

MAGELLAN HEALTH INC
Form 10-Q
April 26, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10 Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the Quarterly Period Ended March 31, 2018

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from to

Commission File No. 1 6639

MAGELLAN HEALTH, INC.

(Exact name of registrant as specified in its charter)

Delaware	58 1076937
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
4800 N. Scottsdale Rd, Suite 4400	85251
Scottsdale, Arizona	(Zip code)
(Address of principal executive offices)	

(602) 572 6050

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if

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any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definition of “large accelerated filer”, “accelerated filer”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer	Non-accelerated filer (Do not check if a smaller reporting company)
Smaller reporting company		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant’s Ordinary Common Stock outstanding as of March 31, 2018 was 24,627,170.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

MAGELLAN HEALTH, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	December 31, 2017	March 31, 2018 (Unaudited)
ASSETS		
Current Assets:		
Cash and cash equivalents (\$229,013 and \$170,575 restricted at December 31, 2017 and March 31, 2018, respectively)	\$ 398,732	\$ 394,326
Accounts receivable, net	660,775	748,060
Short-term investments (\$219,111 and \$265,112 restricted at December 31, 2017 and March 31, 2018, respectively)	310,578	329,710
Pharmaceutical inventory	40,945	37,878
Other current assets (\$41,121 and \$49,939 restricted at December 31, 2017 and March 31, 2018, respectively)	72,323	108,872
Total Current Assets	1,483,353	1,618,846
Property and equipment, net	158,638	159,857
Long-term investments (\$17,287 and \$20,811 restricted at December 31, 2017 and March 31, 2018, respectively)	17,287	20,811
Deferred income taxes	813	1,128
Other long-term assets	22,567	21,489
Goodwill	1,006,288	1,013,313
Other intangible assets, net	268,288	256,293
Total Assets	\$ 2,957,234	\$ 3,091,737
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 74,300	\$ 73,084
Accrued liabilities	193,635	246,909
Short-term contingent consideration	6,892	6,892
Medical claims payable	327,625	390,098
Other medical liabilities	177,002	207,220
Current debt and capital lease obligations	112,849	61,498
Total Current Liabilities	892,303	985,701
Long-term debt and capital lease obligations	740,888	736,688