Aggregate                            | 84.3         | %          | 84.3        | % 85.3     | %         | 85.3        | % |  |
|                                      |              |            | (a)         |            |           | (a)         |   |  |
| Administrative expense ratio         | 18.1         | % -6.1     | (b) 12.0    | % 13.0     | % -1.8    | (b) 11.2    | % |  |
|                                      |              |            | (c)         |            |           |             |   |  |

(a) Investigation-related legal, accounting, employee retention, and other costs: Administrative expenses associated with the government and Company investigations, net of D&O insurance recoveries, amounted to a credit of \$1.1 million and expense of \$32.9 million, in the nine months ended September 30, 2010 and 2009, respectively.

(b) Liability for investigation resolution: Based on the status of the government investigations, the Company recorded expense of \$56.7 million and \$60.2 million, respectively, in the nine months ended September 30, 2010 and 2009.

(c) Liability for securities class action litigation resolution: The Company recorded expense of \$194.8 million in the nine months ended September 30, 2010, as its estimate for the resolution of putative securities class action litigation.

**WELLCARE HEALTH PLANS, INC.**

**UNAUDITED SUPPLEMENTAL INFORMATION**

**Reconciliation of Medical Benefits Ratios and Administrative Expense Ratio  
to Medical Benefits Ratios and Administrative Expense Ratio Modified  
to Exclude Premium Taxes and Certain Specified Expenses**

The Company reports MBRs and administrative expense ratios on a non-GAAP basis that excludes premium taxes paid primarily on Medicaid managed care premium revenue, as well as certain investigation and litigation-related administrative expenses, net of D&O insurance recoveries. The Company believes that MBRs and administrative expense ratios excluding premium taxes are useful measures for investors, as premium taxes are recorded as both revenue of and expense to the Company, and therefore do not affect the Company's operating results. In addition, certain investigation and litigation-related administrative expenses, net of D&O insurance recoveries, are excluded from the administrative expense ratio, as management believes these expenses are not indicative of longer-term business trends and operations.

|  | <b>Adjustments</b> |                   | <b>Premium Tax</b> | <b>Excluding</b>     |       |
|--|--------------------|-------------------|--------------------|----------------------|-------|
|  | <b>GAAP</b>        | <b>(see pages</b> | <b>Impact</b>      | <b>Premium Taxes</b> |       |
|  |                    | <b>Adjusted</b>   |                    |                      |       |
|  |                    | <b>10 and 11)</b> |                    |                      |       |
| <b>Three Months Ended September 30, 2010</b> |                    |                   |                    |                      |       |
| Medical benefits ratio:                      |                    |                   |                    |                      |       |
| Medicaid                                     | 86.9%              | 86.9%             | 2.0%               | 88.9%                |       |
| Medicare Advantage                           | 78.7%              | 78.7%             |                    | 78.7%                |       |
| PDP  | 71.7%              | 71.7%             |                    | 71.7%                |       |
| Aggregate                                    | 82.8%              | 82.8%             | 1.1%               | 83.9%                |       |
| Administrative expense ratio                 | 11.6%              | 0.6%              | 12.2%              | -1.2%                | 11.0% |
| <b>Three Months Ended September 30, 2009</b> |                    |                   |                    |                      |       |
| Medical benefits ratio:                      |                    |                   |                    |                      |       |
| Medicaid                                     | 87.2%              | 87.2%             | 3.0%               | 90.2%                |       |
| Medicare Advantage                           | 83.4%              | 83.4%             |                    | 83.4%                |       |
| PDP  | 83.2%              | 83.2%             |                    | 83.2%                |       |
| Aggregate                                    | 85.2%              | 85.2%             | 1.4%               | 86.6%                |       |
| Administrative expense ratio                 | 11.7%              | -0.5%             | 11.2%              | -1.5%                | 9.7%  |
|  | <b>Adjustments</b> |                   | <b>Premium Tax</b> | <b>Excluding</b>     |       |
|  | <b>GAAP</b>        | <b>(see pages</b> | <b>Impact</b>      | <b>Premium Taxes</b> |       |
|  |                    | <b>Adjusted</b>   |                    |                      |       |
|  |                    | <b>10 and 11)</b> |                    |                      |       |
| <b>Nine Months Ended September 30, 2010</b>  |                    |                   |                    |                      |       |
| Medical benefits ratio:                      |                    |                   |                    |                      |       |
| Medicaid                                     | 86.6%              | 86.6%             | 1.3%               | 87.9%                |       |
| Medicare Advantage                           | 78.6%              | 78.6%             |                    | 78.6%                |       |
| PDP  | 84.4%              | 84.4%             |                    | 84.4%                |       |
| Aggregate                                    | 84.3%              | 84.3%             | 0.8%               | 85.1%                |       |
| Administrative expense ratio                 | 18.1%              | -6.1%             | 12.0%              | -0.8%                | 11.2% |
| <b>Nine Months Ended September 30, 2009</b>  |                    |                   |                    |                      |       |
| Medical benefits ratio:                      |                    |                   |                    |                      |       |
| Medicaid                                     | 85.8%              | 85.8%             | 3.0%               | 88.8%                |       |
| Medicare Advantage                           | 82.2%              | 82.2%             |                    | 82.2%                |       |

|                              |       |       |       |       |       |
|------------------------------|-------|-------|-------|-------|-------|
| PDP                          | 93.6% |       | 93.6% |       | 93.6% |
| Aggregate                    | 85.3% |       | 85.3% | 1.4%  | 86.7% |
| Administrative expense ratio | 13.0% | -1.8% | 11.2% | -1.4% | 9.8%  |

Premium taxes were \$19.0 million and \$26.8 million, respectively, for the three months ended September 30, 2010 and 2009. Premium taxes were \$38.1 million and \$80.1 million, respectively, for the nine months ended September 30, 2010 and 2009.

#### WELLCARE HEALTH PLANS, INC.

#### UNAUDITED SUPPLEMENTAL INFORMATION

#### Reconciliation of GAAP Net Cash (Used in) Provided by Operating Activities to Net Cash (Used in) Provided by Operating Activities Modified for the Timing of Receipts from and Payments to Government Clients (Dollars in thousands)

The Company reports cash (used in) provided by operating activities on a non-GAAP basis to exclude the changes in unearned premiums, premiums and other receivables, and other receivables from and payables to government customers. The Company believes that cash flow excluding these changes is a useful measure for investors, as the excluded changes are a function of the timing of cash receipts from and payments to federal and state government agencies at the end of a period.

|  | <b>Nine Months Ended<br/>September 30,</b> |              |
|--|--|--------------|
|  | <b>2010</b>                                | <b>2009</b>  |
| Net cash (used in) provided by operating activities, as reported under GAAP  | \$ (71,984                                 | ) \$ 69,542  |
| Modifications to eliminate changes in:   |  |              |
| Premium and other receivables, net   | 24,190                                     | (10,111 )    |
| Other receivables from government partners, net  | -  | 40,073       |
| Unearned premiums  | 24,504                                     | 60,489       |
| Other payables to government partners  | (4,300 )                                   | (18,397 )    |
| Net cash (used in) provided by operating activities, modified for the timing of receipts from and payments to government clients | \$ (27,590                                 | ) \$ 141,596 |

#### Reconciliation of GAAP Days in Claims Payable to Days in Claims Payable Modified to Eliminate the Impact of Medicare Advantage Private Fee-for-Service Plans

The Company reports days in claims payable on a non-GAAP basis to exclude the impact of Medicare Advantage PFFS plans. The Company believes that days in claims payable excluding the impact of PFFS plans is a useful measure for investors, because the Company withdrew these plans on December 31, 2009, and, as a result, the impact of the plans on historical operations is not necessarily indicative of the Company's future long-term business operations. Days in claims payable is equal to the medical benefits payable at the end of a quarter divided by average medical benefits expense per calendar day for the quarter.

|  | <b>Quarters Ended</b>    |                         |                      |                    |                          |
|--|--------------------------|-------------------------|----------------------|--------------------|--------------------------|
|  | <b>September<br/>30,</b> | <b>December<br/>31,</b> | <b>March<br/>31,</b> | <b>June<br/>30</b> | <b>September<br/>30,</b> |
|  | <b>2009</b>              | <b>2009</b>             | <b>2010</b>          | <b>2010</b>        | <b>2010</b>              |
| Days in claims payable, as reported under GAAP                         | 56                       | 53                      | 55                   | 54                 | 56                       |
| Modification to eliminate impact of PFFS plans                         | (4 )                     | (4 )                    | (5 )                 | (3 )               | (1 )                     |
| Days in claims payable, modified to eliminate the impact of PFFS plans | 52                       | 49                      | 50                   | 51                 | 55                       |

SOURCE: WellCare Health Plans, Inc.

**WellCare Health Plans, Inc.**

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## **WellCare Board Adopts Majority Voting Standard for Director Elections**

**TAMPA, Fla., Nov 02, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) today announced that its Board of Directors has amended the Company's bylaws to adopt a majority voting standard in uncontested director elections. The Board also amended its corporate governance guidelines to adopt a director resignation policy requiring incumbent directors to tender a resignation that will be effective if the director receives less than a majority of the votes cast in an uncontested election and the Board accepts the resignation. The amendments are effective immediately and will apply to all future elections of directors.

"The Board's decision reflects WellCare's continued commitment to best practices in the areas of corporate governance and accountability to our stockholders," said Kevin F. Hickey, WellCare's lead independent director and chair of the Nominating and Corporate Governance committee of WellCare's Board of Directors.

Under the majority voting standard, a director nominee will be elected only if the number of votes cast "for" the nominee exceeds the number of votes cast "against" the nominee. Previously, directors were elected by a plurality vote; nominees receiving the most votes were elected regardless of whether those votes constituted a majority. Plurality voting will continue to apply in contested elections.

Under the new director resignation policy, if an incumbent director does not receive the required vote for re-election, the Nominating and Corporate Governance committee will evaluate the director's resignation and make a recommendation to the Board of Directors as to whether it should be accepted or rejected and as to whether any other action should be taken. The Board will then make a final determination. The Company will publicly disclose the Board's decision and, if applicable, the reasons for any rejection of a resignation.

The amended bylaws and amended corporate governance guidelines are available on the Company's website at <http://www.wellcare.com>.

### **About WellCare Health Plans, Inc.**

WellCare Health Plans, Inc. provides managed care services exclusively for government-sponsored health care programs, focusing on Medicaid and Medicare. Headquartered in Tampa, Florida, WellCare offers a variety of health plans for families, children, and the aged, blind and disabled, as well as prescription drug plans. The Company served approximately 2.2 million members nationwide as of June 30, 2010. For more information about WellCare, please visit the Company's website at <http://www.wellcare.com>.

SOURCE: WellCare Health Plans, Inc.

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## **WellCare Announces Senior Management Team Appointments**

**TAMPA, Fla., Oct 18, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) today announced the promotion of Walter W. Cooper to the newly created position of chief administrative officer. In addition, Marc S. Russo will join WellCare as president, North Division, succeeding Daniel M. Parietti, effective November 1, 2010. Both executives will report to Alec Cunningham, WellCare's chief executive officer. As part of WellCare's previously announced initiatives to streamline its organizational structure, the position of chief operating officer has been eliminated and Rex M. Adams will leave the Company effective November 1, 2010.

As chief administrative officer, Mr. Cooper's core responsibilities will include service operations, information technology, marketing and sales, and pharmacy. He will drive continuous improvement throughout the Company's business processes, with an emphasis on administrative cost management. Mr. Russo will have responsibility for health plans in WellCare's North Division, which includes Illinois, New York and Ohio.

"In his expanded position, Walt will play a critical role in continuing our work on end-to-end business process and organizational improvement and strengthening our service levels and customer satisfaction," said Mr. Cunningham. "Marc is an important addition to our team as we work to streamline our operations and grow our services in several of our key markets."

"We have made significant progress this year in achieving our strategic objectives," said Mr. Cooper. "It is imperative that we continue to enhance service to our members, government customers and providers and remain steadfast in our commitment to compliance and best business practices."

Mr. Cooper has more than 20 years of leadership experience in a number of executive roles. He joined WellCare in October 2006, and since March 2010, he has been serving as WellCare's senior vice president, chief marketing officer and president, Specialty Business Unit. Mr. Cooper previously served as WellCare's senior vice president of Strategic Initiatives and as senior vice president of Marketing and Sales. Prior to joining WellCare, Mr. Cooper served in senior-level positions with UnitedHealth Group, including senior vice president of United Retiree Solutions and vice president of Marketing and Product for Specialized Care Services.

Mr. Russo has more than 15 years of health care industry experience, most recently as the vice president of Senior Markets for Blue Shield of California. Previously, he served as a regional president for Secure Horizons, a UnitedHealthcare company, and as regional vice president of Government Programs for Oxford Health Plans.

"WellCare has demonstrated its commitment to serving some of our country's most vulnerable citizens through its Medicaid and Medicare plans," said Mr. Russo. "I will be focused on continuing to improve health care quality and access as WellCare expands its offerings and membership in the North Division markets."

#### **About WellCare Health Plans, Inc.**

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### **Cautionary Statement Regarding Forward-Looking Statements**

This news release contains "forward-looking" statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," and similar expressions are forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause WellCare's actual future results to differ materially from those projected or contemplated in the forward-looking statements. These risks and uncertainties include, but are not limited to, WellCare's current financial outlook for 2010 and progress on top priorities such as improving health care quality and access, ensuring a competitive cost position, and reestablishing prudent, profitable growth.

Additional information concerning these and other important risks and uncertainties can be found under the captions "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, and other filings by WellCare with the U.S. Securities and Exchange Commission, which contain discussions of WellCare's business and the various factors that may affect it. WellCare undertakes no duty to update these forward-looking statements to reflect any future events, developments, or otherwise.

SOURCE: WellCare Health Plans, Inc.  
WellCare Health Plans, Inc.

**Investor Relations:**

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**Media Relations:**

Amy Knapp, 813-290-6208

## **WellCare Announces Leadership Team Appointments**

### ***Jesse Thomas Appointed President, South Division; Lawrence D. Anderson Appointed Senior Vice President and Chief Human Resources Officer***

**TAMPA, Fla., Oct 11, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) today announced that effective October 18, 2010, Jesse Thomas will join WellCare as president, South Division. In addition, Lawrence D. Anderson has been named senior vice president and chief human resources officer. Both executives will report to Alec Cunningham, chief executive officer.

"We are delighted that Jesse and Larry are joining WellCare's senior management team," said Mr. Cunningham. "They have extensive leadership experience in the health care industry and proven track records in their respective fields. They bring knowledge, expertise and perspective that will make them valuable additions to the company."

As president of WellCare's South Division, Mr. Thomas will be responsible for WellCare's businesses in Georgia, Texas and Louisiana. He has more than 25 years of health care industry experience, most recently as the president of Molina Healthcare of Michigan and Ohio. Prior to Molina Healthcare, Mr. Thomas served as the chief/administrator of the Office of Healthcare Purchasing for the Illinois Department of Healthcare and Family Services, where he was responsible for leading the integration of health care procurement functions for four of the state's agencies. Earlier in his career, Mr. Thomas held leadership positions with AmeriChoice, a UnitedHealth Group company; HealthPlans of America, NJ Inc.; CareFirst BlueCross BlueShield; and Total Health Care, Inc. He has also served as the board president for the Illinois Association of Medicaid Health Plans in Chicago.

"WellCare's experience in serving some of our country's most vulnerable populations and improving health care quality, access and cost on behalf of government customers has created a strong business," said Mr. Thomas. "I am excited about continuing to grow our relationships and enhance the services to our members, government customers and providers."

Mr. Anderson has more than 20 years of leadership experience with a particular focus on providing strategic human resources direction for health care companies. Most recently, he served as the senior vice president of Human Resources for ValueOptions, a managed care company that specializes in management of behavioral health services. He previously served as vice president of Human Resources at WellPoint, Inc. He also held leadership positions with E. & J. Gallo Winery and IBM.

"WellCare's associates are dedicated to excellent service on behalf of the company's members, providers and government customers," said Mr. Anderson. "I look forward to working with my new colleagues as we build upon this strong foundation."

#### **About WellCare Health Plans, Inc.**

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SOURCE: WellCare Health Plans, Inc.

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## **WellCare Announces Securities Class Action Settlement**

**TAMPA, Fla., Aug 09, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) announced today that it has reached an agreement on the material terms of a settlement which will resolve the claims asserted against the Company in the previously disclosed putative securities class action consolidated complaint filed against the Company.

The securities class action settlement provides, among other things, that WellCare will make cash payments to the class of \$52.5 million within thirty days following the Court's preliminary approval of the settlement, and \$35.0 million by July 31, 2011. The Company also will issue to the class tradable unsecured bonds having an aggregate face value of \$112.5 million, with a fixed coupon of 6%. The principal portion of the bonds have a maturity date of December 31, 2016. In addition, if within three years of the agreement WellCare experiences a change in control at a share price of \$30 or more, the Company will make an incremental \$25.0 million payment to the class.

As a result of the agreement, the Company's current estimate for the resolution of this matter is \$200 million, which has been accrued in the second quarter of 2010 at its estimated fair value of approximately \$194 million. The material terms of the agreement are described in the Company's second quarter Form 10-Q, which is expected to be filed later today with the United States Securities and Exchange Commission (SEC).

The terms of the settlement will be documented in an agreement which will require approval by the United States District Court for the Middle District of Florida following notice to all class members. There can be no assurance that the settlement will be finalized and approved, and the actual outcome of this matter may differ materially from the terms of the settlement.

"We believe we will be able to meet our known near-term monetary obligations, including the terms of this settlement agreement, and maintain sufficient liquidity to operate our business," said Tom Tran, WellCare's chief financial officer.

In addition to the securities class action settlement, on June 24, 2010, WellCare announced it had reached a preliminary settlement with the Civil Division of the United States Department of Justice and the Civil Divisions of the United States Attorneys' Offices for the Middle District of Florida and Connecticut to settle their pending inquiries. In May 2009, the Company resolved investigations by the United States Attorney's Office for the Middle District of Florida, the Florida Attorney General's Office and the SEC.

"Upon final approval of these two matters, WellCare will have addressed the financial aspects of the legal proceedings that began in late 2007," said Chuck Berg, WellCare's executive chairman. "These resolutions will enable us to focus on our mission of serving some of the country's most vulnerable populations and to invest in our priority areas: health care quality and access, compliance, infrastructure and growth."

### **About WellCare Health Plans, Inc.**

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30, 2010. For more information about WellCare, please visit the Company's website at [www.wellcare.com](http://www.wellcare.com).

### **Cautionary Statement Regarding Forward-Looking Statements**

This news release contains "forward-looking" statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, regarding the prospective resolution of a civil investigation. Such forward-looking statements are based on current expectations, are predictive in nature, and involve known and unknown risks and uncertainties that may cause WellCare's actual outcomes and results to differ materially from those projected or contemplated in the forward-looking statements. These risks and uncertainties include, but are not limited to, the risk that the settlement will not be finalized or approved. If the settlement is not finalized, the ultimate resolution and its impact on WellCare cannot be assessed. Forward-looking statements in this news release should be evaluated and read in conjunction with the other risks and uncertainties that affect WellCare's business, including those found under the captions "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, "Forward Looking Statements" and "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the three months ended March 31, 2010, and in other filings by the Company with the U.S. Securities and Exchange Commission, which contain discussions of WellCare's business and the various factors that may affect it. Given these risks and uncertainties, we can give no assurances that any results or events projected or contemplated by our forward-looking statements will in fact occur and we caution you not to place undue reliance on these statements. WellCare undertakes no duty to update these forward-looking statements to reflect any future events, developments, or otherwise.

SOURCE: WellCare Health Plans, Inc.

WellCare Health Plans, Inc.

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## **WellCare Reports Second Quarter 2010 Results**

### ***Announces Strategic and Organizational Restructuring to Strengthen Company's Operating Efficiency, Quality Initiatives, and Growth Platform***

**TAMPA, Fla., Aug 09, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) today reported results for the three and six months ended June 30, 2010. As determined under generally accepted accounting principles ("GAAP"), the Company reported a second quarter 2010 net loss of \$128.9 million, or \$3.05 per diluted share, compared with net income of \$37.0 million, or \$0.88 per diluted share, for the prior year period. The 2010 second quarter net loss arose principally due to two charges associated with the previously disclosed government investigations and related litigation, which are described below.

Adjusted net income for the second quarter of 2010, which excludes these two charges and other government investigation-related expense of \$7.8 million, was \$38.6 million, or \$0.90 per diluted share, as compared with \$59.8 million, or \$1.42 per diluted share, for the same period in 2009.

"WellCare has achieved solid progress on our objectives this year, including our strategic and organizational restructuring, placing leaders in roles critical to our future, quality accreditations for our Florida health plans, and resolution of some important legal matters," said Alec Cunningham, WellCare's chief executive officer. "These and other developments will drive our second half momentum in continuing to improve health care quality and access, our medical and administrative cost positions, and our growth outlook."

In addition to results determined under GAAP, net income and certain other operating results described in this news release are reported after adjustment for certain selling, general, and administrative ("SG&A") expenses, primarily related to previously disclosed government investigations and related litigation, that management believes are not indicative of long-term business operations. Please refer to the schedules in this news release that provide supplemental information reconciling results determined under GAAP to adjusted results.

#### **Strategic and Organizational Restructuring**

The Company also announced today a strategic and organizational restructuring with the objective of ensuring administrative efficiency and a competitive cost structure. The Company will allocate new resources and direct substantial investments to priority areas such as health care quality, information technology, and business development.

The restructuring includes a workforce reduction resulting from streamlining and improving business processes and operations, including the centralization and consolidation of certain functions. The reduction affects less than 100 associates. In addition, the Company is eliminating a significant number of open positions, while adding a smaller number of new positions.

"Changes of this nature are difficult, and we are sensitive to the potential impacts to our associates, members, government customers, and business partners," said Cunningham. "Nevertheless, we believe these steps will strengthen our position for future opportunities and new requirements in government-sponsored health care programs."

Each associate affected by the workforce reduction will receive severance pay and outplacement support and will be eligible to apply for the Company's open positions.

### **Charges Associated with Government Investigations and Related Litigation**

As described above, the 2010 second quarter net loss arose principally due to two charges associated with the previously disclosed government investigations and related litigation. One of the charges results from a preliminary agreement with the Civil Division of the U.S. Department of Justice and certain other government agencies to settle their pending inquiries for the total principal amount of \$137.5 million. The estimated fair value of the settlement is \$134 million. The Company previously had accrued \$79 million in anticipation of a settlement. During the second quarter, the Company accrued an additional \$55 million for the settlement, based on the preliminary agreement.

Separately, WellCare announced this morning that it has reached agreement on the material terms of a settlement to resolve the claims asserted against the Company in the previously disclosed securities class action consolidated complaint. Total principal payments under the agreement amount to \$200 million. During the second quarter, the Company accrued the \$194 million estimated fair value of the settlement.

The Company believes it will be able to meet its known near-term monetary obligations, including the terms of these settlement agreements, and maintain sufficient liquidity to operate its business. There can be no assurance that these settlements will be finalized. In addition, the outcome of these matters may differ materially from the preliminary terms.

### **Highlights of Operations for the Second Quarter**

Adjusted net income for the second quarter of 2010 was unfavorable in comparison to the second quarter of 2009 primarily due to the loss of gross margin from the December 31, 2009, withdrawal of the Company's Medicare Advantage private fee-for-service ("PFFS") plans, as well as decreased premium revenue from Medicare Advantage coordinated care plans ("CCPs") and Medicare stand-alone prescription drug plans ("PDPs"). These factors were offset in part by a reduction in SG&A expense, as well as improvement in the PDP medical benefits ratio ("MBR").

Membership as of June 30, 2010, decreased to 2.2 million compared with 2.4 million members as of June 30, 2009. Medicaid segment membership decreased by 9,000 year-over-year to 1.3 million as of June 30, 2010, driven by the withdrawal in mid-2009 from certain Florida counties and programs, but offset in part by growth in Georgia. Medicare Advantage membership decreased year-over-year by 138,000 members. The withdrawal from PFFS plans reduced membership by 107,000 year-over-year. Medicare Advantage CCP membership decreased 31,000 year-over-year, principally due to the impact of the previously disclosed 2009 CMS marketing sanction. PDP membership decreased 57,000 year-over-year, also largely due to the CMS marketing sanction.

Premium revenue for the second quarter 2010 decreased 25% year-over-year to \$1.3 billion. The decrease is attributable to the withdrawal of PFFS plans and to the impact of the 2009 CMS marketing sanction on Medicare Advantage CCP and PDP premium revenue.

Medical benefits expense was \$1.1 billion, a decrease of 25% from the second quarter of 2009. The MBR was 83.9% in the second quarter 2010, compared with 84.1% in the second quarter of 2009. Excluding the impact of premium taxes, the second quarter 2010 MBR was 84.5%, a decrease of 100 basis points from 85.5% in the second quarter of 2009. The decrease was driven by the improved performance of the Company's PDPs and Medicaid plans, as well as the withdrawal from PFFS plans.

SG&A expense as determined under GAAP was \$405 million in the second quarter of 2010, compared with \$215 million in the same period in 2009. Adjusted SG&A expense, which excludes the government investigations and related litigation charges and expense described above, was \$148 million in 2010, a decrease of 21% from \$188 million in the same period last year. The decrease in adjusted SG&A expense resulted principally from the withdrawal from PFFS plans, as well as gains in operating efficiency. In addition, the elimination of the premium tax associated with the Georgia Medicaid program reduced SG&A expense in 2010 relative to 2009. These favorable variances were offset in part by increased costs for Medicare Advantage CCP marketing and infrastructure investments. Adjusted SG&A expense was 11.1% of total revenues in the second quarter of 2010, compared with 10.5% of total revenues in the same period in 2009 due primarily to a lower revenue base in 2010 resulting from the withdrawal of the Company's PFFS plans and the impact of the 2009 CMS marketing sanction.

### **Cash Flow and Financial Condition Highlights**

Net cash used in operating activities as determined under GAAP was \$245 million and \$150 million for the six month periods ended June 30, 2010 and 2009, respectively. Net cash used in operating activities, modified for the timing of receipts from and payments to the Company's government clients, was \$121 million for the six months ended June 30, 2010, compared with \$116 million of net cash provided by operating activities for the six months ended June 30, 2009.

As of June 30, 2010, unregulated cash and short-term investments were approximately \$160 million. Unregulated cash and short-term investments were approximately \$121 million on March 31, 2010, \$120 million on December 31, 2009, and \$77 million on June 30, 2009.

Days in claims payable were 54 days as of June 30, 2010, compared with 55 days as of March 31, 2010, and 52 days as of June 30, 2009. Excluding the impact of Medicare Advantage PFFS plans, days in claims payable were 51 days as of June 30, 2010, 50 days as of March 31, 2010, and 50 days as of June 30, 2009.

### **Financial Outlook**

WellCare is updating its financial outlook for the year ended December 31, 2010. Adjusted net income per diluted share now is expected to be between approximately \$2.05 and \$2.20, an increase from the previous guidance for adjusted net income per diluted share of between approximately \$2.00 and \$2.20. The following elements of WellCare's financial outlook are unchanged from the Company's previous guidance.

- Premium revenue is expected to be between approximately \$5.30 and \$5.40 billion.
- The 2010 Medicaid segment MBR is anticipated to be below the 2009 MBR.
- The 2010 Medicare Advantage segment MBR will decrease relative to the 2009 MBR.
- The 2010 PDP segment MBR is anticipated to decrease from the 2009 MBR.
- The adjusted administrative expense ratio is expected to be in the high 12% range.

### **Webcast**

A discussion of WellCare's second quarter 2010 results will be webcast live on Monday, August 9, 2010, beginning at 8:30 a.m. Eastern Time. A replay will be available beginning approximately one hour following the conclusion of the live broadcast and will be available for 30 days. The webcast is available via the Company's web site at [www.wellcare.com](http://www.wellcare.com) and at [www.earnings.com](http://www.earnings.com).

### **About WellCare Health Plans, Inc.**

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variety of health plans for families, children, and the aged, blind, and disabled, as well as prescription drug plans. The Company served approximately 2.2 million members nationwide as of June 30, 2010. For more information about WellCare, please visit the Company's website at [www.wellcare.com](http://www.wellcare.com).

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Additional information concerning these and other important risks and uncertainties can be found under the captions "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, and other filings by WellCare with the U.S. Securities and Exchange Commission, which contain discussions of WellCare's business and the various factors that may affect it. WellCare undertakes no duty to update these forward-looking statements to reflect any future events, developments, or otherwise.

### WELLCARE HEALTH PLANS, INC.

#### CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

*(Unaudited; dollars in thousands except per share data)*

|   | Three Months Ended |              | Six Months Ended |              |
|---|--------------------|--------------|------------------|--------------|
|   | June 30,           | 2009         | June 30,         | 2009         |
|   | 2010               |              | 2010             |              |
| Revenues:                                   |                    |              |                  |              |
| Premium                                     | \$ 1,337,937       | \$ 1,787,851 | \$ 2,691,395     | \$ 3,579,778 |
| Investment and other income                 | 2,712              | 3,427        | 5,207            | 6,761        |
| Total revenues                              | 1,340,649          | 1,791,278    | 2,696,602        | 3,586,539    |
| Expenses:                                   |                    |              |                  |              |
| Medical benefits                            | 1,122,791          | 1,504,019    | 2,288,763        | 3,057,017    |
| Selling, general and administrative         | 404,770            | 215,082      | 578,107          | 486,823      |
| Depreciation and amortization               | 5,891              | 5,957        | 11,647           | 11,696       |
| Interest                                    | 33                 | 1,017        | 43               | 3,083        |
| Total expenses                              | 1,533,485          | 1,726,075    | 2,878,560        | 3,558,619    |
| (Loss) Income before income taxes           | (192,836 )         | 65,203       | (181,958 )       | 27,920       |
| Income tax (benefit) expense                | (63,965 )          | 28,198       | (59,505 )        | 27,848       |
| Net (loss) income                           | \$ (128,871 )      | \$ 37,005    | \$ (122,453 )    | \$ 72        |
| Net (loss) income per common share:         |                    |              |                  |              |
| Basic                                       | \$ (3.05 )         | \$ 0.89      | \$ (2.90 )       | \$ 0.00      |
| Diluted                                     | \$ (3.05 )         | \$ 0.88      | \$ (2.90 )       | \$ 0.00      |
| Weighted-average common shares outstanding: |                    |              |                  |              |
| Basic                                       | 42,308,856         | 41,794,997   | 42,252,018       | 41,731,915   |
| Diluted                                     | 42,308,856         | 42,031,427   | 42,252,018       | 41,925,301   |

**WELLCARE HEALTH PLANS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(Dollars in thousands)*

|   | <b>June 30,<br/>2010</b> | <b>Dec. 31,<br/>2009</b> |
|---|--------------------------|--------------------------|
|   | <i>(Unaudited)</i>       |                          |
| <b>ASSETS</b>   |                          |                          |
| Current Assets:   |                          |                          |
| Cash and cash equivalents   | \$ 980,264               | \$ 1,158,131             |
| Investments   | 45,018                   | 62,722                   |
| Premium and other receivables, net  | 316,359                  | 285,808                  |
| Funds receivable for the benefit of members   | 29,298                   | 77,851                   |
| Prepaid expenses and other current assets, net  | 106,226                  | 104,079                  |
| Deferred income tax asset   | 33,857                   | 28,874                   |
| Total current assets  | 1,511,022                | 1,717,465                |
| Property, equipment and capitalized software, net   | 65,299                   | 61,785                   |
| Goodwill  | 111,131                  | 111,131                  |
| Other intangible assets, net  | 12,194                   | 12,961                   |
| Long-term investments   | 42,477                   | 51,710                   |
| Restricted investments  | 131,654                  | 130,550                  |
| Deferred income tax asset   | 81,544                   | 18,745                   |
| Other assets  | 10,480                   | 14,100                   |
| Total Assets  | \$ 1,965,801             | \$ 2,118,447             |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                          |                          |
| Current Liabilities:  |                          |                          |
| Medical benefits payable  | \$ 660,149               | \$ 802,515               |
| Unearned premiums   | 114                      | 90,496                   |
| Accounts payable  | 8,063                    | 5,270                    |
| Other accrued expenses and liabilities  | 152,304                  | 220,562                  |
| Current portion of amounts accrued related to investigation resolution  | 83,672                   | 18,192                   |
| Other payables to government partners   | 35,952                   | 38,147                   |
| Income taxes payable  | 8,204                    | 4,888                    |
| Total current liabilities   | 948,458                  | 1,180,070                |
| Amounts accrued related to investigation resolution   | 244,284                  | 40,205                   |
| Other liabilities   | 17,175                   | 17,272                   |
| Total liabilities   | 1,209,917                | 1,237,547                |
| Commitments and contingencies   | --                       | --                       |
| Stockholders' Equity:   |                          |                          |
| Preferred stock, \$0.01 par value (20,000,000 authorized, no shares issued or outstanding)  | --                       | --                       |
| Common stock, \$0.01 par value (100,000,000 authorized, 42,427,502 and 42,361,207 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively) | 424                      | 424                      |
| Paid-in capital   | 421,490                  | 425,083                  |
| Retained earnings   | 336,059                  | 458,512                  |
| Accumulated other comprehensive loss  | (2,089 )                 | (3,119 )                 |
| Total stockholders' equity  | 755,884                  | 880,900                  |
| Total Liabilities and Stockholders' Equity  | \$ 1,965,801             | \$ 2,118,447             |

**WELLCARE HEALTH PLANS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(Unaudited; dollars in thousands)*

|  | <b>Six Months Ended</b> |             |
|--|-------------------------|-------------|
|  | <b>June 30,</b>         |             |
|  | <b>2010</b>             | <b>2009</b> |
| Cash provided by (used in) operating activities:                                     |                         |             |
| Net (loss) income  | \$ (122,453 )           | \$ 72       |
| Adjustments to reconcile net (loss) income to net cash used in operating activities: |                         |             |
| Depreciation and amortization  | 11,647                  | 11,696      |
| Equity-based compensation expense  | 2,479                   | 19,242      |
| Deferred taxes, net  | (67,782 )               | (12,025 )   |
| Changes in operating accounts:   |                         |             |
| Premium and other receivables, net   | (30,551 )               | (162,498 )  |
| Other receivables from government partners, net                                      | -                       | (58,156 )   |
| Prepaid expenses and other current assets, net                                       | (2,147 )                | 14,204      |
| Medical benefits payable   | (142,366 )              | 92,181      |
| Unearned premiums  | (90,382 )               | (61,866 )   |
| Accounts payable and other accrued expenses  | (43,703 )               | (78,175 )   |
| Other payables to government partners  | (2,195 )                | 16,859      |
| Amounts accrued related to investigation resolution                                  | 246,621                 | 32,293      |
| Income taxes, net  | (455 )                  | 36,875      |
| Other, net   | (3,327 )                | (698 )      |
| Net cash used in operating activities  | (244,614 )              | (149,996 )  |
| Cash provided by (used in) investing activities:                                     |                         |             |
| Purchases of investments   | (2,049 )                | (19,066 )   |
| Proceeds from sales and maturities of investments                                    | 30,603                  | 19,183      |
| Purchases of restricted investments  | (6,777 )                | (26,813 )   |
| Proceeds from maturities of restricted investments                                   | 5,729                   | 47,743      |
| Additions to property, equipment and capitalized software, net                       | (6,872 )                | (8,198 )    |
| Net cash provided by investing activities  | 20,634                  | 12,849      |
| Cash provided by (used in) financing activities:                                     |                         |             |
| Proceeds from option exercises and other   | 989                     | 228         |
| Purchase of treasury stock   | (3,291 )                | -           |
| Payments on debt   | -                       | (152,400 )  |
| Payments on capital leases   | (138 )                  | -           |
| Funds received for the benefit of members  | 48,553                  | 48,082      |
| Net cash provided by (used in) financing activities                                  | 46,113                  | (104,090 )  |
| Cash and cash equivalents:   |                         |             |
| Decrease during the period   | (177,867 )              | (241,237 )  |
| Balance at beginning of year   | 1,158,131               | 1,181,922   |
| Balance at end of period   | \$ 980,264              | \$ 940,685  |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>                            |                         |             |
| Cash paid for taxes  | \$ 10,725               | \$ 2,829    |
| Cash paid for interest   | \$ -                    | \$ 2,642    |
| Property, equipment and capitalized software acquired through capital leases         | \$ 8,411                | \$ 559      |

**WELLCARE HEALTH PLANS, INC.**

**MEMBERSHIP STATISTICS**As of June 30,  
2010 2009**Membership by Program***Medicaid Membership*

|                           |           |           |
|---------------------------|-----------|-----------|
| TANF                      | 1,071,000 | 1,076,000 |
| S-CHIP                    | 168,000   | 162,000   |
| SSI and ABD               | 78,000    | 83,000    |
| FHP                       | 11,000    | 16,000    |
| Total Medicaid Membership | 1,328,000 | 1,337,000 |

*Medicare Membership*

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Medicare Advantage                   | 115,000   | 253,000   |
| Prescription Drug Plan (stand-alone) | 741,000   | 798,000   |
| Total Medicare Membership            | 856,000   | 1,051,000 |
| Total Membership                     | 2,184,000 | 2,388,000 |

**Medicaid Membership by State**

|                           |           |           |
|---------------------------|-----------|-----------|
| Florida                   | 420,000   | 452,000   |
| Georgia                   | 537,000   | 510,000   |
| Other states              | 371,000   | 375,000   |
| Total Medicaid Membership | 1,328,000 | 1,337,000 |

**WELLCARE HEALTH PLANS, INC.****SEGMENT INFORMATION***(Unaudited; dollars in thousands)*

|                              | Three Months Ended  |                     | Six Months Ended    |                     |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
|                              | June 30,<br>2010    | 2009                | June 30,<br>2010    | 2009                |
| <b>Premium revenue:</b>      |                     |                     |                     |                     |
| Medicaid:                    |                     |                     |                     |                     |
| Florida                      | \$ 222,427          | \$ 241,866          | \$ 446,245          | \$ 500,253          |
| Georgia                      | 328,645             | 328,923             | 653,726             | 653,847             |
| Other states                 | 249,626             | 242,970             | 509,760             | 468,837             |
| Total Medicaid               | 800,698             | 813,759             | 1,609,731           | 1,622,937           |
| Medicare:                    |                     |                     |                     |                     |
| Medicare Advantage plans     | 329,945             | 749,813             | 681,028             | 1,482,912           |
| Prescription Drug plans      | 207,294             | 224,279             | 400,636             | 473,929             |
| Total Medicare               | 537,239             | 974,092             | 1,081,664           | 1,956,841           |
| <b>Total Premium Revenue</b> | <b>\$ 1,337,937</b> | <b>\$ 1,787,851</b> | <b>\$ 2,691,395</b> | <b>\$ 3,579,778</b> |

**WELLCARE HEALTH PLANS, INC. UNAUDITED SUPPLEMENTAL INFORMATION**

**Reconciliation of GAAP Statements of Operations to Adjusted Statements of Operations**

*(Dollars in thousands except per-share data)*

The Company reports adjusted operating results on a non-GAAP basis to exclude certain expenses that management believes are not indicative of longer-term business trends and operations. Following are statements of operations and related measures for the second quarters ended June 30, 2010 and 2009, as determined under GAAP, reconciled to the adjusted statements of operations and related measures for each of the same periods.

|                                      | Three Months Ended June 30, 2010 |             |              | Three Months Ended June 30, 2009 |             |              |
|--------------------------------------|----------------------------------|-------------|--------------|----------------------------------|-------------|--------------|
|                                      | GAAP                             | Adjustments | Adjusted     | GAAP                             | Adjustments | Adjusted     |
| Revenues:                            |                                  |             |              |                                  |             |              |
| Premium                              | \$ 1,337,937                     | \$ -        | \$ 1,337,937 | \$ 1,787,851                     | \$ -        | \$ 1,787,851 |
| Investment and other income          | 2,712                            | -           | 2,712        | 3,427                            | -           | 3,427        |
| Total revenues                       | 1,340,649                        | -           | 1,340,649    | 1,791,278                        | -           | 1,791,278    |
| Expenses:                            |                                  |             |              |                                  |             |              |
| Medical benefits                     | 1,122,791                        | -           | 1,122,791    | 1,504,019                        | -           | 1,504,019    |
|                                      |                                  |             | (a)          |                                  |             | (a)          |
| Selling, general, and administrative | 404,770                          | (256,456)   | 148,314      | 215,082                          | (27,383)    | 187,699      |
|                                      |                                  | (b)         | (c)          |                                  | (b)         |              |
| Depreciation and amortization        | 5,891                            | -           | 5,891        | 5,957                            | -           | 5,957        |
| Interest                             | 33                               | -           | 33           | 1,017                            | -           | 1,017        |
| Total expenses                       | 1,533,485                        | (256,456)   | 1,277,029    | 1,726,075                        | (27,383)    | 1,698,692    |
| (Loss) income before income taxes    | (192,836)                        | 256,456     | 63,620       | 65,203                           | 27,383      | 92,586       |
| Income tax (benefit) expense         | (63,965)                         | 88,997      | 25,032       | 28,198                           | 4,609       | 32,807       |
| Net (loss) income                    | \$ (128,871)                     | \$ 167,459  | \$ 38,588    | \$ 37,005                        | \$ 22,774   | \$ 59,779    |
| Weighted average shares:             |                                  |             |              |                                  |             |              |
| Basic                                | 42,308,856                       | -           | 42,308,856   | 41,794,997                       | -           | 41,794,997   |
| Diluted                              | 42,308,856                       | 461,131     | 42,769,987   | 42,031,427                       | -           | 42,031,427   |
| Net (loss) income per share:         |                                  |             |              |                                  |             |              |
| Basic                                | \$ (3.05)                        | \$ 3.96     | \$ 0.91      | \$ 0.89                          | \$ 0.54     | \$ 1.43      |
| Diluted                              | \$ (3.05)                        | \$ 3.95     | \$ 0.90      | \$ 0.88                          | \$ 0.54     | \$ 1.42      |
| Medical benefits ratio:              |                                  |             |              |                                  |             |              |
| Medicaid                             | 86.0                             | %           | 86.0         | %                                | 85.0        | %            |
| Medicare Advantage                   | 78.4                             | %           | 78.4         | %                                | 80.1        | %            |

|                              |      |   |       |                  |      |      |      |   |      |                  |      |   |
|------------------------------|------|---|-------|------------------|------|------|------|---|------|------------------|------|---|
| Prescription Drug Plans      | 84.8 | % |       | 84.8             | %    | 94.5 | %    |   | 94.5 | %                |      |   |
| Aggregate                    | 83.9 | % |       | 83.9             | %    | 84.1 | %    |   | 84.1 | %                |      |   |
|                              |      |   | (a)   |                  |      |      |      |   |      |                  |      |   |
| Administrative expense ratio | 30.2 | % | -19.1 | % <sup>(c)</sup> | 11.1 | %    | 12.0 | % | -1.5 | % <sup>(b)</sup> | 10.5 | % |
| Days in claims payable       | 54   |   |       | 54               |      | 52   |      |   | 52   |                  |      |   |

(a) Investigation-related legal, accounting, employee retention, and other costs: Administrative expenses associated with the government and Company investigations amounted to \$7.8 million and \$12.4 million, in the quarters ended June 30, 2010 and 2009, respectively.

(b) Liability for investigation resolution: Based on the status of the government investigations, the Company recorded expense of \$54.7 million and \$15.0 million, respectively, in the quarters ended June 30, 2010 and 2009.

(c) Liability for securities class action litigation: The Company recorded expense of \$193.9 million in the three months ended June 30, 2010 as its estimate for the resolution of putative securities class action litigation.

#### WELLCARE HEALTH PLANS, INC. UNAUDITED SUPPLEMENTAL INFORMATION

##### Reconciliation of GAAP Statements of Operations to Adjusted Statements of Operations

(Dollars in thousands except per share data)

|                                      | Six Months Ended June 30, 2010 |             |              | Six Months Ended June 30, 2009 |             |              |
|--------------------------------------|--------------------------------|-------------|--------------|--------------------------------|-------------|--------------|
|                                      | GAAP                           | Adjustments | Adjusted     | GAAP                           | Adjustments | Adjusted     |
| Revenues:                            |                                |             |              |                                |             |              |
| Premium                              | \$ 2,691,395                   | \$ -        | \$ 2,691,395 | \$ 3,579,778                   | \$ -        | \$ 3,579,778 |
| Investment and other income          | 5,207                          | -           | 5,207        | 6,761                          | -           | 6,761        |
| Total revenues                       | 2,696,602                      | -           | 2,696,602    | 3,586,539                      | -           | 3,586,539    |
| Expenses:                            |                                |             |              |                                |             |              |
| Medical benefits                     | 2,288,763                      | -           | 2,288,763    | 3,057,017                      | -           | 3,057,017    |
| Selling, general, and administrative | 578,107                        | (257,724)   | 320,383      | 486,823                        | (83,683)    | 403,140      |
| Depreciation and amortization        | 11,647                         | -           | 11,647       | 11,696                         | -           | 11,696       |
| Interest                             | 43                             | -           | 43           | 3,083                          | -           | 3,083        |
| Total expenses                       | 2,878,560                      | (257,724)   | 2,620,836    | 3,558,619                      | (83,683)    | 3,474,936    |
| (Loss) income before income taxes    | (181,958)                      | 257,724     | 75,766       | 27,920                         | 83,683      | 111,603      |
| Income tax expense (benefit)         | (59,505)                       | 89,320      | 29,815       | 27,848                         | 11,706      | 39,554       |
| Net (loss) income                    | \$ (122,453)                   | \$ 168,404  | \$ 45,951    | \$ 72                          | \$ 71,977   | \$ 72,049    |
| Weighted average shares:             |                                |             |              |                                |             |              |
| Basic                                | 42,252,018                     | -           | 42,252,018   | 41,731,915                     | -           | 41,731,915   |
| Diluted                              | 42,252,018                     | 507,320     | 42,759,338   | 41,925,301                     | -           | 41,925,301   |

|                              |          |   |         |         |          |         |         |      |      |   |
|------------------------------|----------|---|---------|---------|----------|---------|---------|------|------|---|
| Net (loss) income per share: |          |   |         |         |          |         |         |      |      |   |
| Basic                        | \$ (2.90 | ) | \$ 3.99 | \$ 1.09 | \$ 0.00  | \$ 1.73 | \$ 1.73 |      |      |   |
| Diluted                      | \$ (2.90 | ) | \$ 3.97 | \$ 1.07 | \$ 0.00  | \$ 1.72 | \$ 1.72 |      |      |   |
| Medical benefits ratio:      |          |   |         |         |          |         |         |      |      |   |
| Medicaid                     | 86.4     | % |         | 86.4    | %        | 85.1    | %       | 85.1 | %    |   |
| Medicare Advantage           | 78.6     | % |         | 78.6    | %        | 81.7    | %       | 81.7 | %    |   |
| Prescription Drug Plans      | 90.8     | % |         | 90.8    | %        | 97.8    | %       | 97.8 | %    |   |
| Aggregate                    | 85.0     | % |         | 85.0    | %        | 85.4    | %       | 85.4 | %    |   |
| (a)                          |          |   |         |         |          |         |         |      |      |   |
| (b)                          |          |   |         |         |          |         |         |      |      |   |
| (a)                          |          |   |         |         |          |         |         |      |      |   |
| Administrative expense ratio | 21.4     | % | -9.5    | %       | (c) 11.9 | %       | 13.6    | %    | -2.4 | % |
| (b)                          |          |   |         |         |          |         |         |      |      |   |
| (a)                          |          |   |         |         |          |         |         |      |      |   |

(a) Investigation-related legal, accounting, employee retention, and other costs: Administrative expenses associated with the government and Company investigations amounted to \$8.6 million and \$23.9 million, in the six months ended June 30, 2010 and 2009, respectively.

Liability for investigation resolution: Based on the status of the government investigations, the Company (b) recorded expense of \$55.2 million and \$59.8 million, respectively, in the six months ended June 30, 2010 and 2009.

(c) Liability for securities class action litigation: The Company recorded expense of \$193.9 million in the six months ended June 30, 2010 as its estimate for the resolution of putative securities class action litigation.

## WELLCARE HEALTH PLANS, INC.

### UNAUDITED SUPPLEMENTAL INFORMATION

#### Reconciliation of Medical Benefits Ratios and Administrative Expense Ratio to Medical Benefits Ratios and Administrative Expense Ratio Modified to Exclude Premium Taxes and Certain Specified Expenses

The Company reports MBRs and administrative expense ratios on a non-GAAP basis that excludes premium taxes paid primarily on Medicaid managed care premium revenue, as well as certain investigation and litigation-related administrative expenses. The Company believes that MBRs and administrative expense ratios excluding premium taxes are useful measures for investors, as premium taxes are recorded as both revenue of and expense to the Company, and therefore do not affect the Company's operating results. In addition, certain investigation and litigation-related administrative expenses are excluded from the administrative expense ratio, as management believes these excluded expenses are not indicative of longer term business trends and operations.

|   | Adjustments |                      |          |      | Premium Tax Impact | Excluding Premium Taxes |
|---|-------------|----------------------|----------|------|--------------------|-------------------------|
|   | GAAP        | (see pages 9 and 10) | Adjusted |      |                    |                         |
| <b>Three Months Ended June 30, 2010</b> |             |                      |          |      |                    |                         |
| Medical benefits ratio:                 |             |                      |          |      |                    |                         |
| Medicaid                                | 86.0        | %                    |          | 86.0 | 1.0                | 87.0                    |
| Medicare Advantage                      | 78.4        | %                    |          | 78.4 |                    | 78.4                    |
| PDP                                     | 84.8        | %                    |          | 84.8 |                    | 84.8                    |
| Aggregate                               | 83.9        | %                    |          | 83.9 | 0.6                | 84.5                    |
| Administrative expense ratio            | 30.2        | %                    | -19.1    | %    | 11.1               | -0.7                    |
| <b>Three Months Ended June 30, 2009</b> |             |                      |          |      |                    |                         |

Medical benefits ratio:

|                              |      |   |      |      |      |     |      |      |     |   |
|------------------------------|------|---|------|------|------|-----|------|------|-----|---|
| Medicaid                     | 85.0 | % |      | 85.0 | %    | 3.1 | %    | 88.1 | %   |   |
| Medicare Advantage           | 80.1 | % |      | 80.1 | %    |     |      | 80.1 | %   |   |
| PDP                          | 94.5 | % |      | 94.5 | %    |     |      | 94.5 | %   |   |
| Aggregate                    | 84.1 | % |      | 84.1 | %    | 1.4 | %    | 85.5 | %   |   |
| Administrative expense ratio | 12.0 | % | -1.5 | %    | 10.5 | %   | -1.5 | %    | 9.0 | % |

**Six Months Ended June 30, 2010**

Medical benefits ratio:

|                              |      |   |      |      |      |     |      |      |      |   |
|------------------------------|------|---|------|------|------|-----|------|------|------|---|
| Medicaid                     | 86.4 | % |      | 86.4 | %    | 1.0 | %    | 87.4 | %    |   |
| Medicare Advantage           | 78.6 | % |      | 78.6 | %    |     |      | 78.6 | %    |   |
| PDP                          | 90.8 | % |      | 90.8 | %    |     |      | 90.8 | %    |   |
| Aggregate                    | 85.0 | % |      | 85.0 | %    | 0.6 | %    | 85.6 | %    |   |
| Administrative expense ratio | 21.4 | % | -9.5 | %    | 11.9 | %   | -0.6 | %    | 11.3 | % |

**Six Months Ended June 30, 2009**

Medical benefits ratio:

|                              |      |   |      |      |      |     |      |      |     |   |
|------------------------------|------|---|------|------|------|-----|------|------|-----|---|
| Medicaid                     | 85.1 | % |      | 85.1 | %    | 2.9 | %    | 88.0 | %   |   |
| Medicare Advantage           | 81.7 | % |      | 81.7 | %    |     |      | 81.7 | %   |   |
| PDP                          | 97.8 | % |      | 97.8 | %    |     |      | 97.8 | %   |   |
| Aggregate                    | 85.4 | % |      | 85.4 | %    | 1.3 | %    | 86.7 | %   |   |
| Administrative expense ratio | 13.6 | % | -2.4 | %    | 11.2 | %   | -1.3 | %    | 9.9 | % |

Premium taxes were \$9.4 million and \$28.8 million, respectively, for the three months ended June 30, 2010 and 2009. Premium taxes were \$19.1 million and \$53.3 million, respectively, for the six months ended June 30, 2010 and 2009.

**WELLCARE HEALTH PLANS, INC.**

**UNAUDITED SUPPLEMENTAL INFORMATION**

**Reconciliation of GAAP Net Cash (Used in) Provided by Operating Activities to Net Cash (Used in) Provided by Operating Activities Modified for the Timing of Receipts from and Payments to Government Clients  
(Dollars in thousands)**

The Company reports cash (used in) provided by operating activities on a non-GAAP basis to exclude the changes in unearned premiums, premiums and other receivables, and other receivables from and payables to government customers. The Company believes that cash flow excluding these changes is a useful measure for investors, as the excluded changes are a function of the timing of cash receipts from and payments to federal and state government agencies at the end of a period.

|  | <b>Six Months Ended</b> |               |
|--|-------------------------|---------------|
|  | <b>June 30,</b>         |               |
|  | <b>2010</b>             | <b>2009</b>   |
| Net cash used in operating activities, as reported under GAAP  | \$ (244,614 )           | \$ (149,996 ) |
| Modifications to eliminate changes in:   |                         |               |
| Premium and other receivables, net   | 30,551                  | 162,498       |
| Other receivables from government partners, net  | -                       | 58,156        |
| Unearned premiums  | 90,382                  | 61,866        |
| Other payables to government partners  | 2,195                   | (16,859 )     |
| Net cash (used in) provided by operating activities, modified for the timing of receipts from and payments to government clients | \$ (121,486 )           | \$ 115,665    |

**Reconciliation of GAAP Days in Claims Payable to Days in Claims Payable Modified to Eliminate the Impact of Medicare Advantage Private Fee-for-Service Plans**

The Company reports days in claims payable on a non-GAAP basis to exclude the impact of Medicare Advantage

PFFS plans. The Company believes that days in claims payable excluding the impact of PFFS plans is a useful measure for investors, because the Company withdrew these plans on December 31, 2009, and as a result the impact of the plans on historical operations is not necessarily indicative of the Company's future long-term business operations. Days in claims payable is equal to the medical benefits payable at the end of a quarter divided by average medical benefits expense per calendar day for the quarter.

|  | <b>Quarters Ended</b>        |                                   |                                  |                               |                             |
|--|------------------------------|-----------------------------------|----------------------------------|-------------------------------|-----------------------------|
|  | <b>June<br/>30,<br/>2009</b> | <b>September<br/>30,<br/>2009</b> | <b>December<br/>31,<br/>2009</b> | <b>March<br/>31,<br/>2010</b> | <b>June<br/>30<br/>2010</b> |
| Days in claims payable, as reported under GAAP                         | 52                           | 56                                | 53                               | 55                            | 54                          |
| Modification to eliminate impact of PFFS plans                         | (2 )                         | (4 )                              | (4 )                             | (5 )                          | (3 )                        |
| Days in claims payable, modified to eliminate the impact of PFFS plans | 50                           | 52                                | 49                               | 50                            | 51                          |

SOURCE: WellCare Health Plans, Inc.  
WellCare Health Plans, Inc.

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## **WellCare Receives URAC Health Plan Accreditation**

**TAMPA, Fla., Jul 28, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) announced today that it has been awarded a Full Health Plan Accreditation for its HealthEase of Florida and WellCare of Florida subsidiaries by URAC, a Washington, DC-based health care accrediting organization that establishes quality standards for the health care industry. URAC's Health Plan Accreditation standards include key quality benchmarks for network management, provider credentialing, utilization management, quality management and improvement and consumer protection. The accredited WellCare companies participate in the Florida Medicare, Medicaid and Healthy Kids programs.

"Recognition by URAC requires tremendous effort and a true commitment to quality and accountability," said Dr. Glenn Steele, who chairs the WellCare Board of Directors' Health Care Quality and Access Committee and serves as president and chief executive officer of Geisinger Health System.

"These accreditations are a testament to the Company's ongoing transformation."

WellCare provides managed care services exclusively for government-sponsored health care programs serving Medicare and Medicaid members in Florida. The Company began operations more than 25 years ago in Florida, and it is one of the largest employers in the Tampa Bay area.

"WellCare is dedicated to enhancing health care quality and access for its members through its providers and in partnership with its government customers," said Ann O. Wehr, M.D., WellCare's chief medical officer. "Accreditation by URAC - the nation's largest accrediting body for health care - speaks volumes about the Company's capabilities and priorities."

The URAC accreditation process demonstrates a commitment to quality services and serves as a framework to improve business processes through benchmarking organizations against nationally recognized standards. The URAC standards development process is consensus driven, with over hundreds of industry experts serving as volunteers to revise appropriate industry benchmarks.

"By applying for and receiving URAC Health Plan Accreditation, WellCare has demonstrated a commitment to quality health care," said Alan P. Spielman, URAC president and Chief executive officer.

"Quality health care is crucial to our nation's welfare, and it is important to have organizations that are willing to measure themselves against national standards and undergo rigorous evaluation by an independent accrediting body."

### **About URAC**

URAC, an independent, nonprofit organization, is a leader in promoting health care quality through accreditation and certification programs. URAC's standards keep pace with the rapid changes in the health care system and provide a mark of distinction for health care organizations to demonstrate their commitment to quality and accountability. Through its broad-based governance structure and an inclusive standards development process, URAC ensures that all stakeholders are represented in setting meaningful standards for the health care industry. For more information, visit [www.urac.org](http://www.urac.org).

### **About WellCare Health Plans, Inc.**

WellCare Health Plans, Inc. provides managed care services exclusively for government-sponsored health care programs, focusing on Medicaid and Medicare. Headquartered in Tampa, Florida, WellCare offers a variety of health plans for families, children, and the aged, blind and disabled, as well as prescription drug plans. The Company served approximately 2.2 million members nationwide as of

March 31, 2010. For more information about WellCare, please visit the Company's website at [www.wellcare.com](http://www.wellcare.com).

SOURCE: WellCare Health Plans, Inc.  
WellCare Health Plans, Inc.

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## **WellCare Cleared by Court to Pursue Former Executives**

**TAMPA, Fla., Jul 07, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) announced today that the United States District Court for the Middle District of Florida today approved a partial settlement and granted a motion enabling the Company to pursue claims against its former top executives, Todd Farha, Paul Behrens and Thad Bereday. In addition, the Court dismissed all claims against current and former directors.

"This is a logical next step in the Company's transformation that began in October 2007," said Alec Cunningham, WellCare's chief executive officer. "This is another in a series of Company efforts over the past two and one-half years to remediate past practices and forge a new future for members, associates and stockholders."

In late 2007, federal and state stockholder derivative actions were filed against Mr. Farha (former chairman, president and chief executive officer), Mr. Behrens (former chief financial officer) and Mr. Bereday (former general counsel), and certain current and former WellCare directors. WellCare's Board of Directors subsequently appointed an independent Special Litigation Committee (SLC) to decide on behalf of WellCare how to proceed with these actions. The SLC conducted an extensive investigation, interviewing many witnesses and reviewing well over 600,000 documents.

Based on its investigation, WellCare's SLC concluded that the Company should pursue claims against Messrs. Farha, Behrens and Bereday for breach of duty and breach of contract. The SLC, however, found no evidence supporting such claims against the current and former WellCare directors who were named in the actions. Accordingly, the SLC asked the Court to have the Company made the plaintiff in the actions so that the Company could pursue the claims against the three former top executives. In addition, the Company entered into a settlement with the original plaintiffs and their counsel.

"These are key legal developments for the Company," stated Timothy S. Susanin, senior vice president, general counsel and secretary of WellCare. "WellCare can now pursue its claims and hold these former executives accountable for their conduct."

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SOURCE: WellCare Health Plans, Inc.  
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## **WellCare Names Dr. Ann O. Wehr Chief Medical Officer**

**TAMPA, Fla., Jul 06, 2010 (BUSINESS WIRE)** -- WellCare Health Plans, Inc. (NYSE: WCG) today announced that Ann O. Wehr, M.D., will join the Company this month as chief medical officer. Dr. Wehr will report to the chief executive officer and will lead the Company's medical affairs initiatives and health policy strategy.

"We are very pleased that Dr. Wehr will be joining our company and leading our efforts to improve health care quality for our members," said Alec Cunningham, chief executive officer of WellCare. "Her strong health policy credentials and experience managing a health care plan give her a unique perspective and make her an excellent addition to our team."

"WellCare is very focused on enhancing health care quality and access with its provider partners and government customers," said Dr. Wehr. "I look forward to working with these constituencies and WellCare's associates to positively impact the millions of members we serve."

Most recently, Dr. Wehr served as president and chief executive officer of Molina Healthcare of New Mexico. Before that, she was the chief medical officer of Molina Healthcare of New Mexico. She had previously served as Molina's medical director for its Quality Improvement department. Dr. Wehr was a medical director for Cimarron Health Plan and the vice president and chief medical officer for Blue Cross & Blue Shield of New Mexico. Earlier in her career, Dr. Wehr held leadership positions for Presbyterian Health Care Services, EQUICOR Health Plan, Prudential Plus and Miller Medical Group.

Dr. Wehr earned her Bachelor of Science degree in chemistry from the University of Notre Dame and her Medical Degree from the Ohio State University College of Medicine. She completed her residency in internal medicine at Vanderbilt University. She is Board certified in internal medicine and a fellow of the American College of Physicians. Dr. Wehr has an active medical license in New Mexico, Texas and Florida and is a member of numerous professional associations.

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