

Cognizant and Health Care Service Corporation (HCSC) Expand Strategic Relationship; Cognizant to Purchase HCSC Subsidiary TMG Health and Enter into Multi-Year Services Agreement

Combination of TMG Health Capabilities and TriZetto Software Will Enable Cognizant to Offer Enhanced Business Process Platforms and Services for Government and Public Health Programs

TEANECK, N.J., June 13, 2017 /PRNewswire/ -- Cognizant (NASDAQ: CTSH) today announced it has entered into a definitive agreement to purchase Health Care Service Corporation's (HCSC) subsidiary TMG Health. As part of the expansion of Cognizant's strategic relationship with HCSC, TMG Health will enter into a new, expanded multi-year service agreement to continue providing information technology, business process and other services to HCSC's various operating units and subsidiaries. The transaction is expected to close in the third quarter of 2017, subject to satisfaction of the closing conditions, including regulatory reviews. Financial details were not disclosed.

TMG Health, an HCSC subsidiary since 2008 with offices in Pennsylvania and Texas, is a leading national provider of business process services to the Medicare Advantage, Medicare Part D and Managed Medicaid markets in the U.S., supporting 32 client plans and more than 4.3 million members in all 50 states. TMG Health's healthcare business and technology professionals will become employees of Cognizant upon the close of the transaction.

The combination of capabilities from TMG Health, Cognizant's Digital Operations, and Digital Systems and Technology practices will further strengthen Cognizant's scalable business process-as-a-service (BPaaS) solution for the government and public health program markets. A BPaaS model provides insurers with a technology and operational foundation for the efficient management of their government lines of business, enabling them to focus on strategic growth at a predictable cost while aligning quality, standards, risk and compliance across their programs. Building on Cognizant's 2014 acquisition of healthcare technology provider TriZetto, the addition of TMG Health will extend Cognizant's market leadership and expand the breadth of its digital transformation solutions for healthcare payers and providers.

"Cognizant and TMG Health are an ideal strategic fit because we share similar priorities and values when it comes to helping clients deliver superior member-centric care, enable efficient claims processing and efficiently meet state and federal regulatory requirements," said Susan Rawlings Molina, President and CEO at TMG Health. "Government business lines are expanding, and more payers, big and small, are entering the market. We believe there is a growing opportunity for our experienced teams to work together to help current and future clients succeed in highly regulated, cost- and compliance-driven markets."

"Cognizant's TriZetto Facets and QNXT healthcare claims and administration software and systems process more than 30 percent of the nation's managed Medicare lives and over 60 percent of the nation's managed Medicaid lives," said Kaushik Bhaumik, Executive Vice President and global head of healthcare at Cognizant. "The addition of TMG Health's capabilities and experts to our healthcare portfolio will enable all of our payer clients to embrace new digital opportunities with their growing government business lines, be more competitive and respond quickly to changes in these critical markets with increased efficiency from member enrollment through care management, under a predictable, cost-effective BPaaS model."

"On an ongoing basis we look at ways to increase our agility and enhance technology to serve our members' evolving needs," said Andy Napoli, Senior Vice President and Chief Customer Service Officer of HCSC. "By joining forces in this way, Cognizant and TMG Health can combine their unique strengths to accelerate innovation across people, process and technology capabilities so that we can better serve members now and in the future."

Additional Information about Cognizant's Healthcare Practice, and Medicare and Medicaid Solutions

<https://www.cognizant.com/healthcare>

<https://www.cognizant.com/whitepapers/cognizant-medicare-medicaid-solutions.pdf>

About Cognizant

Cognizant (NASDAQ-100: CTSH) is one of the world's leading professional services companies, transforming

clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 205 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.

About Health Care Service Corporation

[Health Care Service Corporation](#) is the country's largest customer-owned health insurer and fourth largest health insurer overall, with nearly 15 million members in its Blue Cross and Blue Shield plans in Illinois, Montana, New Mexico, Oklahoma and Texas. A Mutual Legal Reserve Company, HCSC is an independent licensee of the Blue Cross and Blue Shield Association. HCSC has a rating of A+ (Strong) from Standard and Poor's, A1 (Good) from Moody's and A (Excellent) from A.M. Best Company. For more information, please visit HCSC.com, visit our Facebook page or follow us at www.twitter.com/HCSC.

About TMG Health

[TMG Health](#) is the leading national provider of Business Process Outsourcing solutions for Medicare Advantage, Medicare Part D and Managed Medicaid plans. With more than 19 years of experience in providing technology-enabled services to the government market exclusively, our knowledge of health plan processes, regulatory requirements, and the daily challenges plans face within the government market is second to none. Our expertise, coupled with a strong commitment to our Clients' success, positions us as a trusted partner who can help solve the challenges of today and prepare for those of tomorrow.

Forward-Looking Statements

This press release includes statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the accuracy of which are necessarily subject to risks, uncertainties, and assumptions as to future events that may not prove to be accurate. These statements include, but are not limited to, express or implied forward-looking statements relating to the anticipated closing of the acquisition of TMG Health by Cognizant, the anticipated service agreement to be entered into between TMG Health and HCSC, the timing of any such transactions, opportunities in the marketplace, and expectations regarding the impact of such acquisition and service agreement on the business and prospects of Cognizant and TMG Health. These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Factors that could cause actual results to differ materially from those expressed or implied include general economic conditions, changes in the regulatory environment, including with respect to immigration and taxes, and the other factors discussed in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Cognizant undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

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Additional assets available online:

<https://news.cognizant.com/2017-06-13-Cognizant-and-Health-Care-Service-Corporation-HCSC-Expand-Strategic-Relationship-Cognizant-to-Purchase-HCSC-Subsidiary-TMG-Health-and-Enter-into-Multi-Year-Services-Agreement>