

**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): May 29, 2008**

MOLINA HEALTHCARE, INC.

(Exact name of registrant as specified in its charter)

**Delaware
(State of incorporation)**

**1-31719
(Commission File Number)**

**13-4204626
(I.R.S. Employer Identification Number)**

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

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))
-
-

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Item 7.01. Regulation FD Disclosure.

On May 29, 2008, in connection with the Company's presentation at its Investor Day Conference in New York City, the Company webcast certain slides. A copy of the Company's complete slide presentation is included as Exhibit 99.1 to this report. An audio and slide replay of the live broadcast of the Company's Investor Day Presentation will be available for 30 days from the date of the presentation at the Company's website, www.molinahealthcare.com.

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 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 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Slide presentation given at Company's Investor Day Conference on May 29, 2008. |

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: May 29, 2008

By: /s/ Mark L. Andrews

Mark L. Andrews
Chief Legal Officer, General Counsel, and Corporate
Secretary

EXHIBIT INDEX

| Exhibit No. | Description |
|------------------------|--|
| 99.1 | Slide presentation given at Company's Investor Day Conference on May 29, 2008. |



Your Extended Family.

Investor Day 2008 New York

May 29th, 2008

J. Mario Molina, MD
President & Chief Executive Officer
Molina Healthcare, Inc.

Cautionary Statement

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This presentation contains numerous “forward-looking statements,” including statements that refer to earnings guidance, projections, and anticipated future operations and business strategies. All of our forward-looking statements are subject to numerous risks, uncertainties, and other factors that could cause our actual results to differ materially. Investors should refer to Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2007, and to Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, for a discussion of certain risk factors which could materially affect our business, financial condition, or future results. These reports have been filed with the Securities and Exchange Commission and are available for viewing on its website at www.sec.gov. Given these risks and uncertainties, we can give no assurances that any projected financial results or events contemplated by our forward-looking statements will in fact occur, and we caution investors not to place undue reliance on these statements. Unless otherwise indicated, all forward-looking statements represent our judgment as of May 29, 2008, and we disclaim any obligation to update such statements.

Agenda

- **Welcome & Opening Remarks**
 - J. Mario Molina, MD, Chief Executive Officer

Panel 1

- **Managing the ABD Population**
 - James Howatt, MD, Chief Medical Officer
- **Update on Operations**
 - Terry Bayer, Chief Operating Officer
- **Molina Medicare Update**
 - Richard Slaughter, VP - Molina Medicare

Panel 1 Q&A

Break

Panel 2

- **Building Membership: Acquisition vs. Start-Up - A Financial Perspective**
 - Joseph White, Chief Accounting Officer
- **Financial Discussion & Closing Remarks**
 - John Molina, Chief Financial Officer

Panel 2 Q&A

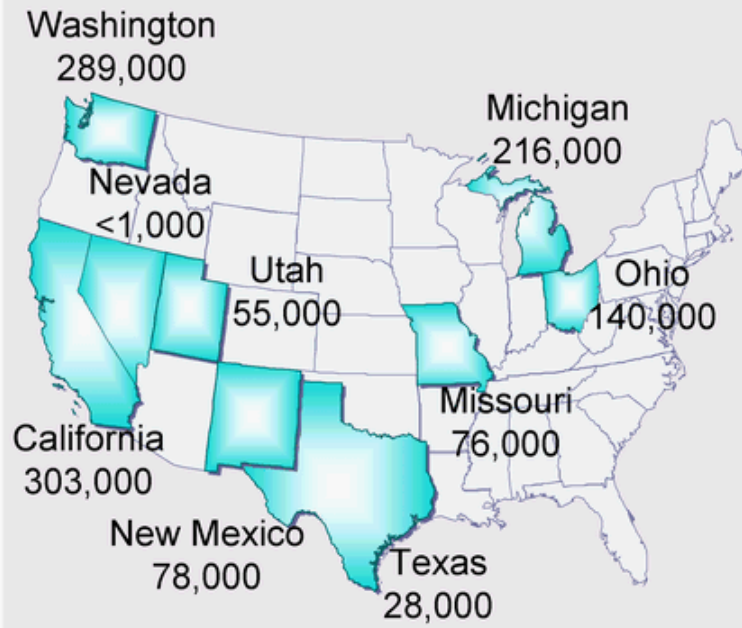
Lunch

Mission Statement

Our mission is to promote health and provide health services to low-income families and individuals covered by government programs.

Business Snapshot

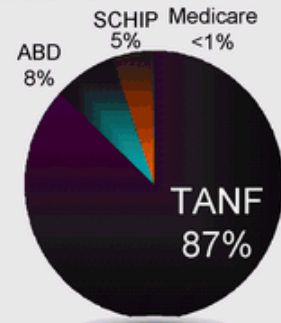
Markets and members served – Q1 '08



Membership growth



Our members



Commitment to Quality

- ALL of Molina’s eligible health plans ranked by US News & World Report & NCQA*
- All of our eligible health plans have earned an “**Excellent**” quality accreditation status from NCQA*

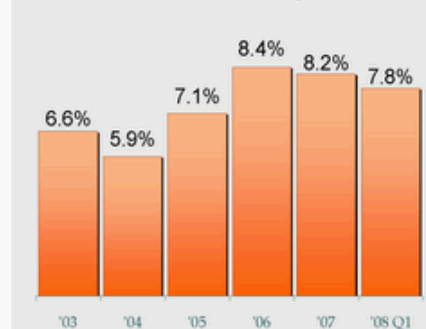


* Excludes our recently acquired Missouri plan (Mercy CarePlus).

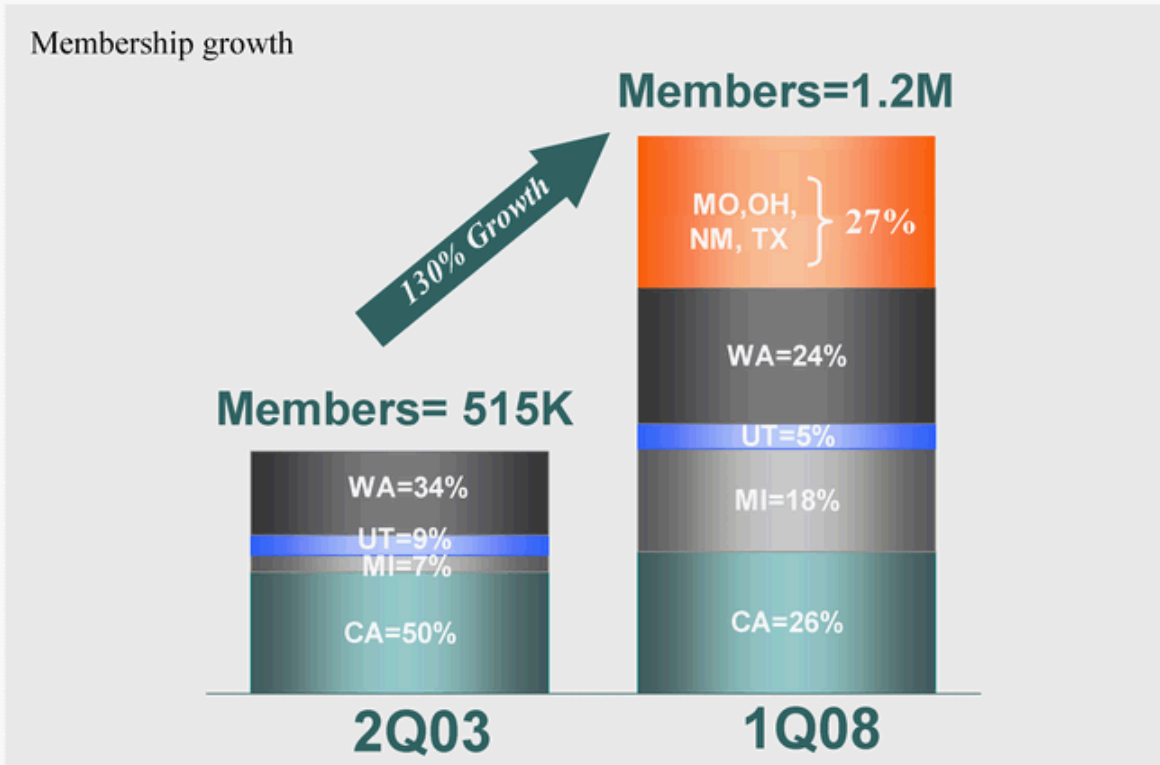
Strategic Goals

- We must use the most **cost-effective** alternatives
- Limit our overhead costs
- No contract should contribute more than **15% of revenue**
- Keep a **nickel** from every dollar of revenue
- We are the **stewards** of the public's money

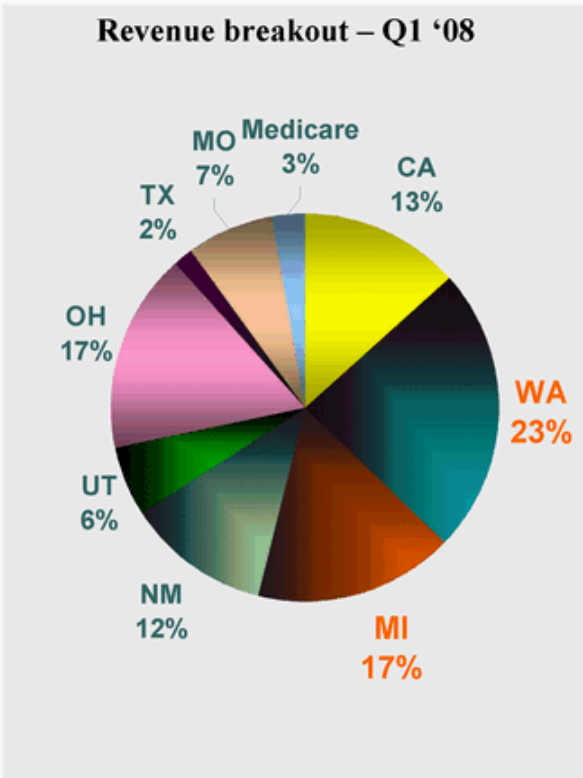
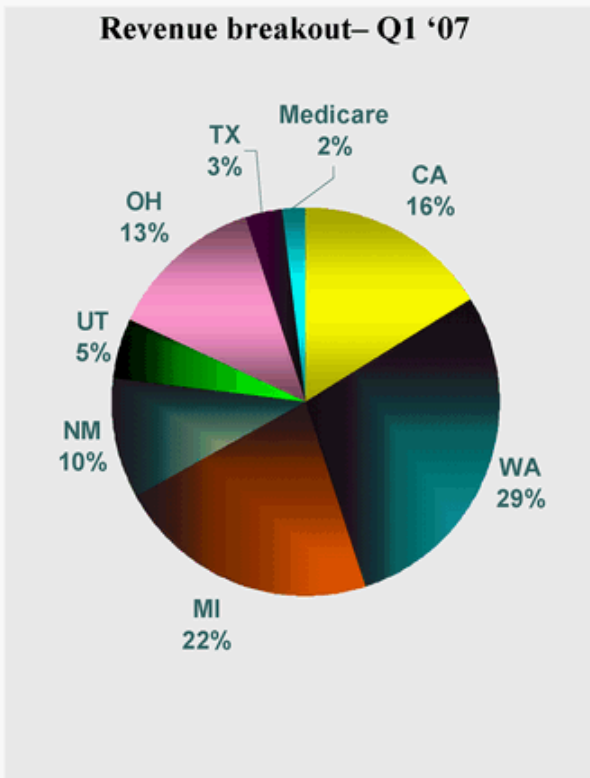
Administrative Expense
as % of total revenue (excluding Premium Tax)



Growth and Diversification of Membership



Growth and Diversification of Revenue



California Budget Update

■ **May Revise**

- > Fiscal Year 2007-2008 Medical budget projected to be \$36.6B – a 2% increase
- > Provider fee reduction of 10% remains for July 1, 2008
- > Governor adds back \$170M to the general fund for health plan rate increases to maintain “actuarially sound methodology” securing federal match
- > Rate increase would “add back 5%”

Source: Bear Stearns Release May 15, 2008 – Managed Care.

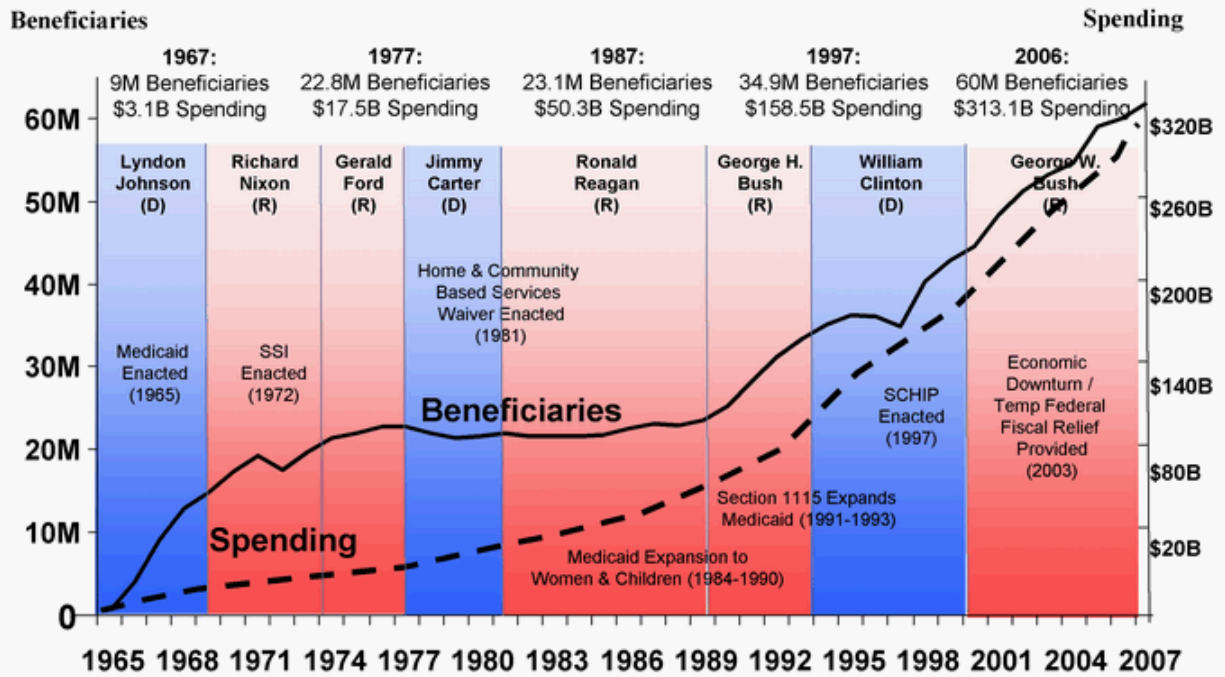
California Budget Update

▪ **Molina California**

- > Molina's premium revenue projected to decrease by 6%
- > California Medicaid accounts for about 13% of Molina's consolidated revenue
- > Mitigation plan in place

Medicaid Historical Details

Medicaid Beneficiaries & Spending 1965 to Present



Source: CMS website



Management Team

*“No managed care CEO has been in place longer than Mario Molina” **

*“John Molina is among the longest tenured CFOs in the managed care space.” **

*Source: Nersessian G., Credit Suisse Equity Research, “The Molina Chronicles” – Takeaways from Management Meetings, Feb. 29, 2008.

- **Dr. J. Mario Molina, CEO**
- **John C. Molina, CFO**
- **Mark Andrews, CLO & Corp. Secretary**
- **Terry Bayer, COO**
- **Richard Slaughter, VP – Molina Medicare**
- **Joseph White, CAO**
- **Dr. James Howatt, CMO**



Your Extended Family.

Managing the ABD Population

May 29th, 2008

James Howatt, MD, MBA
Chief Medical Officer
Molina Healthcare, Inc.



Where are the members?

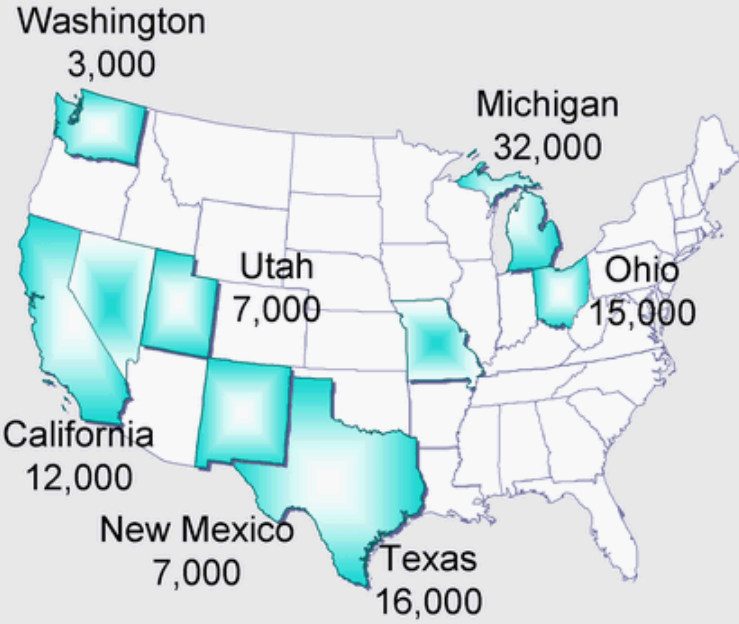
What are their demographics?

How will we succeed?

Where are the members?

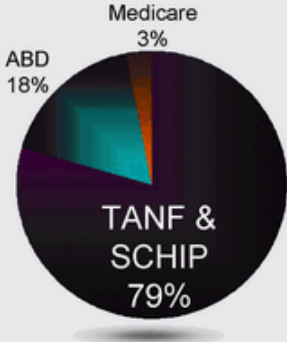
Business Snapshot - ABD

Markets and members served

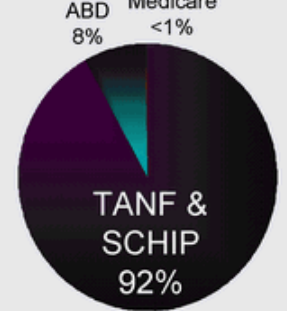


NOTE: Nevada and Missouri do not currently have ABD members.
 * Excludes California, New Mexico and Utah ABD revenue.

LOB Revenue *

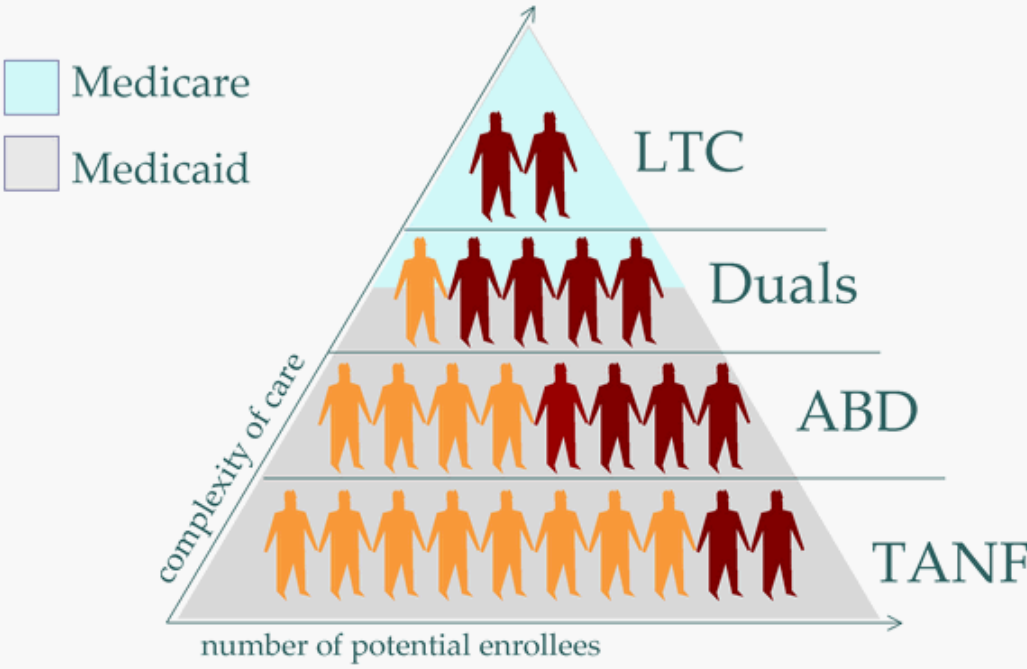


Our members



What are their demographics?

Segmentation



 = patients in need of more complex care; for illustrative purposes only, not an actual percentage

ABD Population vs. TANF

TANF

- Medicaid population



ABD

- Aged, Blind or Disabled population

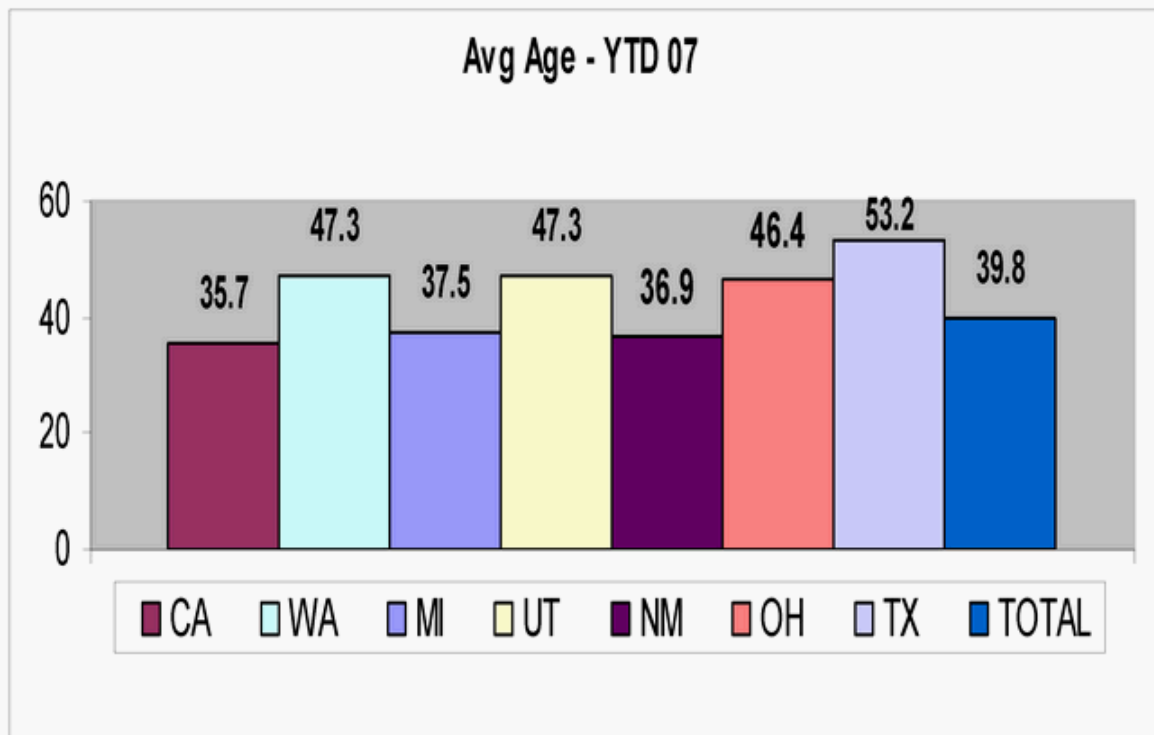


TANF

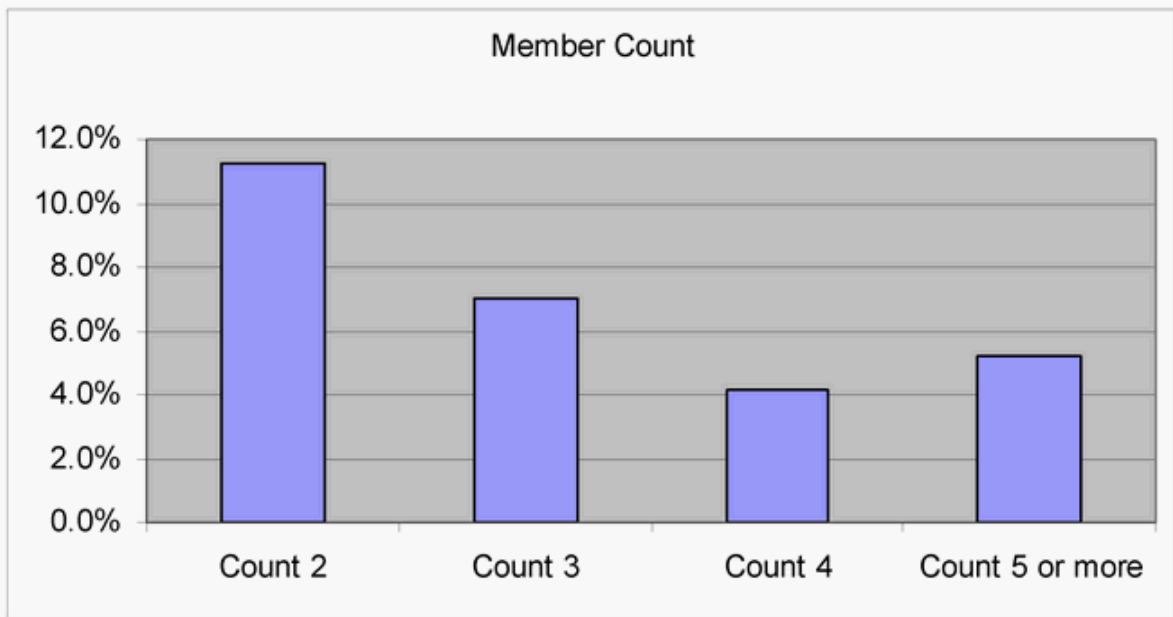
ABD

| | | |
|-----------|------------------------------|------|
| 99%..... | Under 65..... | 90% |
| 56%..... | Female..... | 53% |
| 13.5..... | Average Age..... | 39.8 |
| 78%..... | Percentage of Pediatric..... | 19% |

Age Demographics of the ABD Population



ABD Population and Chronic Conditions



28% of the ABD Population has Multiple Chronic Conditions

TOP 15 Inpatient Diagnosis - ABD Population

BY MEMBER COUNT

Description

DISEASES OF THE CIRCULATORY SYSTEM
DISEASES OF THE RESPIRATORY SYSTEM
DISEASES OF THE DIGESTIVE SYSTEM
INJURY AND POISONING
SYMPTOMS, SIGNS, AND ILL-DEFINED CONDITIONS
ENDOCRINE, NUTRITIONAL AND METABOLIC DISEASES, AND IMMUNITY DISORDERS
DISEASES OF THE MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE
DISEASES OF THE GENITOURINARY SYSTEM
MENTAL DISORDERS
COMPLICATIONS OF PREGNANCY, CHILDBIRTH AND THE PUERPERIUM
INFECTIOUS AND PARASITIC DISEASES
NEOPLASMS
DISEASES OF THE SKIN AND SUBCUTANEOUS TISSUE
DISEASES OF THE NERVOUS SYSTEM AND SENSE ORGANS
SUPPLEMENTARY CLASSIFICATION OF FACTORS INFLUENCING HEALTH STATUS

TOP 15 Outpatient Diagnosis - ABD Population

BY MEMBER COUNT

Description

SYMPTOMS, SIGNS, AND ILL-DEFINED CONDITIONS

INJURY AND POISONING

DISEASES OF THE MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE

SUPPLEMENTARY CLASSIFICATION OF FACTORS INFLUENCING HEALTH STATUS

DISEASES OF THE RESPIRATORY SYSTEM

DISEASES OF THE GENITOURINARY SYSTEM

DISEASES OF THE NERVOUS SYSTEM AND SENSE ORGANS

DISEASES OF THE DIGESTIVE SYSTEM

DISEASES OF THE CIRCULATORY SYSTEM

ENDOCRINE, NUTRITIONAL AND METABOLIC DISEASES, AND IMMUNITY DISORDERS

MENTAL DISORDERS

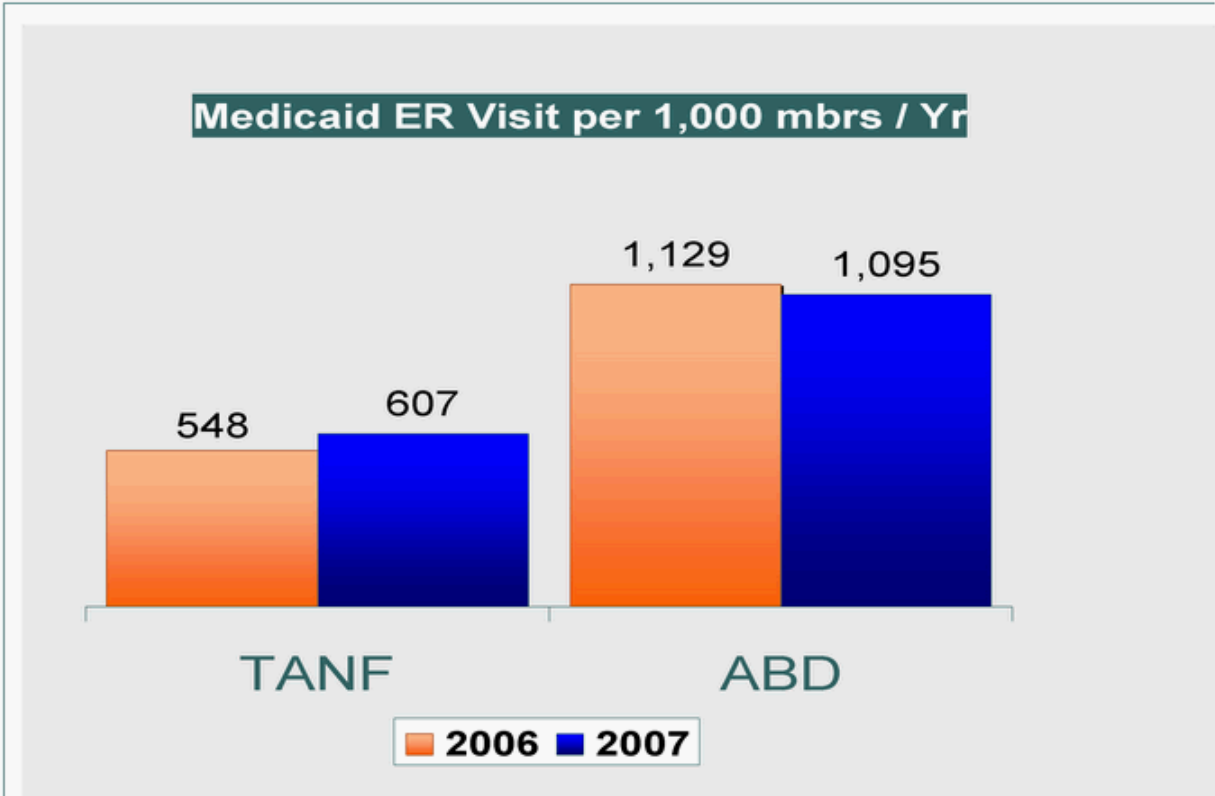
DISEASES OF THE SKIN AND SUBCUTANEOUS TISSUE

NEOPLASMS

INFECTIOUS AND PARASITIC DISEASES

DISEASES OF BLOOD AND BLOOD-FORMING ORGANS

Medicaid ER Visits – TANF vs. ABD



How will we succeed?

Specific Strategies for Success

- Utilization Management
- Pharmacy
- BH/PH Integration
- Telephony
- Disease Management/Care Coordination
- Research with Partners
- Advantage of Specialization

Utilization Management

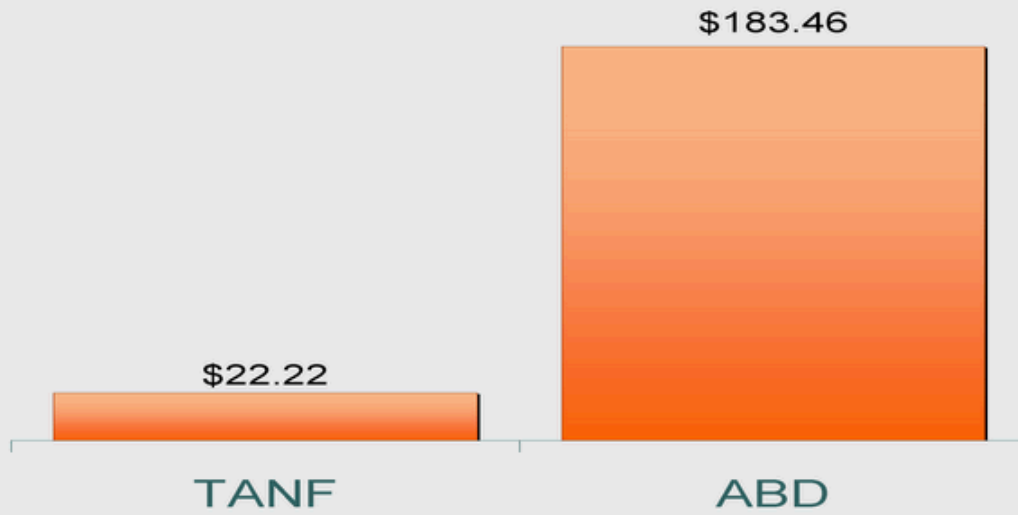
- Admissions
- Concurrent Review
- Avoid Re-admissions
- Transportation
- Home Health
- DME
- Outpatient Services
- Complex Imaging
- Transition of Care
- Results

Pharmacy

- Focus on Adherence
- Post-discharge Assistance
- First-Fill Program
- Immediate Warning Systems
- Specialty Rx Management
- Results

Rx PMPM – Ohio, Michigan and Washington

ABD vs. TANF – Q1 2008



Behavioral/Physical Health Integration

- Recognition of opportunity
- Behavioral Health (BH) advisory committee
- Commitment to develop BH as a core competency within Molina
- Care Coordination focus
- Medical Home focus
- Pharmacy aspects

ABD – Telephony

KIT program

Automated outreach

Preventive service reminders
Health Risk Assessment
Medication reminders



Nurse Advice Line

Access to crisis management
Alternatives to ER use

Case Management and Care Coordination

Case Management

- Medical model
- Distinct endpoint
- Illness related

Care Coordination

- Life enhancement model
- Ongoing over time
- Community based, person centered



Research with Partners

Johns Hopkins

(GIM – School of Public Health)

- Healthcare disparities
- Education & literacy
- Improving outcomes

Claremont Graduate University

(New School of Community & Global Health)

- Public health implications
- Maternal health
- Improving outcomes



ABD - Summary

Molina Healthcare Knows ABD

- Experience
- Skills
- Flexibility
- Patience
- Pharmacy
- Ancillaries

**AN ENDURING COMMITMENT TO AN
INCREASINGLY IMPORTANT SEGMENT**



Your Extended Family.

Operations Update

May 29th, 2008

Terry Bayer
Chief Operating Officer
Molina Healthcare, Inc.



Operations Update Overview



- Membership Growth
- Medical Management



- State Budget Impact
- Action Plan to Mitigate

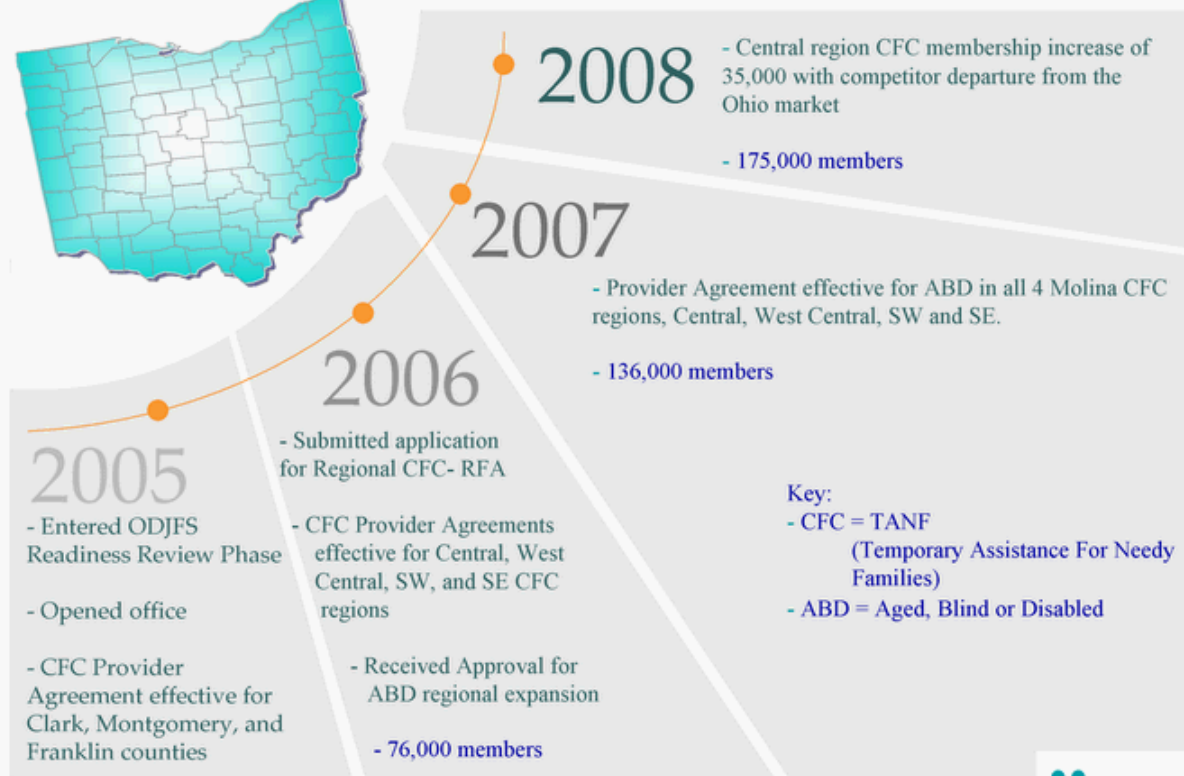


- Membership Growth
- Contract Award



- Membership Growth
- Increased Administrative Efficiency

Ohio – A Long Term Commitment



Ohio – Keys to Long Term Success

Managing Medical Costs

State Partnership

Leveraging Growth

Managing Medical Costs

Ohio – Managing Medical Costs

Inpatient Utilization

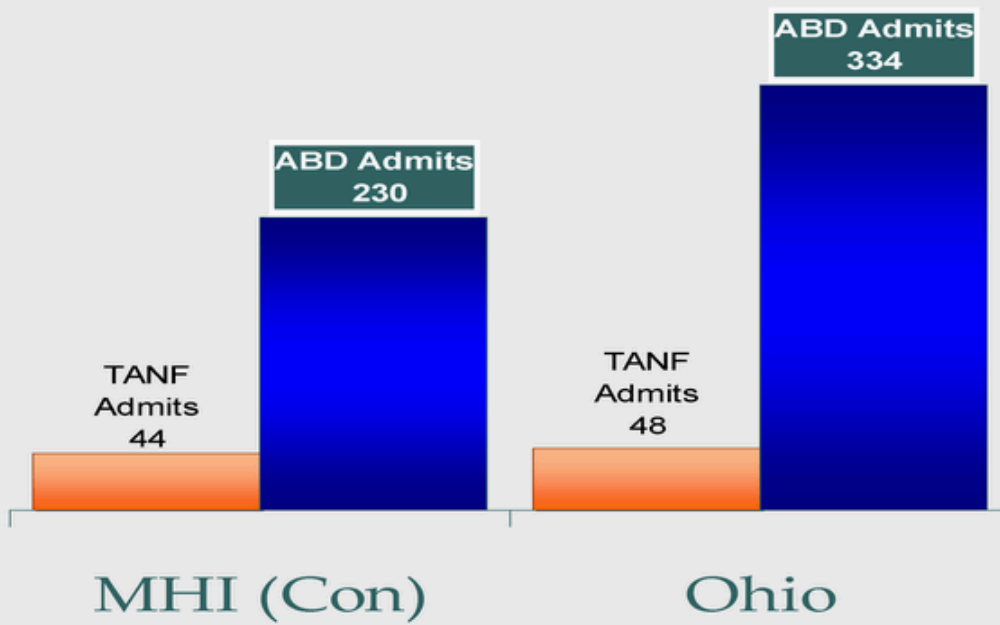
Pharmacy
Management

Emergency Room
Diversion



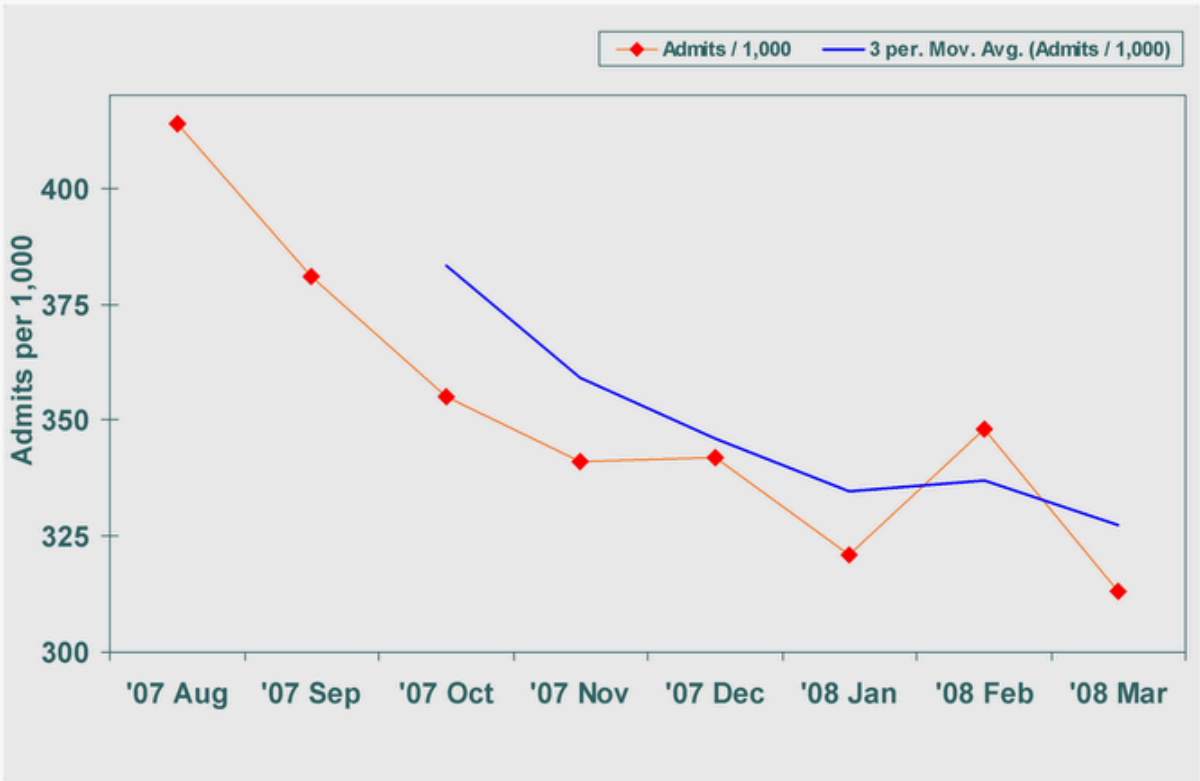
Inpatient Utilization

Admits per 1,000 members / Yr (w/o OB and SNF)

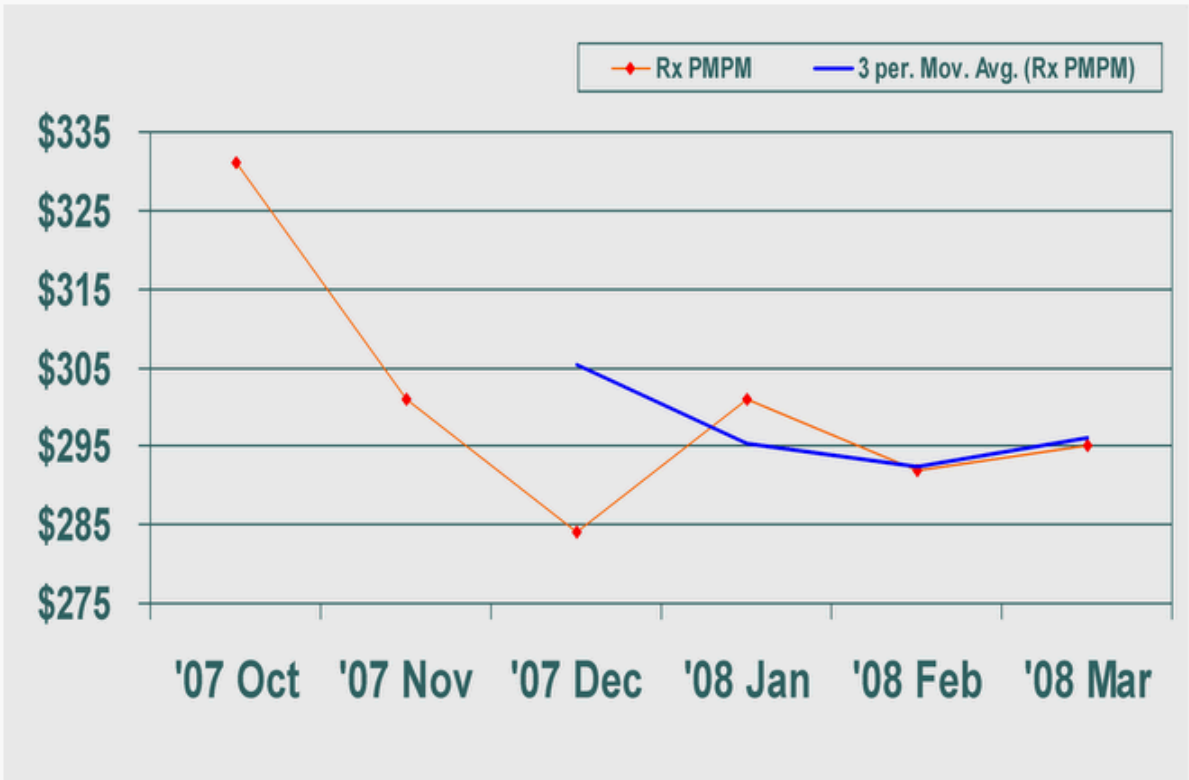


3/31/2008 YTD

Ohio – ABD Admits per 1,000 mbrs / Yr

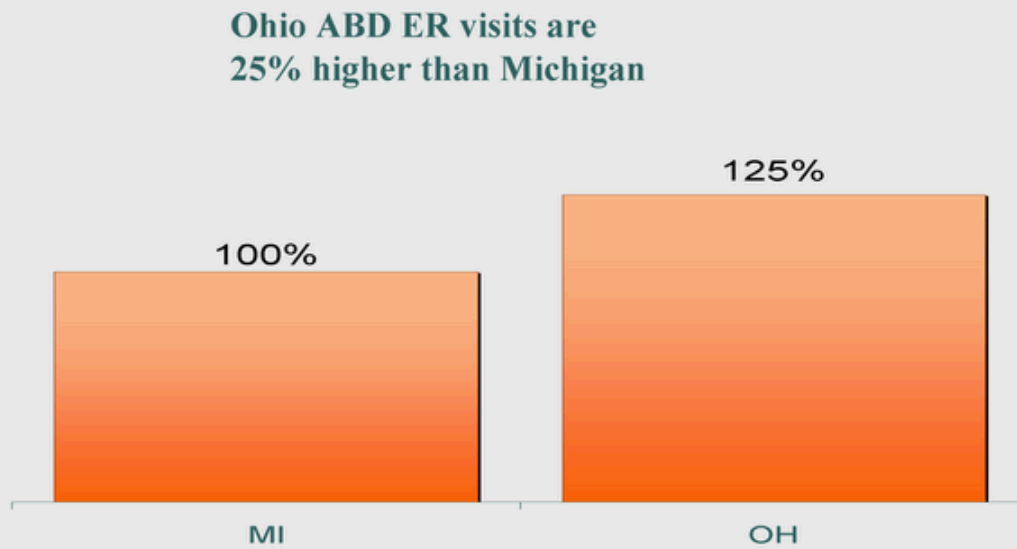


Ohio – Rx ABD PMPM



Ohio - ABD ER

ABD Emergency Room Visits per 1,000 members / Yr.



Dates 11/06 - 10/07

State Partnership

Appropriate Rates

Program Design & Tools

Commitment to Medicaid

Leveraging Growth

Administrative Efficiency

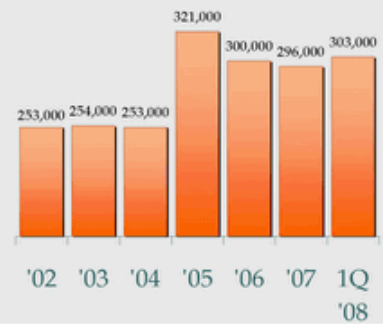
Economies of Scale

Molina Healthcare of California

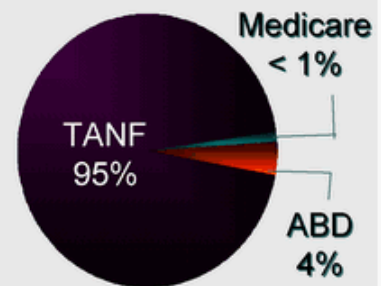


- State Budget Impact
- Action Plan to Mitigate

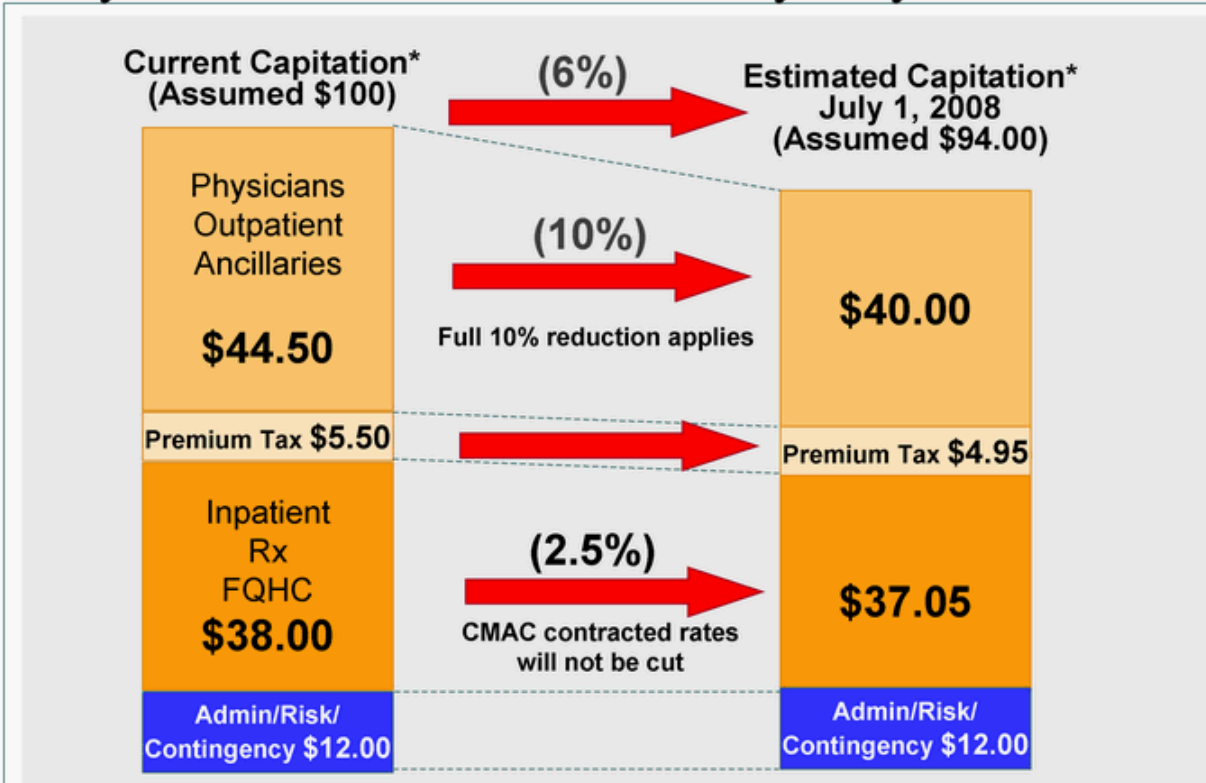
Membership history



Membership:



Why is the 10% Reduction Really only 6%?

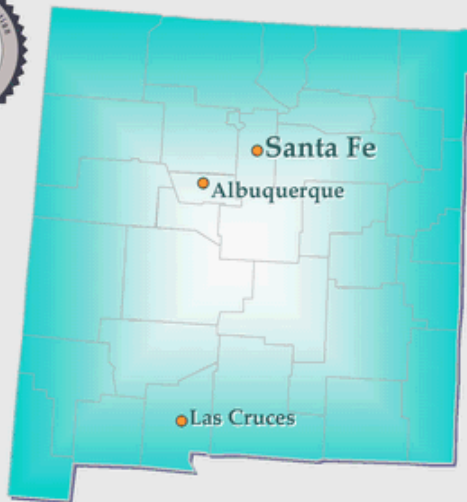


*Based upon analysis of San Bernardino/Riverside County Capitation. © 2008 Molina Healthcare, Inc.

California - Mitigating Revenue Impact

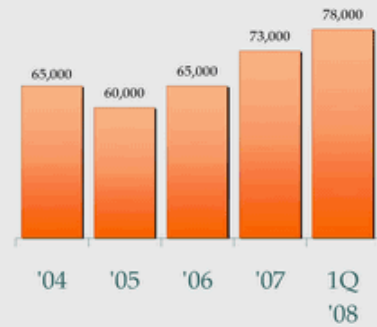
| | |
|--|-----------------|
| ▪ Revenue Impact (6% for 7/1-12/31/08) | (\$11.0M) |
| ▪ Provider Fee Reductions | |
| ▪ 10% Cut – FFS Providers | \$2.5M |
| ▪ 2.5% Cut – Capitated Provider | \$1.0M |
| ▪ Enhanced Medical Management | \$1.0M |
| ▪ Administrative Cost Reduction | \$2.0M |
| <hr/> | |
| ▪ Net Impact | (\$4.5M) |
| <hr/> | |
| EPS Impact (per Guidance) | <u>(\$0.10)</u> |
| <hr/> | |

Molina Healthcare of New Mexico

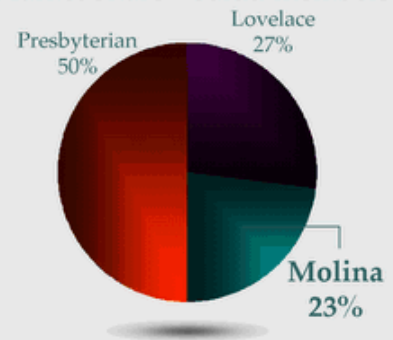


- Contract Renewal
 - Term – 4 Years
 - Effective July 1, 2008

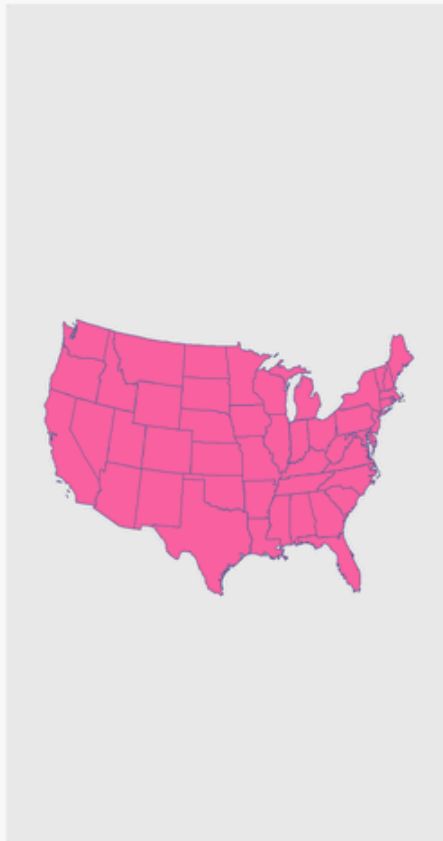
Membership history



Market Share – Salud members



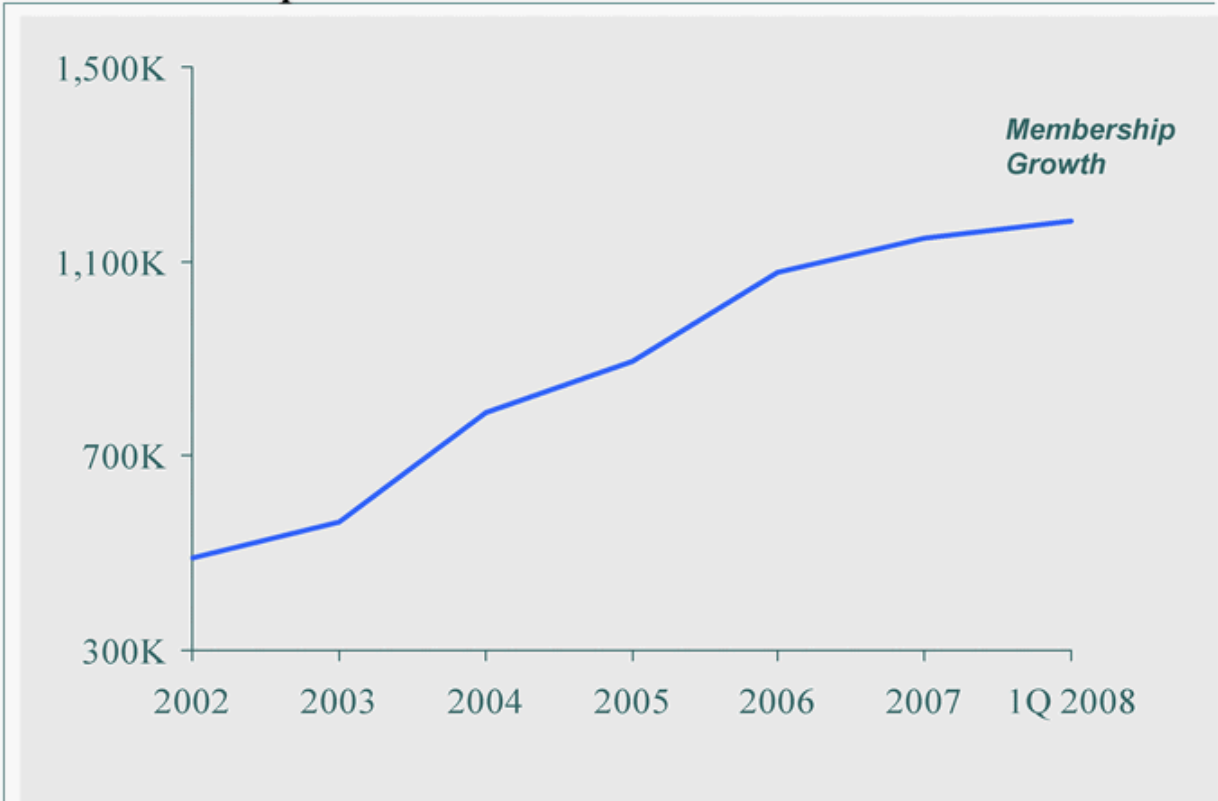
Growth Enables Administrative Efficiency



Sources of Growth

- Organic Growth
- Missouri Acquisition 11/07
- Ohio Central Region Competitor exit 4/08
- Steady Medicare Growth

Membership Growth



Total Admin as a % of Revenue





Your Extended Family.

Molina Medicare Update

May 29th, 2008

Richard Slaughter
VP – Molina Medicare
Molina Healthcare, Inc.



Molina Medicare

Consistent with MHI's strategic goal of diversification

Consistent with MHI's mission of providing high quality health services to individuals who are lower income



Strong contributor to MHI's goal of \$4B in annual revenues by 2010

Medicare Products

MASNP

- Full Dual eligibles



MAPD

- Low income (annual income less than \$25,000) Medicare beneficiaries

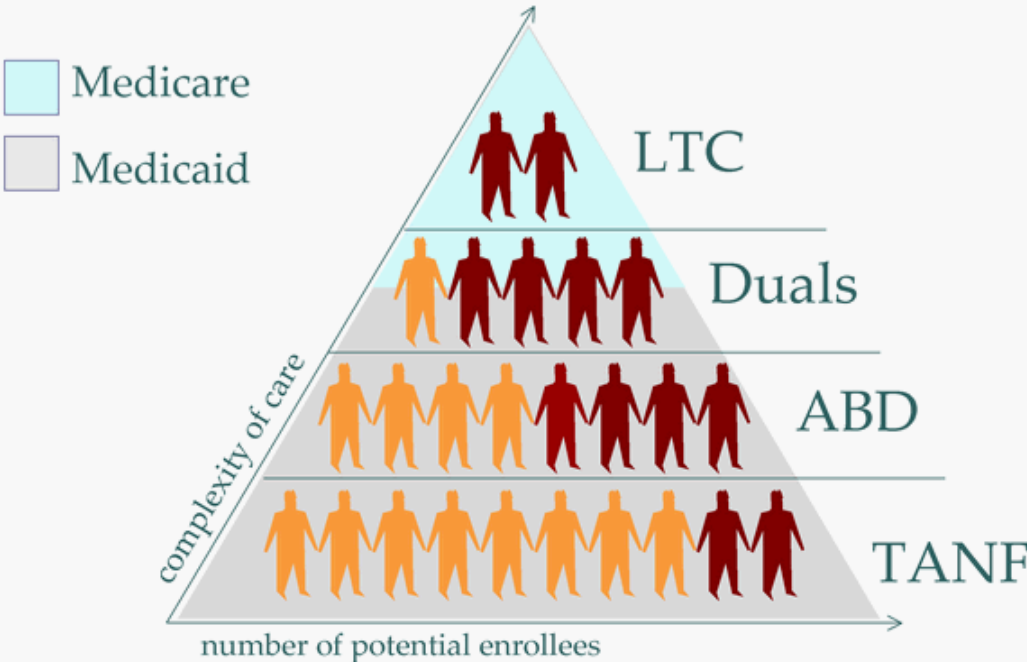


Duals

General Medicare

| | | |
|----------|---------------------------|-----|
| 37%..... | Under 65..... | 17% |
| 62%..... | Female..... | 55% |
| 33%..... | Live Alone..... | 28% |
| 59%..... | Income Below Poverty..... | 9% |

Segmentation



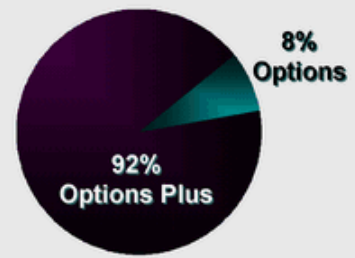
 = patients in need of more complex care; for illustrative purposes only, not an actual percentage

2008 Medicare Markets

30 Counties in 7 States



739,700¹ Dual eligibles in Molina service areas



1. Total market size based on Company estimates.



Medicare – Experienced Leadership Team

| | | |
|-------------------|---------------------|----------|
| Richard Slaughter | Vice President | 14 years |
| Matthew Woodruff | COO | 12 years |
| Rolando Chavez | CFO | 14 years |
| Gary Call, M.D. | CMO | 10 years |
| Tracy Tellefson | CSMO | 18 years |
| Carmen Alexander | Director Compliance | 6 years |

Experiencing Steady Growth



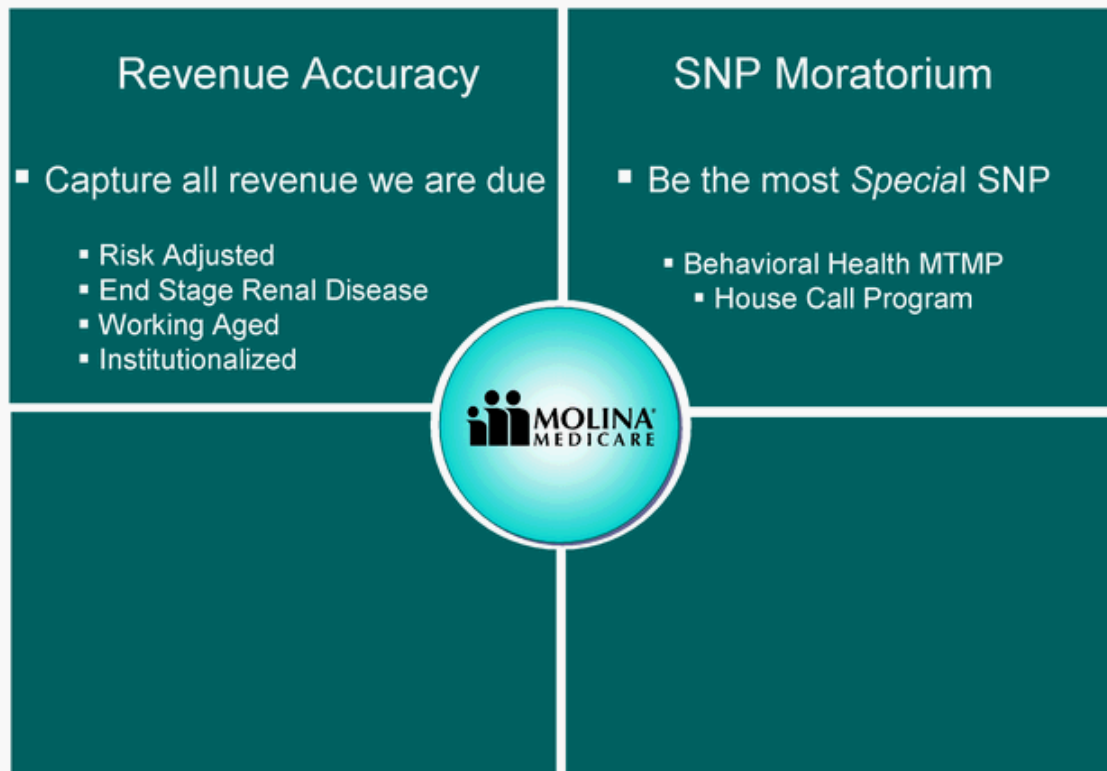
Key Challenges

Revenue Accuracy

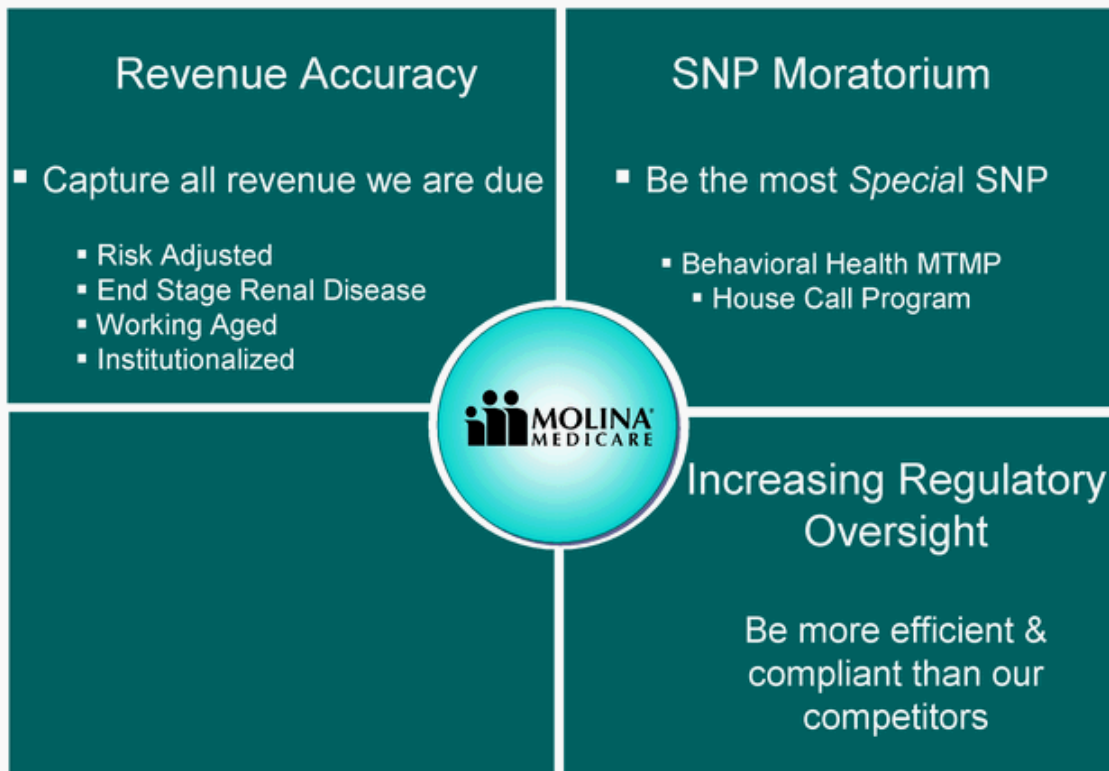
- Capture all revenue we are due
 - Risk Adjusted
 - End Stage Renal Disease
 - Working Aged
 - Institutionalized



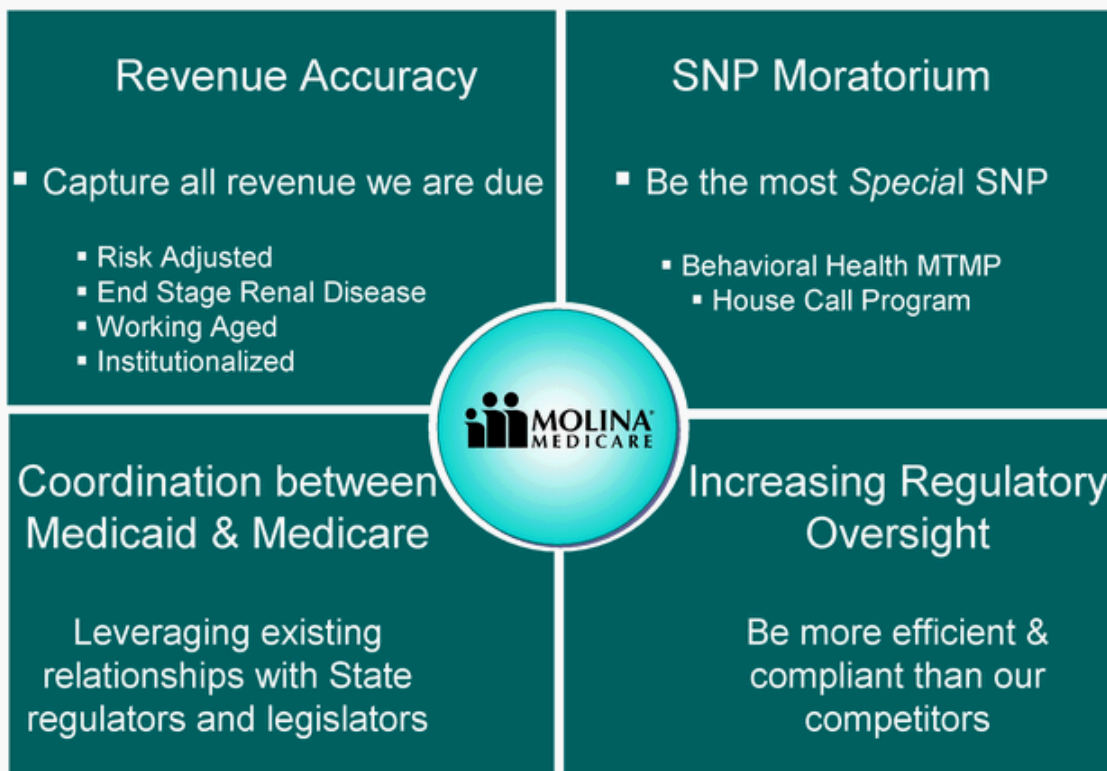
Key Challenges



Key Challenges



Key Challenges



Market Views

National View

Revised: April 2008

Geography



County Addressable Market

| | |
|--------------------------|--------------|
| Eligibles | 4,369,428 |
| Enrollees | 1,328,259 |
| MA % Penetration | 30.4% |
| Dual Eligibles <100% FPL | 739,700 |
| Dual % | 16.9% |

source: www.kff.org for MA % & CMS demographic file for Dual Eligibles

State Addressable Market

| | |
|-------------------------------------|--------------|
| Eligibles | 10,248,774 |
| Enrollees | 2,427,437 |
| MA % Penetration | 23.7% |
| Payment Benchmark (avg of weighted) | \$823 |

source: www.kff.org

Michigan View

Revised: April 2008

Geography



County Addressable Market

| | |
|--------------------------|--------------|
| Eligibles | 735,738 |
| Enrollees | 146,891 |
| MA % Penetration | 20.0% |
| Dual Eligibles <100% FPL | 59,777 |
| Dual % | 8.1% |

source: www.kff.org for MA % & CMS demographic file for Dual Eligibles

State Addressable Market

| | |
|------------------------------|--------------|
| Eligibles | 1,537,840 |
| Enrollees | 237,200 |
| MA % Penetration | 15.4% |
| Payment Benchmark (weighted) | \$842 |

source: www.kff.org

Q&A – Panel 1



Break





Your Extended Family.

Building Membership Acquisition vs. Start-up: A Financial Perspective

May 29th, 2008

Joseph White

Chief Accounting Officer
Molina Healthcare, Inc.

An HMO has four key financial assets:

- Regulatory Capital
- Member Contract
- Provider Network
- Administrative Capacity

We can either buy these assets or we can build them.

How do we pay for an HMO?

| | ACQUISITION | START-UP |
|-------------------------|-------------|------------|
| Regulatory Capital | Buy | Contribute |
| Member Contract | Buy | Build |
| Provider Network | Buy | Build |
| Administrative Capacity | Buy | Build |

How do we pay for an Acquisition?

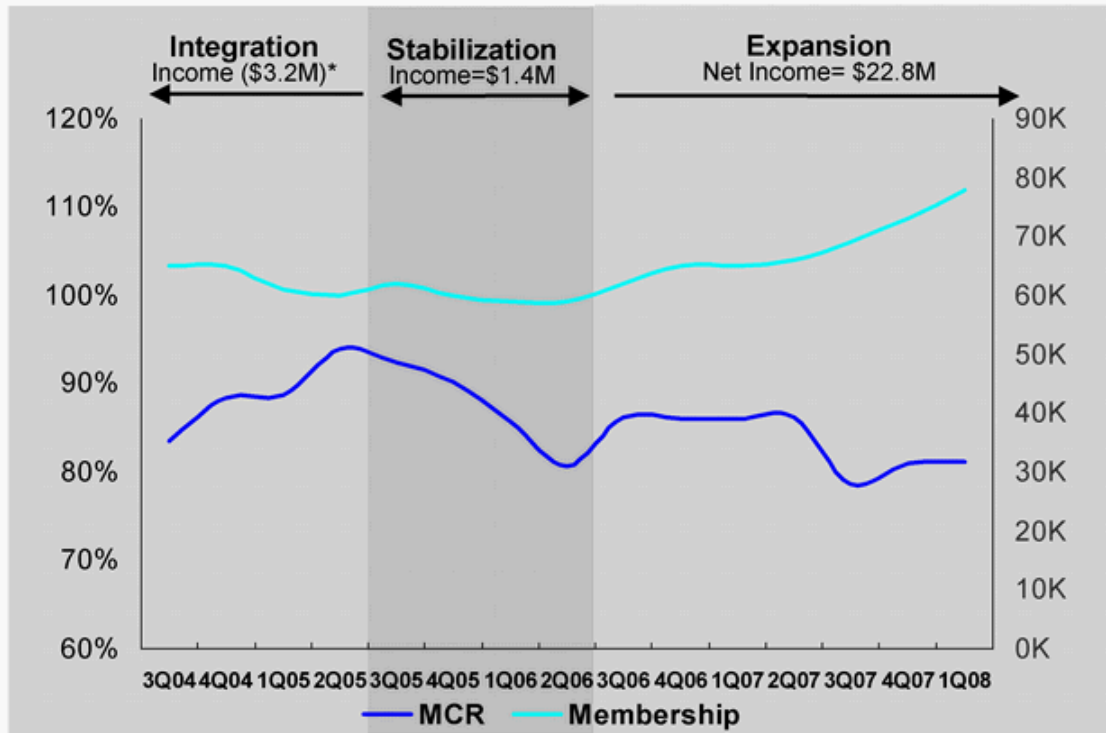
| ACQUISITION | | FINANCIAL STATEMENT IMPACT | |
|--------------------------------|-----|----------------------------|--------------------------|
| Regulatory Capital | Buy | »» | Balance Sheet Investment |
| Member Contract | Buy | »» | Amortized |
| Provider Network | Buy | »» | Amortized |
| Administrative Capacity | Buy | »» | Right Sized |

How do we pay for a Start-Up?

| START-UP | | FINANCIAL STATEMENT IMPACT | |
|--------------------------------|------------|----------------------------|--------------------------|
| Regulatory Capital | Contribute | »» | Balance Sheet Investment |
| Member Contract | Build | »» | Reduced Revenue |
| Provider Network | Build | »» | Higher Medical Cost |
| Administrative Capacity | Build | »» | Higher Admin Cost |

Acquisition Challenges

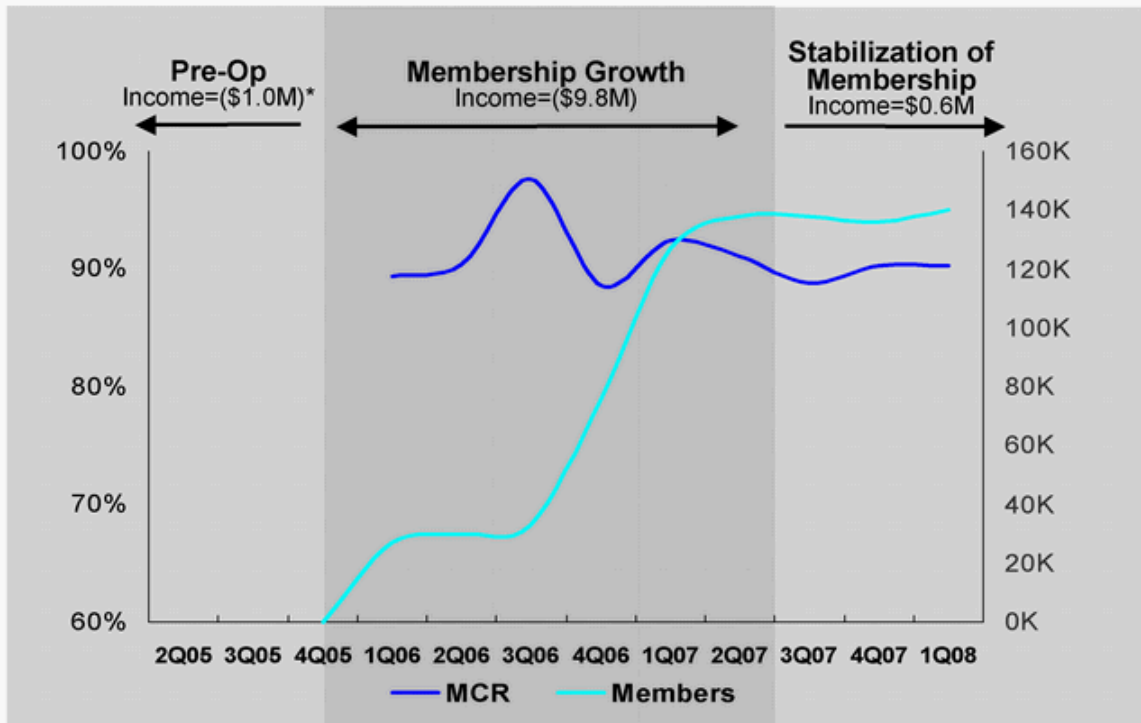
New Mexico: Integration, Stabilization & Expansion



*Note: Income excludes gain from sale of commercial business.

Start-Up Challenges

Ohio: Growing enrollment while stabilizing medical costs



Note: *Pre-operating loss at health plan only - does not include start-up costs at parent company.

What do the financial statements look like?

All of the costs that run through the income statement for a start-up:

- Membership growth;
- Provider network development; and
- Administrative ramp-up. . .

. . . end up on the balance sheet for an acquisition!

So why do a start-up?

Because it costs less!

Investment Comparison: New Mexico & Ohio

ACQUISITION - NM



Cost per Member⁽²⁾ = \$877

START-UP - OH

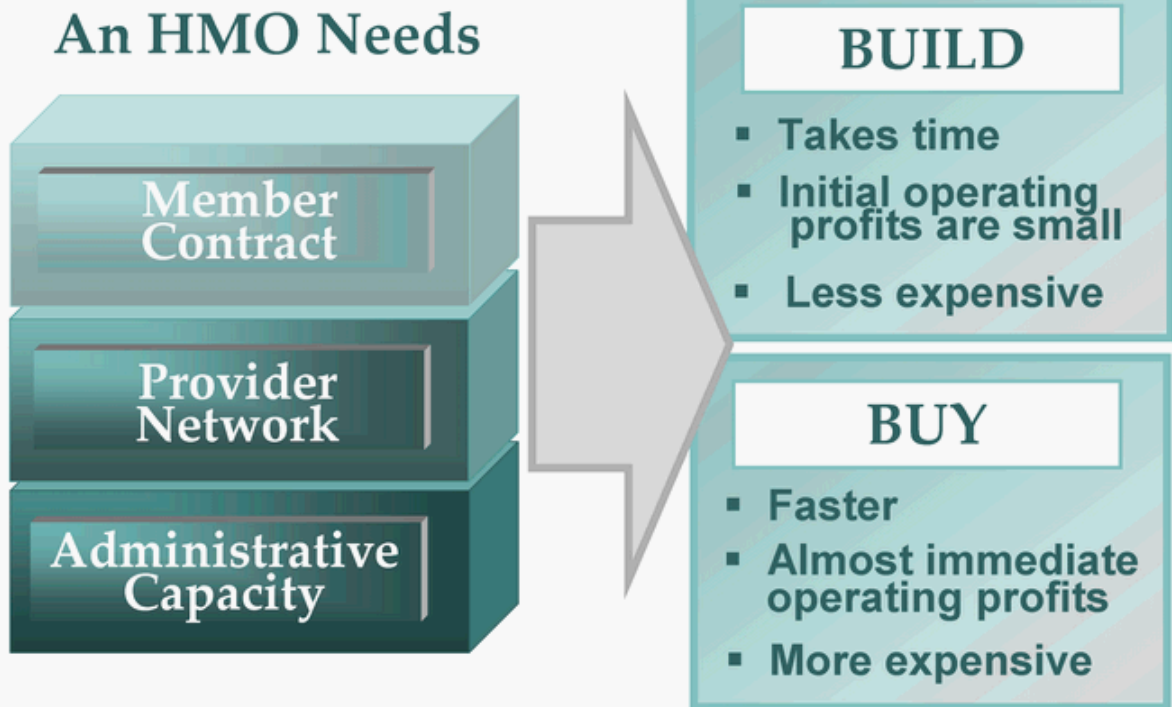


Cost per Member⁽²⁾ = \$392

(1) Excludes \$5.6M of debt held by target. (2) Represents total investment as a multiple of membership. The New Mexico acquisition resulted in 65,000 members. 138,000 were members enrolled in Ohio by end of the "growth phase" (June 30, 2007). (3) Pre-operating costs do not include start-up costs at the parent company.



The Trade Off



Who Cares About the Accounting?

Start-ups and acquisitions have different accounting footprints

- Start-ups have a lower operating profit
- Acquisitions cost more



Business needs drive the decision – we are indifferent to the accounting

The Decision

Individual market dynamics determine whether we start-up or acquire:

- Regulatory barriers to entry
- Number and strength of competitors
- Provider environment
- Length of state contracts
- Acquisition management talent



Your Extended Family.

Financial Discussion & Closing Remarks

May 29th, 2008

John C. Molina
Chief Financial Officer
Molina Healthcare, Inc.



Cautionary Statement

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This “Financial Discussion” presentation contains numerous “forward-looking statements,” including statements that refer to our 2008 earnings guidance and financial projections. All of our forward-looking statements are subject to numerous risks, uncertainties, and other factors that could cause our actual results to differ materially. Investors should refer to Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2007, and to Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, for a discussion of certain risk factors which could materially affect our business, financial condition, or future results. These reports have been filed with the Securities and Exchange Commission and are available for viewing on its website at www.sec.gov. Given these risks and uncertainties, we can give no assurances that any projected financial results or events contemplated by our forward-looking statements will in fact occur, and we caution investors not to place undue reliance on these statements. Unless otherwise indicated, all forward-looking statements represent our judgment as of May 29, 2008, and we disclaim any obligation to update such statements.

Reasons to Invest

Consistent Results




Transparent Disclosure

Financial Strength

Consistent Results

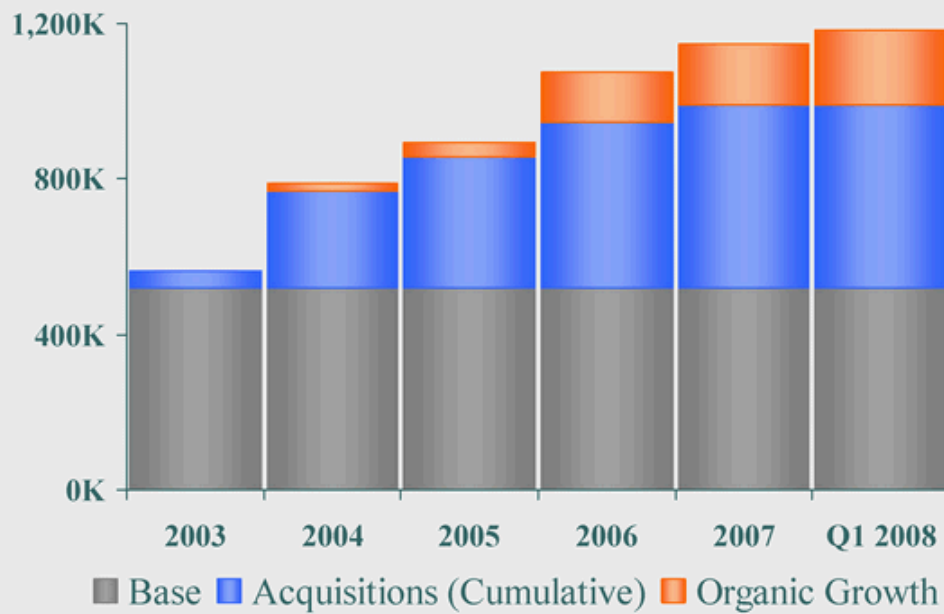
Molina Exceeds Expectations

Company Reported Earnings vs First Call Consensus Estimates

| Time Line |  MOLINA HEALTHCARE |  AMERIGROUP CORPORATION |  CENTENE Corporation |
|-------------|---|---|---|
| 1Q 05 | Beat | Met | Beat |
| 2Q 05 | Miss | Miss | Met |
| 3Q 05 | Beat | Miss | Met |
| 4Q 05 | Beat | Beat | Met |
| 1Q 06 | Beat | Beat | Met |
| 2Q 06 | Beat | Beat | Miss |
| 3Q 06 | Beat | Beat | Beat |
| 4Q 06 | Met | Beat | Beat |
| 1Q 07 | Beat | Beat | Beat |
| 2Q 07 | Beat | Beat | Met |
| 3Q 07 | Beat | Beat | Beat |
| 4Q 07 | Beat | Beat | Miss |
| 1Q 08 * | <i>Beat</i> | <i>Beat</i> | <i>Beat</i> |
| Met or Beat | 12 | 11 | 11 |

Molina Balances Growth

Membership Growth: Organic & Acquisitions Post - 2003



Note: Molina has acquired the following members: In 2004, we acquired Health Care Horizons in New Mexico consisting of 66,000 members. In 2004, we also transitioned 73,000 members from the Wellness Plan of Michigan and 56,000 members from Premera Blue Cross of Washington. In 2005, we transitioned 85,000 members in San Diego, CA from Sharp Health Plan and Universal Care, Inc. In 2006, we acquired the CAPE Health Plan consisting of 90,000 members and in 2007, we acquired Mercy CarePlus consisting of 68,000 members.



Transparent Disclosure

2008 Guidance - Revised versus Initial

| | 2008 Revised | 2008 Initial | Increase/ (Decrease) |
|----------------------------|---------------------|----------------------|----------------------|
| Premium Revenue | \$3.0B | \$2.9B | \$0.1B |
| Investment Income | \$21.2M | \$29.0M | (\$7.8M) |
| Medical Care Ratio | 84.9% | 84.3% | 0.6% |
| G&A Ratio | 10.8% | 11.4% | (0.6%) |
| Core G&A | 8.0% | 8.5% | (0.5%) |
| D&A | \$33.3M | \$34.0M | (\$0.7M) |
| Interest Expense | \$9.5M | \$9.5M | \$0.0M |
| Pre Tax Income | \$99.0M to \$113.1M | \$105.0M to \$114.4M | (\$3.7M)* |
| Effective Tax Rate | 40.6% | 38.3% | 2.3% |
| Net Income | \$58.8M to \$67.2M | \$64.8M to \$70.6M | (\$4.7M)* |
| Diluted EPS | \$2.10 to \$2.40 | \$2.25 to \$2.45 | (\$0.10)* |
| Diluted Shares Outstanding | 28.0M | 28.8M | (0.8M) |
| Members | 1.2M | 1.2M | 0.0M |

Revised 2008 Guidance – EPS Build Up

EARNINGS RELEASE

April 29, 2008

Original 2008 Guidance \$2.35

Expected Change:

| | |
|-----------------------|----------|
| ▪ California Impact | (\$0.10) |
| ▪ Ohio Impact | \$0.10 |
| ▪ Net Interest Income | (\$0.16) |
| ▪ Income Taxes | (\$0.08) |
| ▪ Share Buy Back | \$0.03 |
| ▪ Other | \$0.11 |

Revised 2008 Guidance \$2.25*

INVESTOR DAY

May 29, 2008

Original 2008 Guidance \$2.35

Expected Change:

| | |
|--------------------------------|----------|
| ▪ California Impact | (\$0.10) |
| ▪ Ohio Impact | \$0.10 |
| ▪ Net Interest Income | (\$0.16) |
| ▪ Income Taxes | (\$0.08) |
| ▪ Share Buy Back | \$0.03 |
| ▪ Health Plans (excl. CA & OH) | (\$0.10) |
| ▪ D&A | \$0.02 |
| ▪ Parent Admin | \$0.19 |

Revised 2008 Guidance \$2.25*

Revised 2008 Guidance - Ohio

Incremental Benefit of Ohio CFC Membership Added April 1, 2008

Nine Months

| | | | |
|---|---------------|---|--------|
| Additional Central Region Members Months | 315K | Members | 35K |
| PMPM Revenue | \$210 | MCR | 86.5% |
| Premium Revenue | \$66.2M | Premium Tax Rate | 4.5% |
| Less Medical Costs | \$57.2M | <u>Incremental Admin Costs:</u> | |
| Medical Margin | \$9.0M | PMPM | \$4.25 |
| Less Premium Tax | \$3.0M | % of premium revenue | 2.0% |
| Additional Admin | \$1.3M | Effective Tax | 40.6% |
| Incremental Income Before Taxes | \$4.7M | Diluted Shares Outstanding Before Share Repurchase | 28.7M |
| Income Taxes | \$1.9M | | |
| Incremental Income After Taxes | \$2.8M | | |
| Incremental Diluted EPS | \$0.10 | | |

Revised 2008 Guidance - Michigan Taxes

New tax methodology became effective on January 1, 2008



Income tax rate changes in the State of Michigan increased the Company's consolidated tax rate

- Potential adverse impact (\$0.08) already reflected in 2008 EPS guidance issued on April 29, 2008
- Currently under review as several tax bills regarding the Michigan business tax are pending in the state legislature
- All of the Medicaid health plans have agreed to amending the language and are lobbying to insert it into a pending piece of legislation regarding the Michigan business tax
- Will know more in 3Q/4Q

Financial Strength

Financial Strength - Cash EPS

Medicaid Pure-play Comparison

| | Molina | | Amerigroup | | Centene | |
|---|--------|--------|------------|--------|---------|--------|
| | FY07 | Q1-08 | FY07 | Q1-08 | FY07 | Q1-08 |
| Diluted EPS from continuing operations, as reported | \$2.05 | \$0.46 | \$2.16 | \$0.65 | \$0.92 | \$0.57 |
| Cash EPS using reported tax rate | \$2.68 | \$0.63 | \$2.53 | \$0.74 | \$1.50 | \$0.68 |
| Cash EPS using standardized tax rate | \$2.67 | \$0.66 | \$2.51 | \$0.75 | \$1.44 | \$0.67 |
| Cash Impact to Reported EPS | | | | | | |
| Cash EPS using reported tax rate | \$0.63 | \$0.17 | \$0.37 | \$0.09 | \$0.58 | \$0.11 |
| Cash EPS using standardized tax rate | \$0.62 | \$0.20 | \$0.35 | \$0.10 | \$0.52 | \$0.10 |

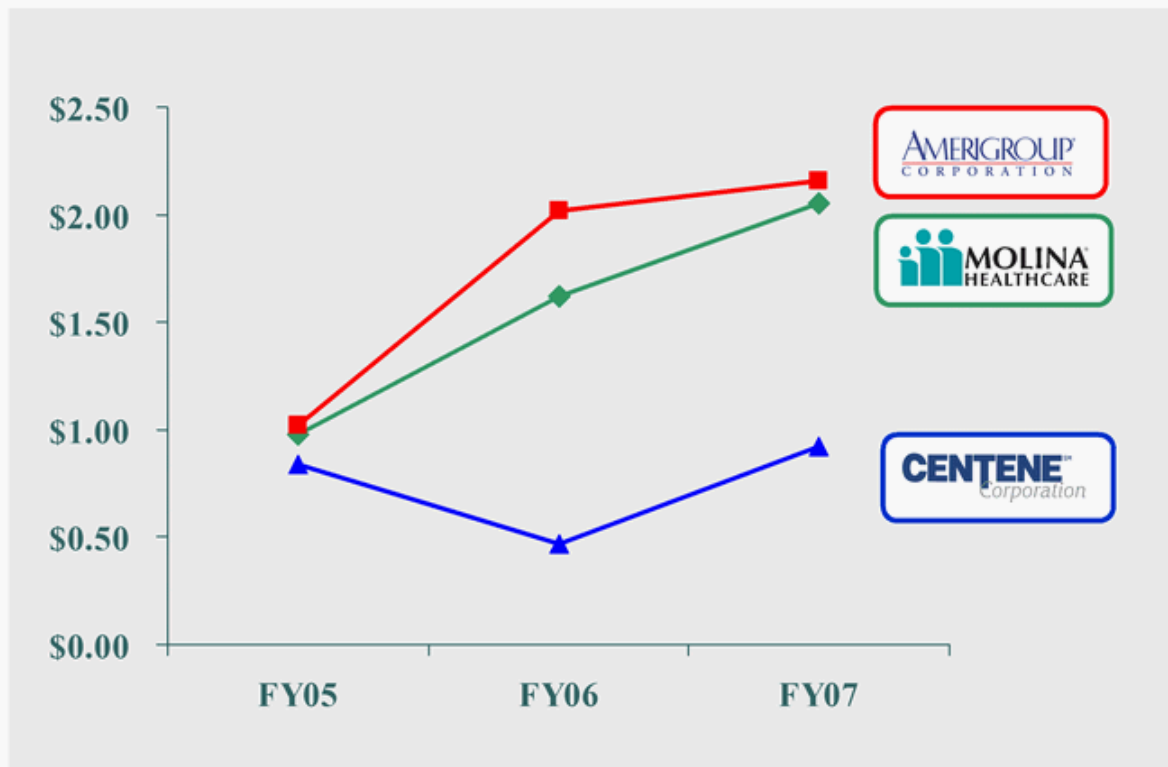
NOTE regarding Non-GAAP Financial Presentation: The non-GAAP financial information above presents diluted earnings per share which excludes: (i) depreciation and amortization for each of Molina, Amerigroup, and Centene, and (ii) certain non-recurring charges for Molina and Centene (referred to above as "Cash EPS"). For Molina, the excluded non-recurring charge is an impairment charge related to the 2007 second quarter write off of purchased software that is no longer used in operations. For Centene, the excluded non-recurring charges are its second quarter 2007 contribution to its charitable foundation from proceeds of its sale of a subsidiary, and fourth quarter 2007 charges for fixed asset impairment and severance for an organizational re-alignment as reported in its fourth quarter 2007 earnings announcement dated February 8, 2008. We are providing this non-GAAP financial information solely to allow readers to compare our financial performance against that of our competitors. This information is not regularly used by us in the management of our business, and it is not intended to be considered in isolation or used as a substitute for the financial information we prepare and present in accordance with GAAP.

Financial Strength - Cash EPS

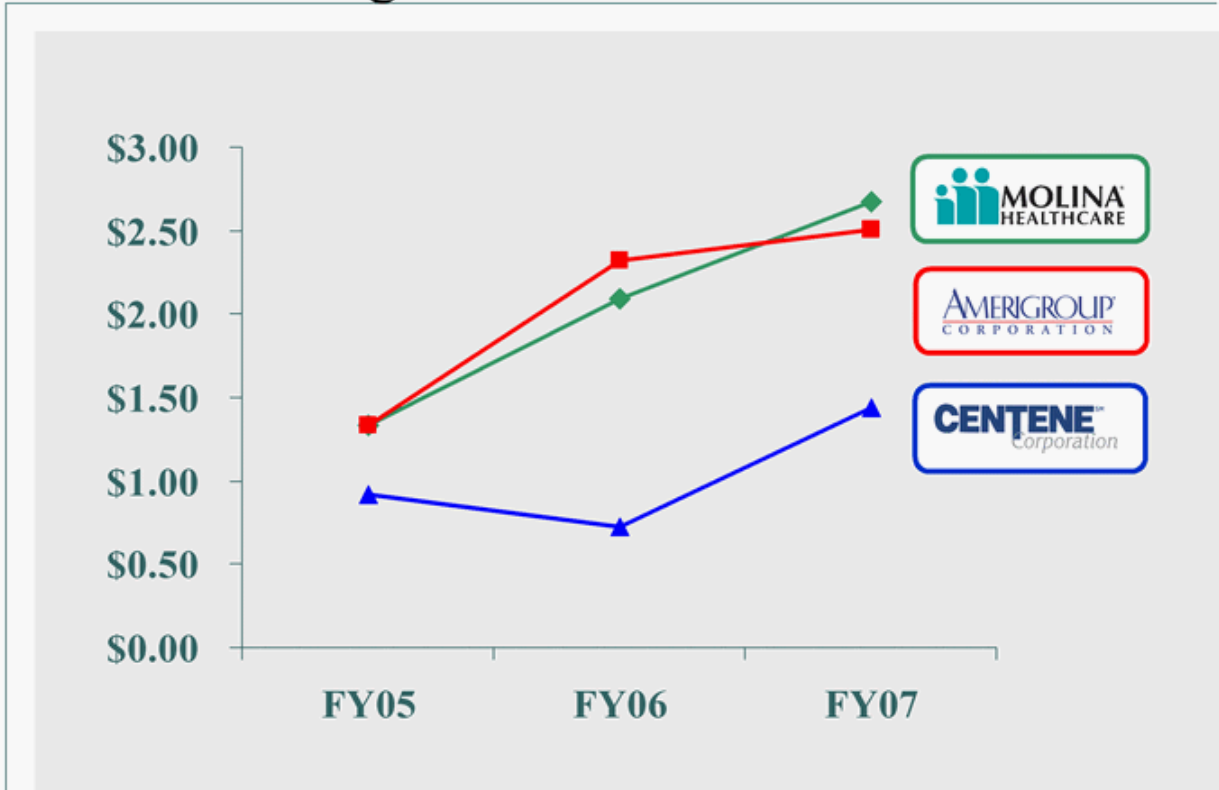
Reconciliation of GAAP to Non-GAAP

| | Molina | | Amerigroup | | Centene | |
|---|----------|---------|------------|---------|----------|---------|
| | FY07 | Q1-08 | FY07 | Q1-08 | FY07 | Q1-08 |
| Pretax income from continuing operations, as reported | \$93.7M | \$22.2M | \$186.6M | \$56.7M | \$63.6M | \$40.7M |
| Add back D&A and nonrecurring charges, as reported: | | | | | | |
| D&A | \$28.0M | \$8.2M | \$31.6M | \$8.8M | \$27.8M | \$7.8M |
| Restructuring charges | - | - | - | - | \$12.4M | - |
| Impairment loss | \$0.8M | - | - | - | - | - |
| Pretax income, as adjusted | \$122.5M | \$30.4M | \$218.2M | \$65.5M | \$103.8M | \$48.5M |
| Tax rate reported | 37.8% | 40.7% | 37.6% | 38.1% | 35.1% | 37.3% |
| Net income, as adjusted, using reported tax rate | \$76.2M | \$18.0M | \$136.2M | \$40.5M | \$67.3M | \$30.4M |
| Standardized tax rate | 38.0% | 38.0% | 38.0% | 38.0% | 38.0% | 38.0% |
| Net income, as adjusted, using standardized tax rate | \$76.0M | \$18.9M | \$135.3M | \$40.6M | \$64.4M | \$30.1M |
| Weighted average shares outstanding assuming full dilution, as reported | 28.4M | 28.6M | 53.8M | 54.4M | 44.8M | 44.7M |

Financial Strength - Reported EPS

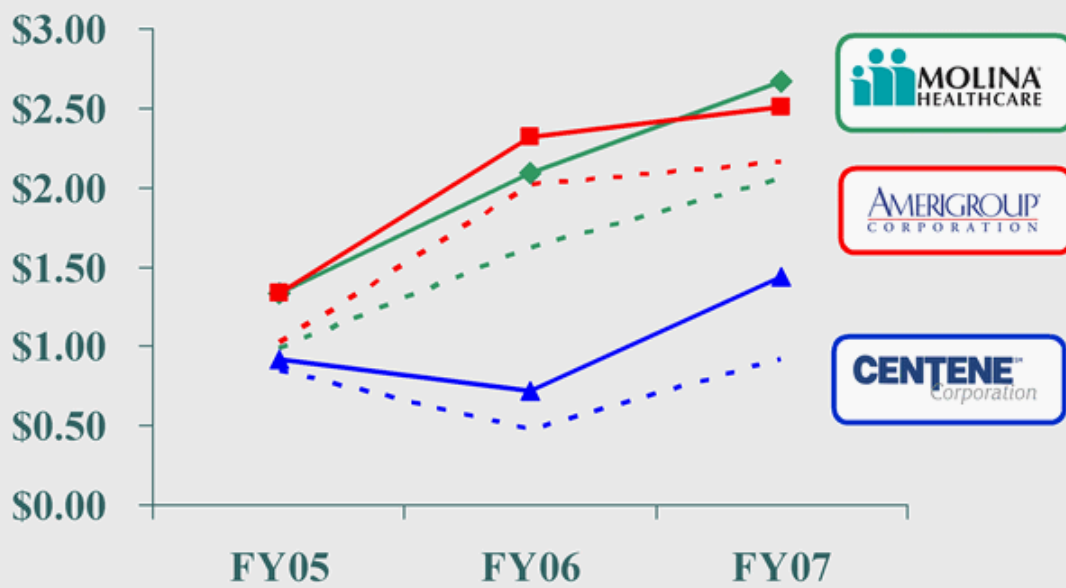


Financial Strength - Cash EPS



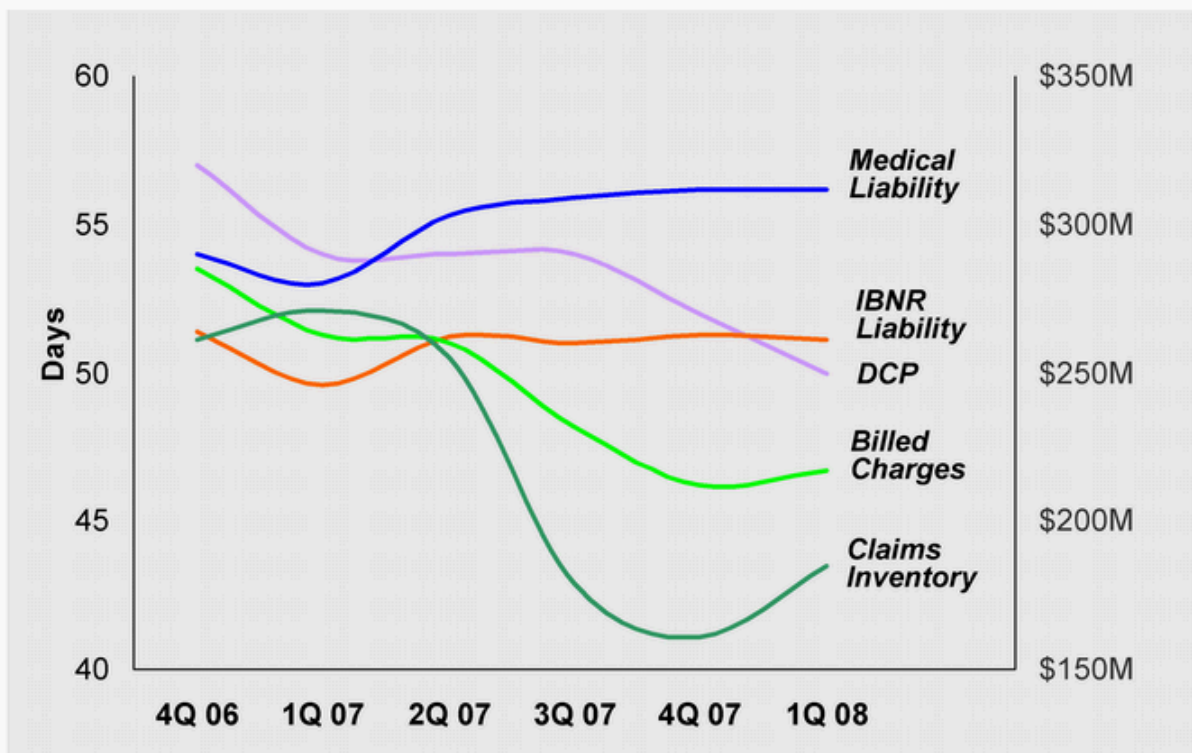
Financial Strength – Reported and Cash EPS

Molina earnings on a cash basis exceed peer group



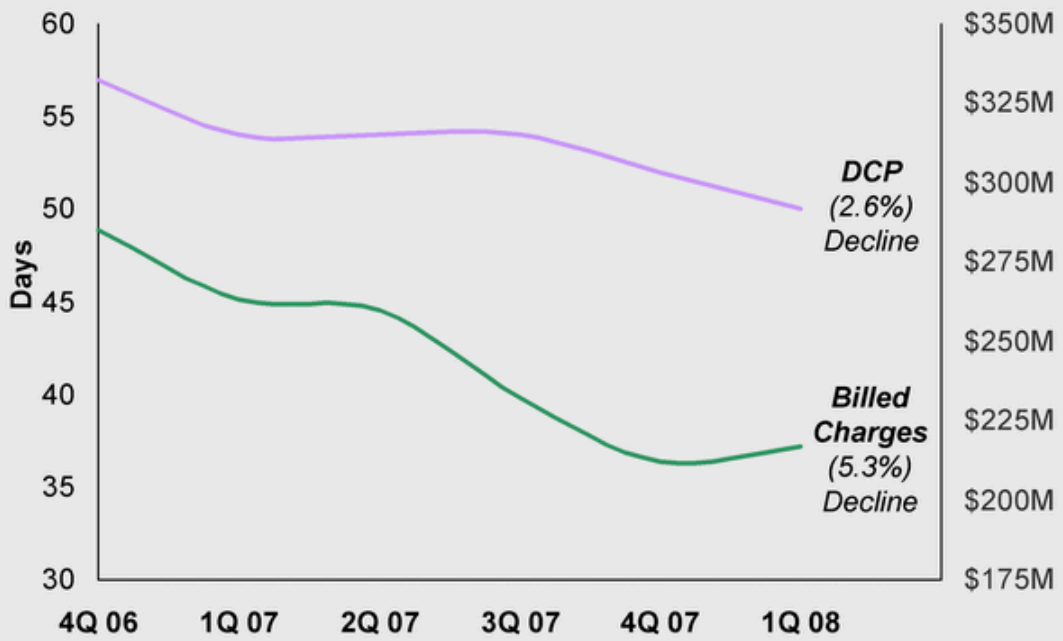
Solid line represent Cash EPS and broken line represents reported EPS

Financial Strength - Claims Reserves



Financial Strength - Claims Reserves

Days Claims Payable (DCP) versus Billed Charges in Claims Inventory



Q&A – Panel 2



Thank you for joining us