

Resolved:

Shareholders of Centene Corporation (Centene) request that the Board of Directors examine and report to shareholders, at reasonable cost and omitting proprietary information, describing if, and how it plans to introduce objective data driven maternal morbidity reduction metrics into the performance measures of senior executives under Centene's incentive compensation plans. "Maternal morbidity metrics" is defined as (1) the rate of major maternal morbidity of Molina's members and (2) progress made toward eliminating major maternal morbidity and mortality disparities among racial and ethnic groups.

Supporting Statement:

As a managed care provider, Centene stands to widen its margins sustainably and grow its business responsibly by improving the health outcomes of its members. When its members' health improves, medical costs go down. Centene provides its Smart Start for Your Baby program for pregnant members. By helping to lower the risks of premature births and major maternal complications, the program is working to improve maternal and child health outcomes among Centene's members. This focus on maternal and child health outcomes can create sustainable success for the company

In June 2022, the White House released a report examining the state of maternal health across the country. The report, based on examination of trends in pregnancy and childbirth complications, concluded that the nation faces "a maternal health crisis":

- The United States ranks last among developed countries in maternal health care.
- A Blue Cross Blue Shield study of current trends related to serious complications during labor and delivery (known as "maternal morbidity") rates increased for all women between the years 2018-2020.
- Black mothers are twice as likely to experience severe maternal morbidities (SMM) as white mothers. Black mothers are also more than twice as likely to die in childbirth than white mothers.
- A study based on New York City hospital data found wide disparities in maternal morbidity between races. Women who experience a SMM event are far more likely to be readmitted to a hospital during the postpartum period than women who do not experience one.

A recent study published in Women's Health Reports examining costs found that the total mean per-patient costs of care for women with SMM is 177% higher than for women without SMM. Centene is the largest Medicaid managed care organization in the country. Membership in Medicaid is associated with significantly higher incidence of severe maternal health outcomes compared with privately insured women. Centene can contribute to reducing overall disparities in the United States by undertaking renewed efforts to reduce SMM disparities at Centene among its own members. Narrowing these disparities by improving outcomes may lead to significant cost savings for our company.

This type of metric is not unprecedented. Anthem's May 2022 ESG report notes that a portion of its "executives' annual incentive compensation is based on the improvement in maternity health outcomes and reduction of pre-term births for black communities in Indiana."