



## **Political Engagement Policy**

## Overview

The mission of Molina Healthcare (“Molina”) is to improve the health and lives of our members by delivering high-quality healthcare. As a national leader in government-sponsored health care programs, Molina engages in the public policy debate when it directly impacts our members, state customers, employees, or the Company and its shareholders.

Molina does not engage politically on every healthcare issue. Rather, we focus our advocacy efforts on the major issues that matter most to our particular lines of business in government-sponsored health care programs. In recent years, Molina has focused most of our advocacy efforts on:

- the protection and expansion of the federal safety net for healthcare
- the ensuring of actuarially sound managed care payment rates for Medicaid and Medicare
- the stabilization of the Marketplace
- the integration and coordination of care for complex populations, including those dually eligible for Medicaid and Medicare
- the ensuring of a smooth and accurate Medicaid redetermination process
- the proper deployment of managed care tools and risk-shifting incentives to deliver high quality care and health outcomes
- the rising costs of prescription drugs

All of Molina political contributions are made, and lobbying activity are conducted, in accordance with internal governance procedures, including oversight at the most senior executive levels. This practice ensures compliance with applicable legal requirements and conformity with our high ethical standards.

Molina’s policy development, lobbying activities, and political engagement are overseen by the Executive Vice President of Policy and Government Affairs, who reports regularly regarding these matters to the Chief Executive Officer. Additionally, all government affairs activities are reported regularly to the Molina Board of Directors.

## Political Contributions

Molina’s mission, vision, and values guide our participation in the political process. As permitted by applicable law, Molina makes political contributions to federal, state, and local candidates, parties, political organizations, ballot measures, political action committees, and trade associations, through two vehicles: (i) the Molina Healthcare, Inc. Political Action Committee (the “Molina Employee PAC”); and (ii) direct corporate contributions. As a general practice, Molina does not make independent expenditures. Any political contributions made to federal candidates, federal political parties, or federal political committees are made solely through the Molina Employee PAC – no corporate contributions are made to federal candidates.

Proposals regarding political spending are most commonly made by Molina Government Affairs staff. In a few instances, proposals for political spending may originate from Molina employees or Molina Employee PAC members. All proposals for a contribution or spending by the Molina Employee PAC are reviewed and voted upon by the Molina Employee PAC Steering Committee, a committee comprised of three members of the senior management of Molina. In order to be approved, a contribution proposal must receive at least two-thirds support. Proposals for a corporate contribution or corporate spending are reviewed and approved by the Executive Vice President of Policy and Government Affairs, in consultation with the Chief Executive Officer.

As required by applicable law, Molina discloses contributions made in reports filed with the Federal Election Commission and various state campaign finance offices.

## Contribution Considerations

Molina makes contributions on a non-partisan basis and without regard for the personal political preferences of Company officers or directors.

As we work to achieve our policy objectives and to determine the various recipients of our political contributions, we consider the following factors:

- the positions of a candidate or legislator with regard to the major political issues impacting Molina's business, including but not limited to their support of the Medicaid program, the Medicare program, the Marketplace, or managed care in general.
- the role of a candidate or legislator on a committee of jurisdiction overseeing or affecting our business.
- the position of a candidate or legislator in a legislative leadership role.
- the state represented by a legislator in relation to our more than twenty state health plans or the geographic concentration of Molina employees in a district or state.

It is important to note that the making of political contributions by Molina or its PAC to an elected official or political organization does not imply that Molina endorses or supports every political position taken by that recipient. As noted, Molina's principal focus is on health policy and government-sponsored health care issues, and Molina makes political contributions with that focus in mind.

Our experienced Government Affairs staff rely on a variety of measures in determining which candidates will be most influential and effective with regard to issues that impact Molina's core lines of business. We note that because of the expanse of issues often covered by a single piece of legislation, an individual's legislative voting record is rarely a sole determining factor in our deciding which legislator to support. Rather, Molina staff considers such other factors as:

- direct relationships with an elected official and/or his or her staff
- statements made by the office through both official and unofficial channels
- an openness to learn from our subject matter experts
- an overall evaluation of a candidate's understanding of government-sponsored healthcare
- a willingness to protect the future of these healthcare programs
- extremist political views

These factors, combined with a candidate's position in the sphere of influence and their ability to influence other decision makers, is all factored into Molina's decision-making process regarding political contributions.

Although no single issue or criterion determines our engagement or political giving position, Molina does consider on a holistic basis any matters involving an elected official or political organization that could reflect poorly on Molina as a political contributor. Such matters could include, without limitation, disengagement on our issues, any legal or ethical investigation, an alleged crime, or an alleged act that is incongruent with Molina's corporate values or that could adversely reflect upon Molina, its employees, customers, or shareholders. Molina and its PAC retain the right to discontinue its support for any elected official or political organization at any time. On certain occasions in the past, Molina has discontinued its support based on such considerations.



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