

Thursday, November 1, 2007 - 1:44 PM CDT

AmeriGroup completes Memphis Managed Care deal

Memphis Business Journal

AmeriGroup Corp. has completed the acquisition of **Memphis Managed Care Corp.**, including the TLC Family Health Care Plan, and has received the necessary regulatory approvals.

The company will continue to operate as TLC Family Health Care Plan in Memphis. The two units in Nashville and Memphis will now serve a combined 167,000 West Tennessee residents who are enrolled in the state's TennCare program.

State officials reopened TennCare's door to the private managed care community last year in Middle Tennessee. AmeriGroup won one of the two contracts and now manages around 185,000 TennCare enrollees there at full risk.

Memphis Managed Care was one of the only nonprofit managed care providers in West Tennessee and, therefore, was allowed to manage TennCare enrollees. Contracts for private managed care groups will go out this month for West and East Tennessee and are expected to be awarded next year. AmeriGroup has said it will apply and its interest is evidenced by the MMCC purchase.

With the completion of the deal, subsidiaries of AmeriGroup acquired all of the assets of MMCC, including TLC Family Care Health Plan and MidSouth Health Solutions, an affiliated firm that offers disease management and case management services.

According to a news release, AmeriGroup does not expect this transaction to have a material impact on its 2007 earnings or to impact operations of its Middle Tennessee health plan.

AmeriGroup now serves about 1.7 million people through publicly funded health care programs in 11 states.