

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 30, 2023 (June 30, 2023)

MOLINA HEALTHCARE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-31719
(Commission File Number)

13-4204626
(IRS Employer Identification No.)

200 Oceangate, Suite 100, Long Beach, California 90802
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (562) 435-3666

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 Par Value	MOH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 7.01. Regulation FD Disclosure.

On June 30, 2023, Molina Healthcare, Inc. (the “Company”) announced that it has entered into a definitive agreement to acquire Brand New Day and Central Health Plan of California, each of which is a wholly owned subsidiary of Bright Health Company of California, Inc. The full text of the Company’s press release issued in connection with the announcement is included as Exhibit 99.1 to this report.

Note: The information in this Form 8-K and Exhibit 99.1 attached hereto shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
99.1	Press release of Molina Healthcare, Inc., issued June 30, 2023
104	Cover Page information from Molina Healthcare, Inc.’s Current Report on Form 8-K filed on June 30, 2023 formatted in iXBRL (Inline Extensible Business Reporting Language)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MOLINA HEALTHCARE, INC.

Date: June 30, 2023

By: /s/ Jeff D. Barlow

Jeff D. Barlow

Chief Legal Officer and Secretary

Molina Healthcare to Acquire Bright HealthCare's California Medicare Business

Transaction expands Molina's Medicare presence in California and is expected to add \$1.00 per share to new store embedded earnings¹

LONG BEACH, Calif.--(BUSINESS WIRE)--June 30, 2023--Molina Healthcare, Inc. (NYSE: MOH) ("Molina" or the "Company") announced today that it has entered into a definitive agreement to acquire 100% of the issued and outstanding capital stock of Brand New Day and Central Health Plan of California (collectively, the "CA Health Plans"), each of which is a wholly owned subsidiary of Bright Health Company of California, Inc ("BHCA"). Relevant transaction terms and features are as follows:

- The purchase price for the transaction is approximately \$510 million, net of certain tax benefits, representing 28% of expected 2023 premium revenue of \$1.8 billion.
- BHCA currently offers MAPD, D-SNP, and C-SNP products in 23 counties in California, with 60% overlap with Molina's Medicaid footprint. As of March 31, 2023, BHCA served approximately 125,000 members.
- The transaction represents a strong strategic fit with Molina's expanded 2024 Medi-Cal contract. It accelerates Molina's D-SNP growth initiatives and activates the Los Angeles County 2024 D-SNP option the Company had negotiated with the state.
- Today's announcement is expected to add \$1.00 per share to new store embedded earnings, bringing the expected total to \$5.50 per share².

"These additions fit perfectly with our strategy of serving high-acuity, low-income members and represent a textbook execution of our growth playbook. We acquire viable assets at attractive valuations, then deploy our proven team of operators to deliver improved financial results," said Joe Zubretsky, President and Chief Executive Officer of Molina. "We are pleased to continue our meaningful growth in California as the latest realization of our national growth strategy."

Molina intends to fund the purchase with available funds including cash on hand. The transaction is subject to federal and state regulatory approvals, the solvency and continued operation as a going concern of Bright Health Group throughout the pre-closing period, and other closing conditions. It is expected to close in the first quarter of 2024.

About Molina Healthcare

Molina Healthcare, Inc., a FORTUNE 500 company (currently ranked 126), provides managed healthcare services under the Medicaid and Medicare programs and through the state insurance marketplaces. Molina Healthcare served approximately 5.3 million members as of March 31, 2023, located across 19 states. For more information about Molina Healthcare, please visit molinahealthcare.com.

¹ See Reconciliation note below

² Idem

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995. This press release contains forward-looking statements regarding our intended acquisition of Brand New Day and Central Health Plan of California, including the anticipated timing of the closing of the acquisition and our expected new store embedded earnings. All forward-looking statements are based on current expectations that are subject to numerous risk factors that could cause actual results to differ materially. Such risk factors include, without limitation, risks that the transaction may not close on a timely basis or at all, our ability to obtain regulatory approvals and third-party consents and to satisfy all closing conditions, our ability to integrate the acquisition as currently expected without unreasonable delay or cost, and our ultimate realization, as expected, of embedded earnings and our non-recurring costs associated with the recently announced acquisitions. Additional risk factors to which the Company is subject are provided in our periodic reports and filings with the Securities and Exchange Commission, including the Company's most recent Annual Report on Form 10-K. These reports can be accessed under the investor relations tab of the Company's website or on the SEC's website at sec.gov. Given these risks and uncertainties, the Company cannot give assurances that its forward-looking statements will prove to be accurate. All forward-looking statements represent the Company's judgment as of the date hereof.

Non-GAAP Financial Measures

The Company includes in this release the financial measure, "new store embedded earnings," which is a non-GAAP measure. The term is defined as the incremental diluted earnings per share impact that we expect to achieve in future years related to newly awarded but not yet commenced state Medicaid contracts, and recently closed and announced acquisitions. The incremental impact reflects the expected full-year earnings for the newly-awarded California, Iowa, Nebraska, and Indiana Medicaid contracts, and the Agewell, MyChoice Wisconsin, and California Medicare Health Plans acquisitions, not yet included in the current full-year guidance issued by the Company. This measure excludes amortization of intangible assets and non-recurring costs associated with acquisitions, including various transaction and integration costs. The Company and management believe this measure is useful to investors in assessing the Company's expected performance related to new Medicaid contracts and acquisitions, and is used internally to enable management to assess the Company's performance consistently over time. New store embedded earnings should be considered as a supplement to, and not as a substitute for or superior to, GAAP measures. Management is unable to reconcile this measure to the growth in GAAP earnings per share, the most directly comparable GAAP measure, without unreasonable effort due to the unknown impact from the amortization of intangible assets related to recently announced acquisitions, which cannot be determined until purchase accounting valuations are completed. Non-recurring costs associated with the recently announced acquisitions are estimated at approximately \$15 million.

Contacts

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