CENTENE CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (In millions, except share data)

	De	cember 31, 2016	December 31, 2015		
ASSETS					
Current assets:					
Cash and cash equivalents	\$	3,930	\$	1,760	
Premium and related receivables		3,098		1,279	
Short term investments		505		176	
Other current assets		832		390	
Total current assets		8,365		3,605	
Long term investments		4,545		1,927	
Restricted deposits		138		115	
Property, software and equipment, net		797		518	
Goodwill		4,712		842	
Intangible assets, net		1,545		155	
Other long term assets		95		177	
Total assets	\$	20,197	\$	7,339	
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Medical claims liability	\$	3,929	\$	2,298	
Accounts payable and accrued expenses		3,763		976	
Return of premium payable		614		207	
Unearned revenue		313		143	
Current portion of long term debt		4		5	
Total current liabilities		8,623		3,629	
Long term debt		4,651		1,216	
Other long term liabilities		869		170	
Total liabilities		14,143		5,015	
Commitments and contingencies				,	
Redeemable noncontrolling interests		145		156	
Stockholders' equity:					
Preferred stock, \$.001 par value; authorized 10,000,000 shares; no shares issued or outstanding at December 31, 2016 and December 31, 2015		_		_	
Common stock, \$.001 par value; authorized 400,000,000 shares; 178,134,306 issued and 171,919,071 outstanding at December 31, 2016, and 126,855,477 issued and 120,342,981 outstanding at December 31, 2015		_		_	
Additional paid-in capital		4,190		956	
Accumulated other comprehensive loss		(36)		(10)	
Retained earnings		1,920		1,358	
Treasury stock, at cost (6,215,235 and 6,512,496 shares, respectively)		(179)		(147)	
Total Centene stockholders' equity		5,895		2,157	
Noncontrolling interest		14		11	
Total stockholders' equity		5,909		2,168	
Total liabilities and stockholders' equity	S	20,197	S	7,339	
The accompanying notes to the consolidated financial statements on an integral n	_			,,557	

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CENTENE CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS (In millions, except share data)

大田		Year Ended December 31,						
Permium \$ 3,33,9 \$ 1,408 \$ 1,408 Service 2,108 1,876 1,406 Permium and service revenues 3,737 2,125 1,566 Permium tax and health insurer fee 3,030 1,495 8,93 Total revenues 40,007 2,270 1,650 Experimental of the insurer fee 3,003 1,425 2,126 Scot of services 3,063 1,822 1,228 Selling, general and administrative expenses 3,67 1,802 1,28 Selling, general and administrative expenses 3,67 1,15 69 Realth insuare fee expense 4,25 1,15 69 Realth insuare fee expense 4,25 1,15 69 Beating sfrom operations 1,20 2,20 1,60 Total operating expenses 4,21 2,50 1,60 Beating from operations 1,11 35 2,8 Total operations 1,11 35 2,8 Iterser expense 2,11 35 3,1		2016				- /	2014	
Service 2,180 1,876 1,640 Premium and service revenues 37,579 21,265 15,667 Total revenues 40,607 22,760 16,508 Total revenues 30,631 17,222 12,678 Experser: 2 1,864 1,621 12,878 Cost of services 3,636 16,242 12,678 Cost of services 1,864 1,621 1,288 Amortization of acquired intangible assets 147 24 16 Premium tax expense 2,563 1,151 698 Health insuer fee expense 4,61 2,15 16,096 Permium tax cypenses 3,9347 2,205 16,096 Eamings from operations 1,00 2,15 12,0 Eamings from operations 1,157 697 454 Total operating expenses 2,11 3 2,2 Itemset expense 1,157 697 457 Income tax expense 5,58 3,8 2,0 Income tax exp	Revenues:							
Premium and service revenues 37,579 21,265 15,667 Premium and and health insurer fee 3,028 1,495 893 Total revenues 40,607 22,700 16,560 Expers: 30,636 17,242 12,678 Cost of services 3,676 1,802 1,280 Selling, general and administrative expenses 3,676 1,802 1,298 Selling, general and administrative expenses 3,676 1,802 1,298 Selling sepensal and administrative expenses 3,676 1,802 1,298 Menorization of acquired intangible assets 461 21 68 Health insurer fee expenses 461 215 16,060 Total operations 1,260 705 464 Uncertaining expenses 3,034 22,055 16,060 Eamings from operations 1,124 35 28 Interest expense 1,13 35 28 Interest expense 1,13 43 35 28 Eamings from continuing operations, net of in	Premium	\$	35,399	\$	19,389	\$	14,198	
Premium tax and health insurer fee 3,08 1,495 8,08 Total revenues 40,007 22,700 16,508 Experser: Medical costs 30,636 17,242 12,678 Cost of services 1,864 1,621 1,280 Allorization of acquired intangible assets 147 24 1,66 Premium tax expense 2,563 1,151 698 Health insuer fee expense 2,636 1,151 698 Pennium tax expenses 2,636 1,151 698 Health insuer fee expense 2,636 1,151 698 Eamings from operations on a segment on the sequence 1,200	Service		2,180		1,876		1,469	
Total revenues	Premium and service revenues		37,579		21,265		15,667	
Expenses: Medical coats 30,636 17,242 12,678 Medical coats 3,864 1,621 1,286 Cost of services 1,864 1,621 1,288 Selling, general and administrative expenses 3,676 1,802 1,298 Amordization of acquired intangible assets 147 2.4 16 Premium tax expense 2,563 1,151 608 Health insurer fee expense 461 21.5 126 Total operating expenses 464 22.55 16,096 Earnings from operations 1,260 70 464 Other (expense) 114 3.5 2.8 Interest expense 217 (43) (35) Earnings from continuing operations, before income tax expense 1,157 697 457 Income tax expense 599 339 196 Earnings from continuing operations, net of income tax expense 558 358 261 Discontinued operations, net of income tax expense (benefit) of \$2,5(1), and \$1, respect by 3 (1) 3	Premium tax and health insurer fee		3,028		1,495		893	
Medical costs 30,636 17,242 12,678 Cost of services 1,864 1,621 1,280 Selling, general and administrative expenses 3,676 1,802 1,298 Amortization of acquired intangible assets 147 24 16 Premium tax expense 2,563 1,151 698 Health insurer fee expenses 461 215 126 Total operating expenses 39,347 22,055 16,096 Eamings from operations 126 70 464 Eamings from operations 114 35 28 Interest expense 217 (43) (35) Eamings from continuing operations, before income tax expense 1,157 697 457 Increst expense 599 339 196 Eamings from continuing operations, before income tax expense 559 358 261 Discontinued operations, net of income tax expense (benefit) of \$2,5(1), and \$1, respect type 3 (1) 3 Retarnings from continuing operations net of income tax expense (benefit) of \$2,5(1), and \$2, respect type	Total revenues		40,607		22,760		16,560	
Cost of services	Expenses:							
Selling, general and administrative expenses 3,676 1,802 1,298 Amorization of acquired intangible assets 147 24 16 Premium tax expense 2,563 1,151 6,98 Health insurer fee expense 461 215 126 Total operating expenses 39,347 22,055 16,096 Earnings from operations 1,260 705 464 Other income (expense):	Medical costs		30,636		17,242		12,678	
Amortization of acquired intangible assets 147 24 16 Premium tax expense 2,563 1,151 698 Health insurer fee expenses 461 215 128 Total operating expenses 39,347 22,055 16,096 Eamings from operations 126 705 464 Other income (expense): 114 35 28 Increst expense 2(217) 435 28 Income tax expense 1,157 697 457 Income tax expense 599 339 196 Eamings from continuing operations, before income tax expense 558 358 261 Discontinued operations, net of income tax expense 558 358 261 Eamings from continuing operations, net of income tax expense (benefit) of \$2,\$(1), and \$1, respectively 3 (1) 3 Discontinued operations, net of income tax expense (benefit) of \$2,\$(1), and \$1, respectively 3 (1) 3 Wet earnings attributable to Centene Corporation \$562 355 261 Eamings from continuing operations, net of income ta	Cost of services		1,864		1,621		1,280	
Premium tax expense 2,663 1,151 698 Health insurer fee expense 464 215 126 Total operating expenses 39,347 22,055 16,096 Earnings from operations 1,260 705 464 Other income (expense): 8 1,260 63 2.8 Interest expense (217) (43) (35) 2.8 Interest expense (217) (43) (35) 2.8 Income tax expense 599 339 196 Earnings from continuing operations, net of income tax expense (benefit) of \$2,\$(1), and \$1, respective) 3 (1) 3 Discontinued operations, net of income tax expense (benefit) of \$2,\$(1), and \$1, respective) 3 (1) 3 Net earnings from continuing operations, net of income tax expense (benefit) of \$2,\$(1), and \$1, respective) 5 358 261 Discontinued operations, net of income tax expense (benefit) of \$2,\$(1), and \$2,\$(1) 3 (1) 3 Net earnings from continuing operations, net of income tax expense (benefit) 5 559 3.356 2.68 <th< td=""><td>Selling, general and administrative expenses</td><td></td><td>3,676</td><td></td><td>1,802</td><td></td><td>1,298</td></th<>	Selling, general and administrative expenses		3,676		1,802		1,298	
Health insurer fee expenses 461 215 126 Total operating expenses 39,347 22,055 16,096 Earnings from operations 1,260 705 464 Other income (expense): 114 35 28 Inverset expense (217) (43) 355 Earnings from continuing operations, before income tax expense 1,157 697 457 Income tax expense 599 339 106 Earnings from continuing operations, net of income tax expense 558 358 261 Discontinued operations, net of income tax expense (benefit) of \$2,\$(1), and \$1, respectively 3 10 3 16 357 264 (Earnings) from continuing operations, net of income tax expense (benefit) of \$2,\$(1), and \$1, respectively 3 10 3 264 (Earnings) from sattributable to noncontrolling interests 1 2 3 264 (Earnings sattributable to Centere Corporation 5 5 355 221 Net earnings from continuing operations, net of income tax expense (benefit) 3 2	Amortization of acquired intangible assets		147		24		16	
Total operating expenses 39,347 22,055 16,096 Earnings from operations 1,260 705 464 464 464 465 465 465 464 465	Premium tax expense		2,563		1,151		698	
Eamings from operations 1,260 705 464 Other income (expense): 1 35 2.8 Investment and other income 114 35 2.8 Interest expense (217) (43) 355 Earnings from continuing operations, before income tax expense 1,157 697 4457 Income tax expense 599 339 196 Earnings from continuing operations, net of income tax expense (benefit) of \$2,\$(1), and \$1, respectively 3 (1) 3 Net earnings from continuing operations, net of income tax expense (benefit) of \$2,\$(1), and \$1, respectively 3 (1) 3 Net earnings loss attributable to noncontrolling interests 561 357 264 (Earnings) loss attributable to Centene Corporation 5 62 355 \$ 271 Amounts attributable to Centene Corporation common shareholders: 2 2 7 Earnings from continuing operations, net of income tax expense (benefit) 3 (1) 3 Discontinued operations, net of income tax expense (benefit) 3 (2) 3 2 2 Carnings (lo	Health insurer fee expense		461		215		126	
Other income (expense): Investment and other income 114 35 28 Interest expense (217) (43) (35) Earnings from continuing operations, before income tax expense 599 339 196 Income tax expense 558 358 261 Discontinued operations, net of income tax expense (benefit) of \$2,\$ \$(1), and \$1, respective) 3 (1) 33 Net earnings 561 357 264 (Earnings) loss attributable to noncontrolling interests 1 (2) 7 Net earnings attributable to Centene Corporation 562 355 271 Amounts attributable to Centene Corporation common shareholders: 3 (1) 3 Earnings from continuing operations, net of income tax expense (benefit) 3 (1) 3 Net earnings (loss) per common share attributable to Centene Corporation: 5 559 355 268 Discontinued operations \$ 3.50 \$ 2.98 2.30 Discontinued operations \$ 3.50 \$ 2.99 2.30 <	Total operating expenses		39,347		22,055		16,096	
Investment and other income 114 35 28 Interest expense (217) (43) (35) Eamings from continuing operations, before income tax expense 1,157 697 457 Income tax expense 599 339 196 Eamings from continuing operations, net of income tax expense 558 358 261 Discontinued operations, net of income tax expense (benefit) of \$2,\$ \$(1), and \$1, respectively 3 (1) 3 Net earnings 561 357 264 (Earnings) loss attributable to noncontrolling interests 1 (2) 7 Net earnings attributable to Centene Corporation \$ 562 355 \$ 271 Amounts attributable to Centene Corporation common shareholders: \$ 359 356 \$ 268 Discontinued operations, net of income tax expense (benefit) 3 (1) 3 Net earnings from continuing operations, net of income tax expense (benefit) 3 (1) 3 Net earnings (loss) per common share attributable to Centene Corporation: \$ 3.50 \$ 2.99 \$ 2.30 Discontinued operations \$ 3.50 <td>Earnings from operations</td> <td></td> <td>1,260</td> <td></td> <td>705</td> <td></td> <td>464</td>	Earnings from operations		1,260		705		464	
Investment and other income 114 35 28 Interest expense (217) (43) (35) Eamings from continuing operations, before income tax expense 1,157 697 457 Income tax expense 599 339 196 Eamings from continuing operations, net of income tax expense 558 358 261 Discontinued operations, net of income tax expense (benefit) of \$2,\$ \$(1), and \$1, respectively 3 (1) 3 Net earnings 561 357 264 (Earnings) loss attributable to noncontrolling interests 1 (2) 7 Net earnings attributable to Centene Corporation \$ 562 355 \$ 271 Amounts attributable to Centene Corporation common shareholders: \$ 359 356 \$ 268 Discontinued operations, net of income tax expense (benefit) 3 (1) 3 Net earnings from continuing operations, net of income tax expense (benefit) 3 (1) 3 Net earnings (loss) per common share attributable to Centene Corporation: \$ 3.50 \$ 2.99 \$ 2.30 Discontinued operations \$ 3.50 <td>Other income (expense):</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Other income (expense):							
Earnings from continuing operations, before income tax expense			114		35		28	
Income tax expense	Interest expense		(217)		(43)		(35)	
Earnings from continuing operations, net of income tax expense 558 358 261	Earnings from continuing operations, before income tax expense		1,157		697		457	
Eamings from continuing operations, net of income tax expense 558 358 261	Income tax expense		599		339		196	
Net earnings 561 357 264 (Earnings) loss attributable to noncontrolling interests 1 (2) 7 Net earnings attributable to Centene Corporation \$ 562 \$ 355 \$ 271 Amounts attributable to Centene Corporation common shareholders: State of the continuing operations, net of income tax expense \$ 559 \$ 356 \$ 268 Discontinued operations, net of income tax expense (benefit) 3 (1) 3 Net earnings \$ 562 \$ 355 \$ 271 Net earnings (loss) per common share attributable to Centene Corporation: S 3.50 \$ 2.99 \$ 2.30 Discontinued operations \$ 3.50 \$ 2.99 \$ 2.30 Discontinued operations \$ 3.50 \$ 2.99 \$ 2.30 Diluted: S 3.52 \$ 2.98 \$ 2.33 Diluted: S 3.41 \$ 2.89 \$ 2.23 Discontinued operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations \$ 3.43 \$ 2.88 \$ 2.25 Weight	•		558		358		261	
Net earnings 561 357 264 (Earnings) loss attributable to noncontrolling interests 1 (2) 7 Net earnings attributable to Centene Corporation \$ 562 \$ 355 \$ 271 Amounts attributable to Centene Corporation common shareholders: State of the continuing operations, net of income tax expense \$ 559 \$ 356 \$ 268 Discontinued operations, net of income tax expense (benefit) 3 (1) 3 Net earnings \$ 562 \$ 355 \$ 271 Net earnings (loss) per common share attributable to Centene Corporation: S 3.50 \$ 2.99 \$ 2.30 Discontinued operations \$ 3.50 \$ 2.99 \$ 2.30 Discontinued operations \$ 3.50 \$ 2.99 \$ 2.30 Diluted: S 3.52 \$ 2.98 \$ 2.33 Diluted: S 3.41 \$ 2.89 \$ 2.23 Discontinued operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations \$ 3.43 \$ 2.88 \$ 2.25 Weight	Discontinued operations, net of income tax expense (benefit) of \$2, \$(1), and \$1, respectively		3		(1)		3	
Carnings loss attributable to noncontrolling interests 1 (2) 7 Net earnings attributable to Centene Corporation S S62 S S55 S 271 Net earnings from continuing operations, net of income tax expense S S59 S S68 S S68 Discontinued operations, net of income tax expense S S59 S S68 S S68 Discontinued operations, net of income tax expense (benefit) S S62 S S55 S S71 Net earnings (loss) per common share attributable to Centene Corporation: Basic:			561			_	264	
Net earnings attributable to Centene Corporation \$ 562 \$ 355 \$ 271 Amounts attributable to Centene Corporation common shareholders: Earnings from continuing operations, net of income tax expense \$ 559 \$ 356 \$ 268 Discontinued operations, net of income tax expense (benefit) 3 (1) 3 Net earnings \$ 562 \$ 355 \$ 271 Net earnings (loss) per common share attributable to Centene Corporation: Basic: Continuing operations \$ 3.50 \$ 2.99 \$ 2.30 Discontinued operations \$ 3.52 \$ 2.98 \$ 2.33 Diluted: S 3.41 \$ 2.89 \$ 2.23 Discontinued operations \$ 3.43 \$ 2.89 \$ 2.23 Discontinued operations \$ 3.43 \$ 2.89 \$ 2.25 <	•		1		(2)		7	
Amounts attributable to Centene Corporation common shareholders: Earnings from continuing operations, net of income tax expense \$ 559		\$	562	S		S		
Earnings from continuing operations, net of income tax expense \$ 559 \$ 356 \$ 268	9 9 It is a second of the second o	_		Ť		Ť		
Earnings from continuing operations, net of income tax expense \$ 559 \$ 356 \$ 268	Amounts attributable to Centene Corporation common shareholders:							
Discontinued operations, net of income tax expense (benefit) 3 (1) 3 Net earnings \$ 562 \$ 355 \$ 271 Net earnings (loss) per common share attributable to Centene Corporation: Basic: Continuing operations \$ 3.50 \$ 2.99 \$ 2.30 Discontinued operations \$ 0.02 (0.01) 0.03 Basic earnings per common share \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations \$ 0.02 (0.01) 0.02 Diluted: \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: \$ 159,567,607 119,100,744 116,345,764		\$	559	s	356	s	268	
Net earnings (loss) per common share attributable to Centene Corporation: Basic: Continuing operations \$ 3.50 \$ 2.99 \$ 2.30 Discontinued operations 0.02 (0.01) 0.03 Basic earnings per common share \$ 3.52 \$ 2.98 \$ 2.33 Diluted: \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations \$ 0.02 (0.01) 0.02 Diluted earnings per common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: Basic 159,567,607 119,100,744 116,345,764			3		(1)		3	
Basic: Continuing operations \$ 3.50 \$ 2.99 \$ 2.30 Discontinued operations 0.02 (0.01) 0.03 Basic earnings per common share \$ 3.52 \$ 2.98 \$ 2.33 Diluted: Continuing operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations 0.02 (0.01) 0.02 Diluted earnings per common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: Basic 159,567,607 119,100,744 116,345,764	Net earnings	\$	562	\$	355	\$	271	
Basic: Continuing operations \$ 3.50 \$ 2.99 \$ 2.30 Discontinued operations 0.02 (0.01) 0.03 Basic earnings per common share \$ 3.52 \$ 2.98 \$ 2.33 Diluted: Continuing operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations 0.02 (0.01) 0.02 Diluted earnings per common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: Basic 159,567,607 119,100,744 116,345,764				_				
Continuing operations \$ 3.50 \$ 2.99 \$ 2.30 Discontinued operations 0.02 (0.01) 0.03 Basic earnings per common share \$ 3.52 \$ 2.98 \$ 2.33 Diluted: Continuing operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations 0.02 (0.01) 0.02 Diluted earnings per common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: Basic 159,567,607 119,100,744 116,345,764	Net earnings (loss) per common share attributable to Centene Corporation:							
Discontinued operations 0.02 (0.01) 0.03 Basic earnings per common share \$ 3.52 \$ 2.98 \$ 2.33 Diluted: Continuing operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations 0.02 (0.01) 0.02 Diluted earnings per common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: Basic 159,567,607 119,100,744 116,345,764	Basic:							
Basic earnings per common share \$ 3.52 \$ 2.98 \$ 2.33	Continuing operations	\$	3.50	\$	2.99	\$	2.30	
Diluted: Continuing operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations 0.02 (0.01) 0.02 Diluted earnings per common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: Basic 159,567,607 119,100,744 116,345,764	Discontinued operations		0.02		(0.01)		0.03	
Continuing operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations 0.02 (0.01) 0.02 Diluted earnings per common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: Basic 159,567,607 119,100,744 116,345,764	Basic earnings per common share	\$	3.52	\$	2.98	\$	2.33	
Continuing operations \$ 3.41 \$ 2.89 \$ 2.23 Discontinued operations 0.02 (0.01) 0.02 Diluted earnings per common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: Basic 159,567,607 119,100,744 116,345,764								
Discontinued operations 0.02 (0.01) 0.02 Diluted earnings per common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: Basic 159,567,607 119,100,744 116,345,764	Diluted:							
Diluted earnings per common share \$ 3.43 \$ 2.88 \$ 2.25 Weighted average number of common shares outstanding: Basic 159,567,607 119,100,744 116,345,764	Continuing operations	\$	3.41	\$	2.89	\$	2.23	
Weighted average number of common shares outstanding: 159,567,607 119,100,744 116,345,764	Discontinued operations				/			
Basic 159,567,607 119,100,744 116,345,764	Diluted earnings per common share	\$	3.43	\$	2.88	\$	2.25	
Basic 159,567,607 119,100,744 116,345,764	Weighted average number of common shares outstanding:							
		15	9,567,607		119,100,744		116,345,764	
					123,066,370			

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CENTENE CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (In millions)

(In millions)						
		Yea	r En	ded Decembe	,	
		2016		2015		2014
Cash flows from operating activities:						
Net earnings	\$	561	\$	357	\$	264
Adjustments to reconcile net earnings to net cash provided by operating activities						
Depreciation and amortization		278		111		89
Stock compensation expense		148		71		48
Debt extinguishment costs		(7)		_		_
Deferred income taxes		92		(17)		(42)
Gain on contingent consideration		(5)		(44)		_
Goodwill and intangible adjustment		_		38		_
Changes in assets and liabilities						
Premium and related receivables		74		(360)		(463)
Other assets		167		(102)		(7)
Medical claims liabilities		145		536		609
Unearned revenue		43		(27)		129
Accounts payable and accrued expenses		402		39		506
Other long term liabilities		(61)		51		89
Other operating activities, net		14		5		1
Net cash provided by operating activities		1,851		658		1,223
Cash flows from investing activities:						
Capital expenditures		(306)		(150)		(103)
Purchases of investments		(2,450)		(1,321)		(1,015)
Sales and maturities of investments		1,656		669		406
Investments in acquisitions, net of cash acquired		(1,297)		(18)		(136)
Other investing activities, net		_		7		_
Net cash used in investing activities		(2,397)		(813)		(848)
Cash flows from financing activities:						
Proceeds from borrowings		8,946		1,925		1,875
Payment of long term debt		(6,076)		(1,583)		(1,674)
Common stock repurchases		(63)		(53)		(29)
Debt issuance costs		(76)		(4)		(7)
Other financing activities, net		(14)		20		33
Net cash provided by financing activities		2,717	_	305		198
Effect of exchange rate changes on cash and cash equivalents		(1)		_		(1)
Net increase in cash and cash equivalents		2,170		150		572
Cash and cash equivalents, beginning of period		1,760	_	1,610	_	1,038
Cash and cash equivalents, end of period	\$	3,930	\$	1,760	\$	1,610
Supplemental disclosures of cash flow information:	Ψ	5,750	Ψ	1,700	Ψ.	1,010
Interest paid	\$	165	\$	55	\$	40
•	\$	556	\$	328	\$	237
Income taxes paid Equity issued in connection with acquisitions	\$	3,105	\$	12	\$	190
Equity issued in confection with acquisitions	2	3,103	Þ	12	Э	190

The accompanying notes to the consolidated financial statements are an integral part of these statements.