



Performant Awarded CMS Medicare Secondary Payer Commercial Recovery Center Contract

October 5, 2017

LIVERMORE, Calif., Oct. 05, 2017 (GLOBE NEWSWIRE) -- Performant Financial Corporation (NASDAQ:PFMT) ("Performant" or "the Company"), a leader in the identification and recovery of improper payments in the Healthcare, Government and Student Loan industries, today announced that it was awarded the Medicare Secondary Payer Commercial Repayment Center (CRC) contract by the Centers for Medicare & Medicaid Services ("CMS").

"Performant is excited to be selected as the exclusive contractor for this large and important identification and recovery program. It aligns with our existing partnership with CMS as a Recovery Audit Contractor for Regions 1 and 5 as well as our continued growth in commercial healthcare, where our audit and recovery services are providing payers with meaningful and unique savings opportunities. This significant and competitively procured contract supports the Company's strategic focus on growing and diversifying our healthcare business, led by Simeon Kohl," said Jeff Haughton, Performant's Chief Operating Officer.

Under the program, Performant is responsible for identifying and recovering payments in situations where Medicare should not be the primary payer of healthcare claims because a beneficiary has other forms of insurance coverage, such as through an employer Group Health Plan or certain other payers. At full scale, Performant anticipates staffing the program with over 250 dedicated employees operating out of Performant's offices around the country.

"Jeff Haughton has been instrumental in developing and executing our growth strategy. This contract is a testament to his hard work, which is driving new, high quality business opportunities for Performant," said Lisa Im, Performant's Chief Executive Officer.

About Performant Financial Corporation:

Performant helps government and commercial organizations enhance revenue and contain costs by preventing, identifying and recovering waste, improper payments and defaulted assets. Performant is a leading provider of these services in several industries, including healthcare, student loans and government. Performant has been providing recovery audit services for more than nine years to both commercial and government clients, including serving as a Recovery Auditor for the Centers for Medicare and Medicaid Services.

Powered by a proprietary analytic platform and workflow technology, Performant also provides professional services related to the recovery effort, including reporting capabilities, support services, customer care and stakeholder training programs meant to mitigate future instances of improper payments. Founded in 1976, Performant is headquartered in Livermore, California.

Forward Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding growth in our commercial healthcare business and execution of our growth strategy. These forward-looking statements are based on current expectations, estimates, assumptions and projections that are subject to change and actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, that the contracts with our large clients may be changed or terminated unilaterally and on short notice, that our contracts with two of our largest customers, Great Lakes Higher Education and the U.S. Department of Education, have been terminated, that while our protest of Department of Education contract award decision was upheld, there is no assurance that we will receive a new contract award from the Department of Education in the future, that continuing limitations on the scope of our audit activity under our RAC contracts have significantly reduced our revenue opportunities with this client, that the amount of commissions we are required to return to CMS due to successful appeals by providers could exceed our estimated appeals reserve, that we have significant indebtedness and may not be able to avoid a breach of the covenants and other provisions of our credit agreement which would cause us to be in default, that the Company faces significant competition in all of its markets, that the U.S. federal government accounts for a significant portion of the Company's revenues, that future legislative and regulatory changes may have significant effects on the Company's business, that failure of the Company's or third parties' operating systems and technology infrastructure could disrupt the operation of the Company's business and the threat of breach of the Company's security measures or failure or unauthorized access to confidential data that the Company possesses. More information on potential factors that could affect the Company's financial condition and operating results is included from time to time in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's annual report on Form 10-K for the year ended December 31, 2016, Form 10-Q for the quarter ended June 30, 2017 and subsequently filed reports on Forms 10-Q and 8-K. The forward-looking statements are made as of the date of this press release and the Company does not undertake to update any forward-looking statements to conform these statements to actual results or revised expectations.

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