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): February 16, 2017 (February 16, 2017)

MOLINA HEALTHCARE, INC.

(Exact name of registrant as specified in its charter)

Delaware	**1-31719**	**13-4204626**
(State of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification Number)**

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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))

Item 7.01. Regulation FD Disclosure.

On February 16, 2017, the Company presented and webcast certain slides as part of the Company's presentation at its Investor Day Conference held in New York City. 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 webcast 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, or at www.earnings.com. The information contained in such websites is not part of this current report.

The information in this Form 8-K current report and the exhibits 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:

Exhibit No.	**Description**
99.1	Slide presentation given at the Investor Day Conference of Molina Healthcare, Inc. on February 16, 2017.

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: February 16, 2017

By: */s/ Jeff D. Barlow*
Jeff D. Barlow
Chief Legal Officer and Secretary

EXHIBIT INDEX

Exhibit No.	Description
99.1	Slide presentation given at the Investor Day Conference of Molina Healthcare, Inc. on February 16, 2017.

February 16, 2017
New York, New York

2017A Investor Day

MOLINA HEALTHCARE
Your Extended Family.

Cautionary Statement

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This slide presentation and our accompanying oral remarks contain numerous "forward-looking statements" regarding, without limitation: our 2017 financial outlook and business expectations for 2017; expected rate changes in 2017; potential efforts to repeal and replace the Affordable Care Act; potential changes in the Medicaid program, including changes in funding mechanisms or the switch to state block grants; Marketplace product and performance issues, including rate adequacy, the Marketplace risk transfer methodology in 2017, cost sharing reductions and premium subsidies, the individual mandate, the special enrollment period, potential effects of announced market exits, and pending Marketplace risk corridor litigation; our expected operational improvements and profit improvement initiatives; general changes in the health care industry; the continued growth of the Company, including continued expansion into Medicare Advantage and Long Term Services and Supports; our quality improvement initiatives; medical expense seasonality; our success in securing reprocurements of existing contracts in Illinois, Washington, Florida, Texas, and New Mexico; projected improvements in our medical care ratio and administrative costs; expected revenues from investment income; our projected effective tax rate; and various other matters. All of our forward-looking statements are subject to numerous risks, uncertainties, and other factors that could cause our actual results to differ materially from those projected in each forward-looking statement. Anyone viewing or listening to this presentation is urged to read the risk factors and cautionary statements found under Item 1A in our Annual Report on Form 10-K, as well as the risk factors and cautionary statements in our Quarterly Reports on Form 10-Q, in our Current Reports on Form 8-K, and in our other filings with the Securities and Exchange Commission and available for viewing on our website at sec.gov. Except to the extent required by federal securities laws, we do not undertake to address or update forward-looking statements in future filings or communications regarding our business or operating results.

Investor day 2017A

Agenda

Approx. Time	Topic	Speaker
12:30pm-12:35pm	Opening Remarks	Juan José Orellana, SVP Investor Relations
12:35pm-1:20pm	Business Overview	J. Mario Molina, MD, Chief Executive Officer; Terry Bayer, Chief Operating Officer
1:20pm-1:35pm	Q&A	
1:35pm-1:40pm	Break	
1:40pm-2:10pm	Marketplace	Joseph White, Chief Accounting Officer
2:15pm-3:00pm	2017 Outlook	John Molina, Chief Financial Officer; Joseph White, Chief Accounting Officer
3:00pm-3:30pm	Q&A	
3:30pm	End of Program	

February 16, 2017
New York, New York

2017A Investor Day

J. Mario Molina, MD
President & Chief Executive Officer

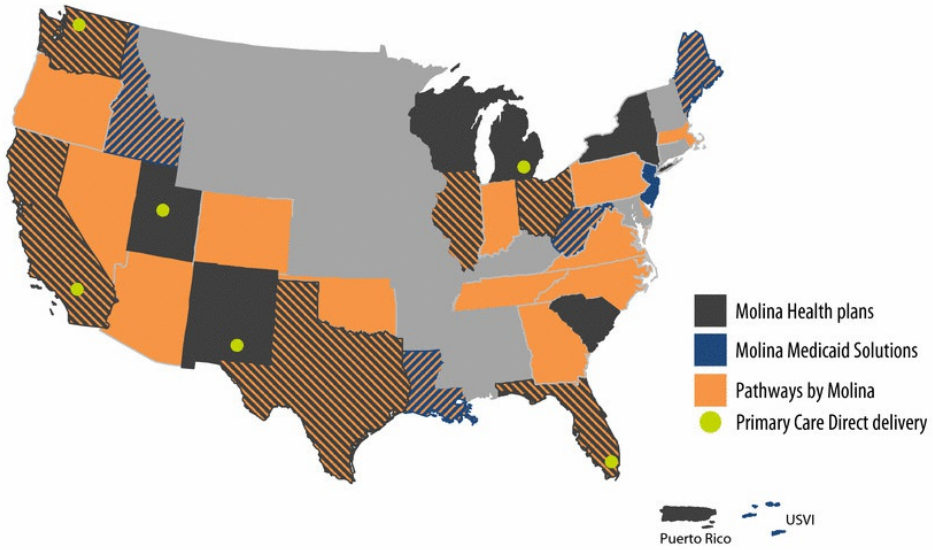
MOLINA HEALTHCARE
Your Extended Family.

Our mission

To provide quality health care to people receiving government assistance

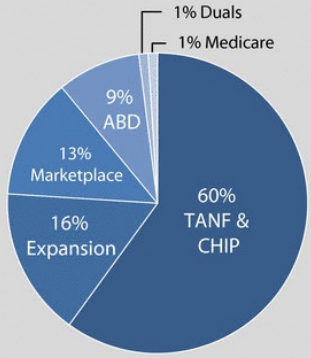
Our footprint today

Health plan footprint includes the 5 largest Medicaid markets



Total enrollment relates to membership as of December 31, 2016

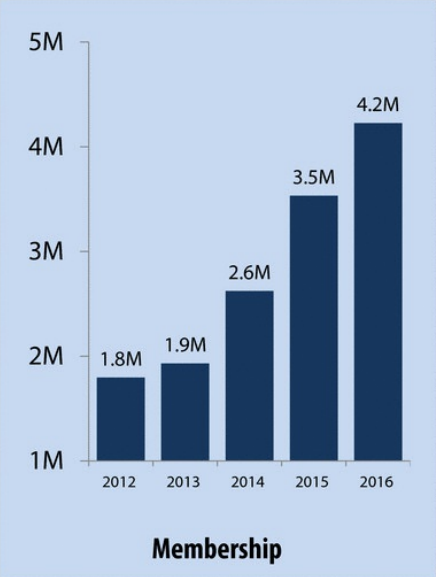
4.2M
Members

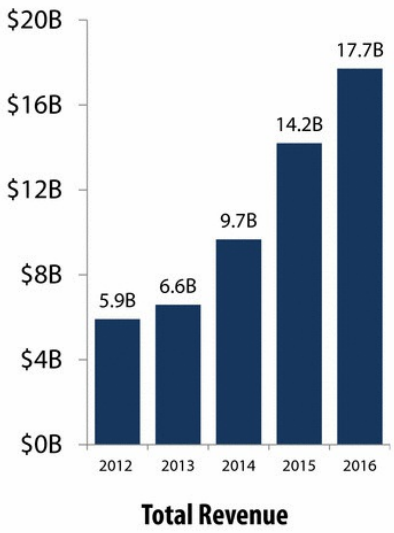


Member Mix

Strong topline growth amidst Marketplace headwinds

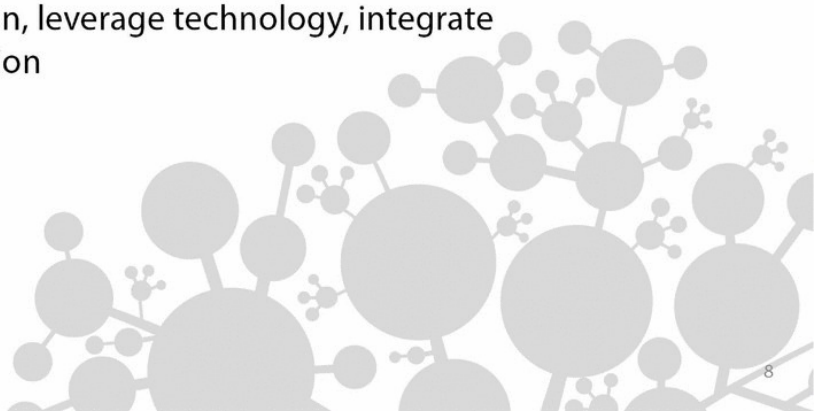
2016 Marketplace loss significantly impacted EBITDA





Driving profitability

- Marketplace risk transfer payments
- Premium rate increases in Illinois, Ohio and Washington
- Need for ongoing operational improvements
  - Redirection, reduce hospitalization, leverage technology, integrate behavioral health, care coordination



Marketplace

Dramatic year over year growth in enrollment

Government must address these key elements that are needed to stabilize the program long term:

1. Address issues around the special enrollment period (SEP)
2. Improve the risk transfer methodology
3. Cost sharing reductions (CSRs) and premium subsidies must continue
4. The purchase of health insurance must continue to be a requirement

Decisive actions with Marketplace

Our approach may affect Marketplace sales, but will also reduce our business risk

- Increased premiums approximately 15% across all markets (range +6% to +37%)
- Premium deficiency reserve recorded in 4Q for 2017
- Evaluate 2018 Marketplace participation based on:
  - State by state performance
  - Policy and program developments
- Federal government risk corridor litigation
  - ~ $52M for 2015
  - ~$90M in 2016

Proposed Marketplace Rules

New regulations are helpful, comments due back March 7th

Guaranteed Availability

- Closes loophole that allows consumers who do not pay premiums then re-enroll in next open enrollment

Open Enrollment

- November 1 – December 15
- Simplifies things for consumers and plans

Special Enrollment Period

- Tightens pre-enrollment verification to 100%
- Begins June 2017
- Limits ability to change metal tiers

Broader Actuarial Ranges

- Gold 76% – 82%
- Silver 66% – 72%
- Bronze 56 %– 65%
- No change to silver CSR

Source: https://federalregister.gov/d/2017-03027

We are improving the strength of our core business

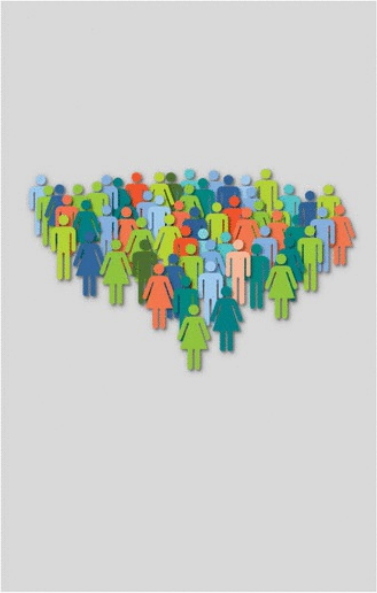
Government Health Plans

Risk-based health plan outsourcing for Medicaid, Medicare, and other government programs.

- Strengthen operational performance
  - 1.5%-2.0% margin target now a longer term goal in light of 4Q results and political uncertainty
- Appropriate documentation of medical conditions
- Continue to lower hospital utilization
- Continue to improve quality scores

Aligning the organization for better results

Our mission driven team continues to be a major strength



- Reviewing how to best evolve our operating model in response to:
  - Company scale and maturity
  - Dynamic industry context
- Identification of team strength, development areas, and talent
- Identifying implementation priorities

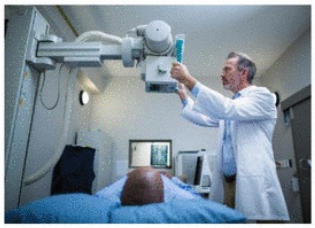
An industry in transition

The government health care space is complex and changing rapidly

Members

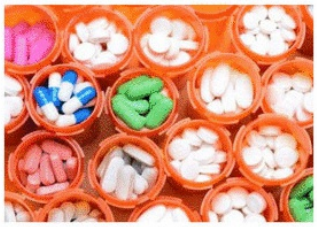
- People aged >65 years will make up 20% of the nation's population by 2030; driving growth in Medicare enrollment.
- 61% of Long Term Services & Support paid by Medicaid.
- Mental Health Parity.

Providers



- Greater consolidation among providers seeking additional scale.
- Greater vertical integration health plan & direct delivery.

Cost Trends & Public Health



- National prescription drug spending is expected to continue growing at 7% per year for the next decade.
- U.S. becoming more vulnerable to diseases not seen in the U.S. (e.g. Zika).

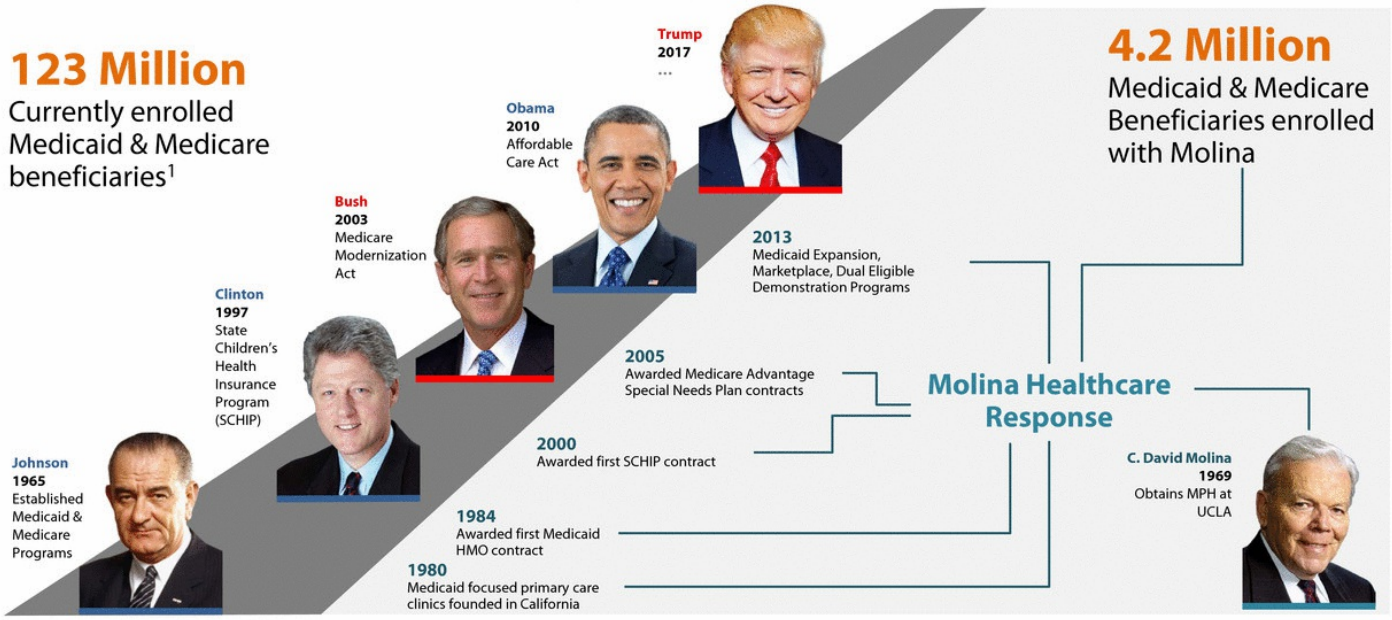
State & Federal Government

- **ACA revisited**
- Spending on government healthcare rising faster than spending on social security and other programs.
- Medicaid program expected to experience enrollment and spending increases across most eligibility groups.

Molina responds and adapts

Molina has a proven track record in responding to changes in government programs

123 Million
Currently enrolled Medicaid & Medicare beneficiaries[1]



4.2 Million
Medicaid & Medicare Beneficiaries enrolled with Molina

1. MAC Stats Data Book December 2016, US Census, CMS office of the Actuary

Our toolkit for responding to industry changes & customer needs

Product portfolios

Government
Health Plans

Risk-based health plan outsourcing for Medicaid, Medicare, and other government programs.

Medical Services
Primary Care

Company owned and operated primary care clinics.

Medical Services
Behavioral Health

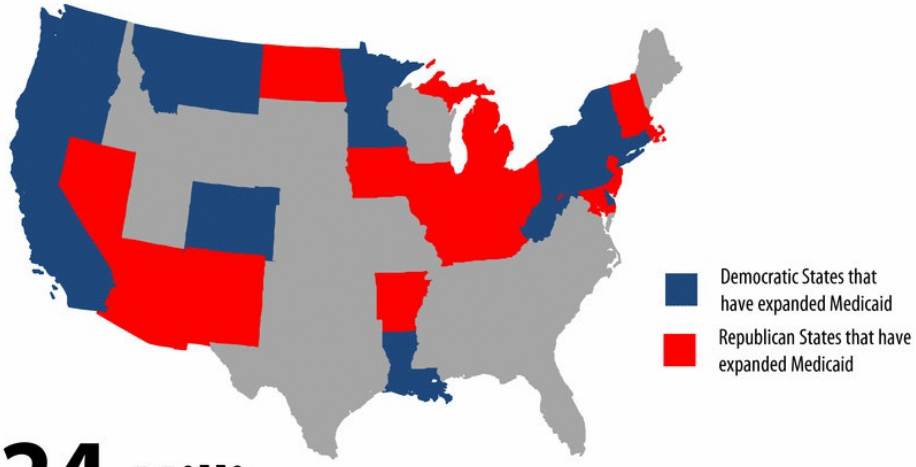
Provider network of outcome based behavioral/mental health and social services.

Medicaid Health
Information Management

Medicaid non-risk fee based fiscal agent services, business process outsourcing, and care and utilization management.

Demand for low-cost health insurance will continue

States that have expanded Medicaid[1]



24 Million[2]

Number of Americans that **currently** receive their care through Medicaid Expansion and Marketplace products

- Healthcare is a growing portion of federal and state budgets
- Long term care needs of baby boomers
- Growing cost of drugs (specialty and generic)
- Current and emerging public health threats (e.g. Zika, etc.)

1. http://kkf.org/health-reform
2. http://www.cnbc.com/2016/06/13/obamacare-repeal-would-lead-to-24-million-more-people-without-health-insurance.html

Positions on Approaches for ACA Replacement

Maintain Coverage for Low-Income Populations

- Medicaid is a more affordable way to provide insurance
- Move high-cost fee for service Medicaid services to managed care to reduce cost (e.g. long term care)
- Leverage expertise & experience of MCOs in replacement planning

Advantages of Managed Care

- Budget certainty (capitation)
- Patients with complex needs drive public healthcare spending
- MCOs deliver high-quality, cost-effective care and provide a source of fiscal stability

The Washington debate on healthcare

How do we fund government sponsored health care?

Defined Benefit
(Entitlement Program)

VS

Defined Contribution

Government contributes to health care coverage; sometimes beneficiary also contributes.

Federal/State Governments generally choose how health care is consumed.

Beneficiary generally chooses how health care is consumed.

Beneficiary contributes to health care coverage; sometimes Government also contributes

Proposed funding mechanisms for Medicaid

Under current law eligible individuals have an entitlement to coverage and states are guaranteed federal matching dollars with no pre-set limit

BLOCK GRANTS	VS	'PER CAPITA CAPS'
▪ No Guarantee	COVERAGE	▪ May be Guaranteed
▪ **Capped**; fixed amount not based on enrollment, costs or program needs	FUNDING	▪ **Capped**; fixed amount per enrollee; not based on health care costs and needs
▪ Fixed with pre-set growth rate ▪ Trend factor used to determine growth rate is critical	BASELINE	▪ Fixed with pre-set growth per enrollee ▪ Baseline (fast vs. slow growing states) & future growth rate critical
▪ Cannot adjust for enrollment during economic down-turns ▪ Constrained to respond to cost shocks (e.g. Sovaldi, Zika)	CONSIDERATIONS	▪ Can expand/contract with number of enrollees ▪ Constrained to respond to cost shocks (e.g. Sovaldi, Zika)
▪ Puerto Rico's Medicaid program pre-ACA funded by a block grant	MARKET COMPS	▪ Similar to current health plan PMPM funding but for States; cost control very important

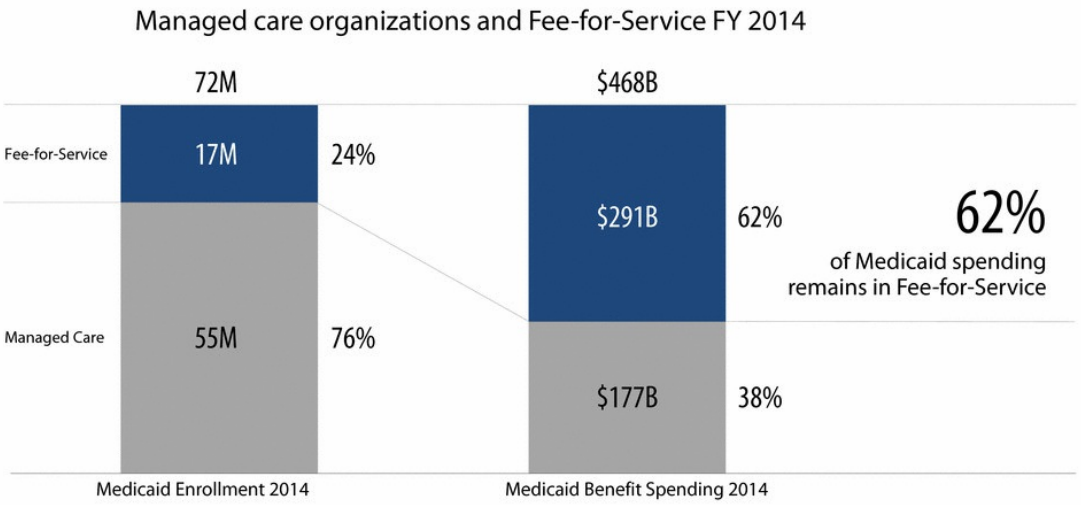
Proposed funding mechanisms for Medicaid

Other plans

- Cassidy Collins
- Price Plan
- Ryan Plan
- Molina Plan

But we are having the wrong debate

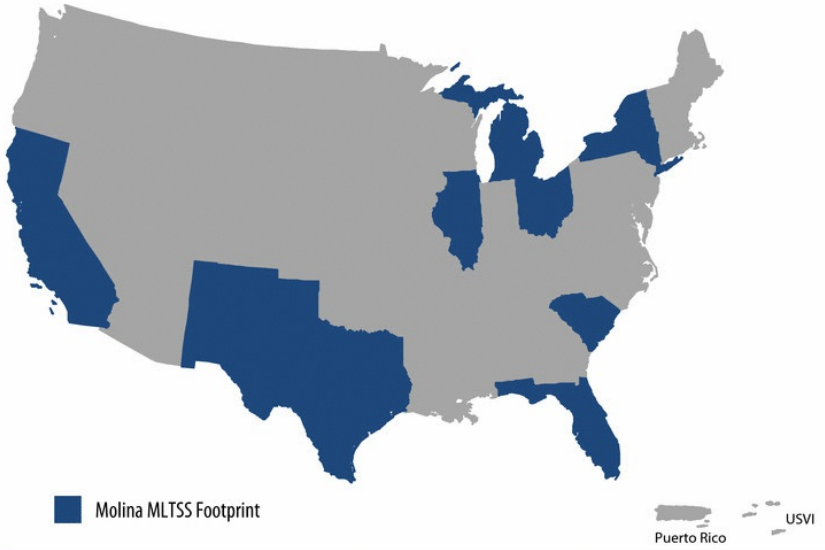
Medicaid Fee-for-Service expenditures remain high…

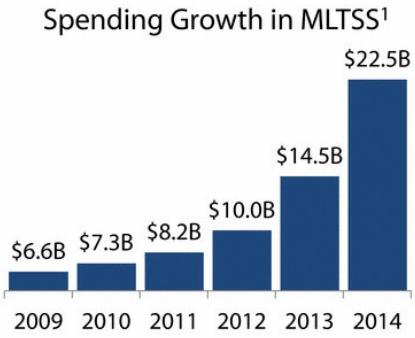


Sources:
1. CMS Medicaid Managed care Enrollment and Program Characteristics, 2014 – Published spring 2016
2. MAC Stats Data Book December 2015

Continued growth in Medicaid Managed Long Term Services & Support

MLTSS provides community-based services, in-home support, senior services and long-term nursing home care.



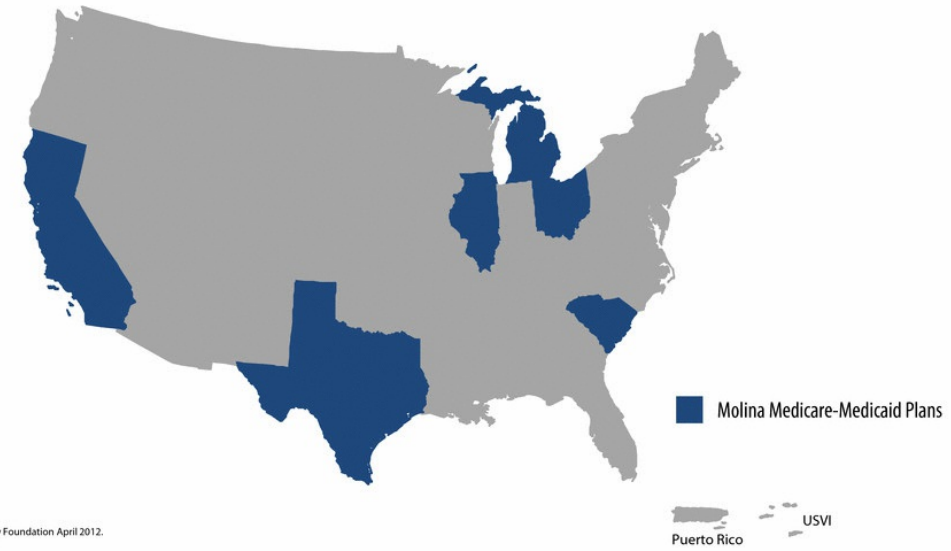


$19 Billion is still in Fee-For-Service

1. Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2014, April 15, 2016. https://www.medicaid.gov/medicaid/ltss/downloads/ltss-expenditures-2014.pdf

Molina Medicare-Medicaid Plan (MMP) footprint

…and per capita Medicare-Medicaid spending for the dual eligible is more than 4X per capita spending for other Medicare beneficiaries.[1]



Sources:
1. The Diversity of Dual Eligible Beneficiaries, Kaiser Family Foundation April 2012.

Strategic foundation driving execution

2017A: Molina Healthcare Investor Day
February 16, 2017
New York, New York

Business Review

Terry Bayer
Chief Operating Officer

MOLINA HEALTHCARE
Your Extended Family.

Our toolkit for responding to industry changes & customer needs

Product portfolios

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Medicaid Health
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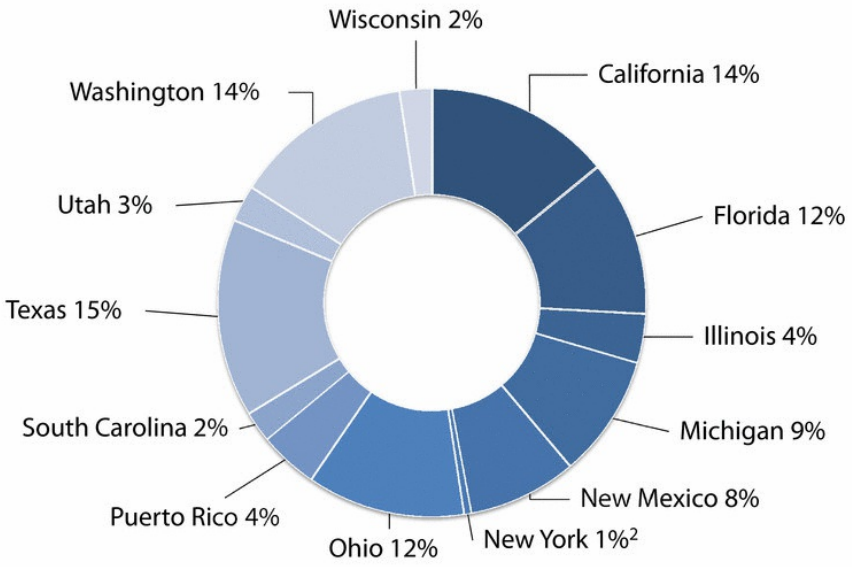
Diverse $16 billion premium revenue base

Government
Health Plans

Risk-based health plan outsourcing for Medicaid, Medicare, and other government programs.

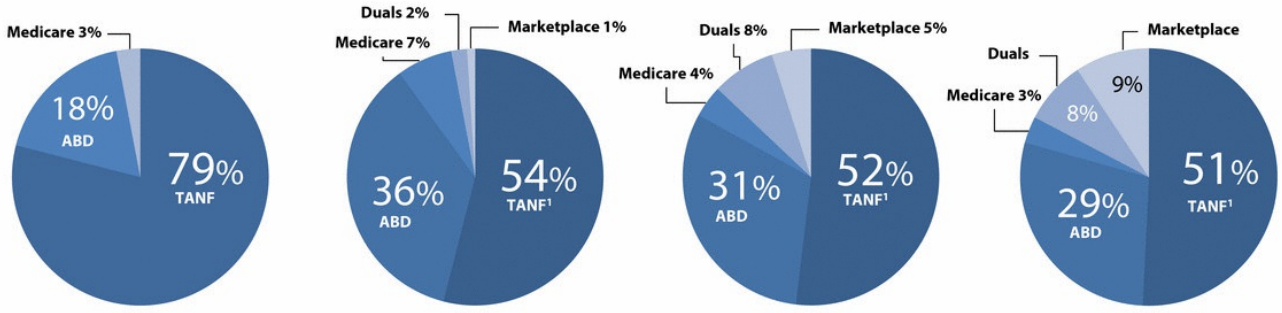
Premium Contribution by State[1]



1. Premium revenue as reported for the Year ending December 31, 2016
2. The Total Care transaction in New York, closed on August 1, 2016

Revenue diversification through expansion into new products

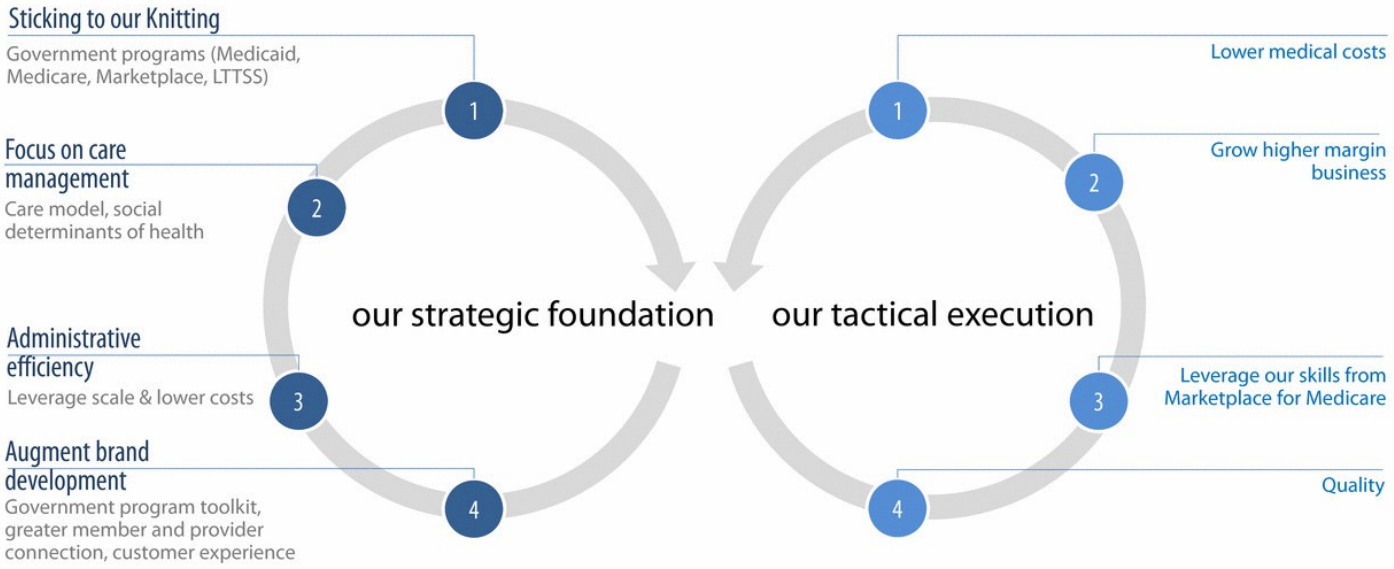
Effect of Molina's changing patient mix on revenue, by product



	2008A	2014A	2015A	2016A
Premium Revenue	$3.1B	$9.0B	$13.2B	$16.3B

1. TANF includes CHIP membership, and starting in 2014, Medicaid Expansion membership

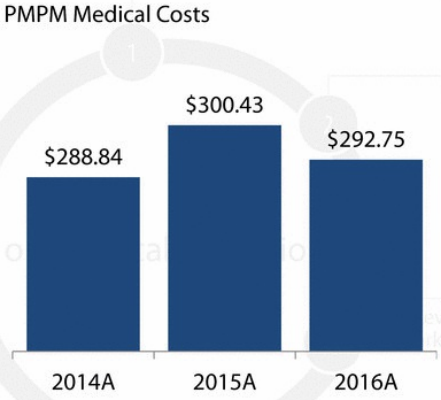
Strategic foundation driving execution



Lowering medical costs

Contributing to higher margins

PMPM Medical Costs



Per member per month medical costs are about 3% lower year over year by:

- Directing members to high performing networks
- Reducing hospitalizations
- Leveraging technology
- Integrated behavioral and physical health solutions
- Overall care coordination

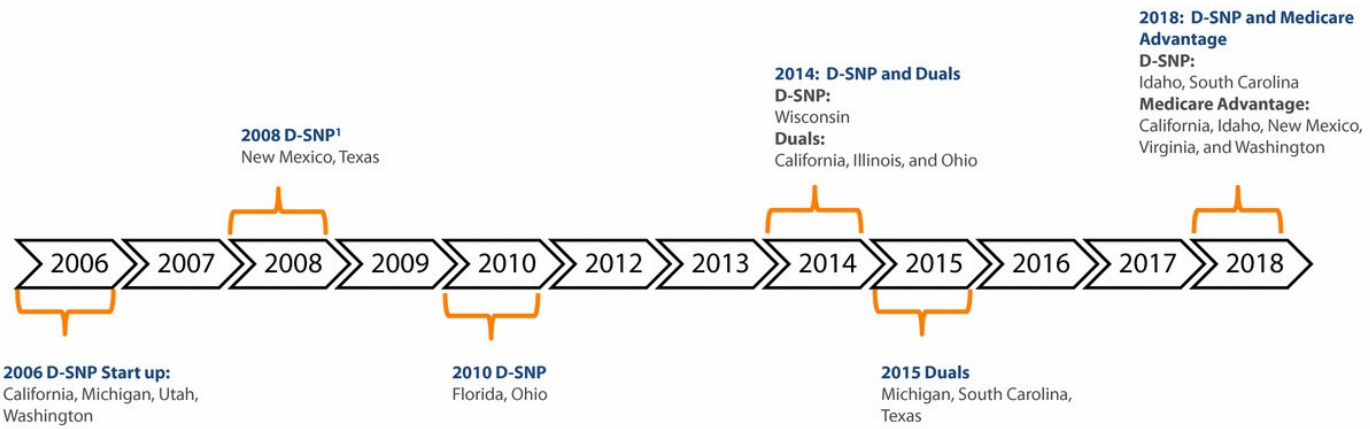
Leveraging our skills for Marketplace to Medicare

Learning from our Marketplace product is transferable to our MA market entry initiatives

- Direct marketing and sales
- Distribution/Broker channel management
- Brand awareness & development
  - 1 out of 3 adult individuals <250% of FPL in our markets know the Molina brand name

Medicare

Disciplined history of expansion

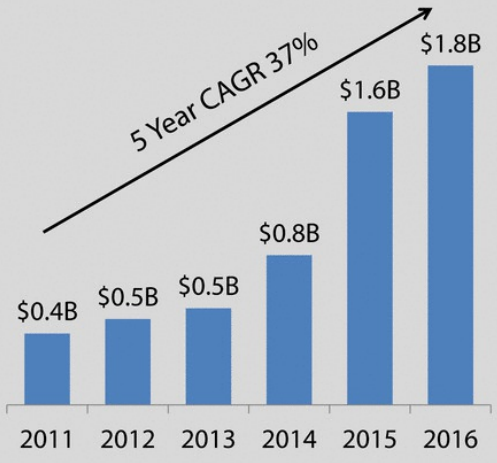


1. Additionally tested Medicare Advantage in a certain existing markets

Our Medicare business continues to grow

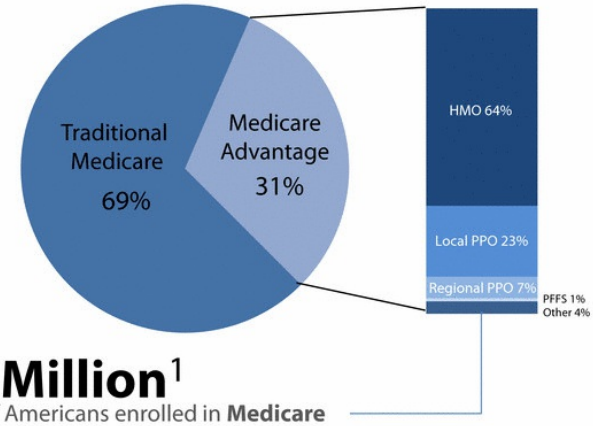
As Medicare revenues continue to grow…

Medicare Revenue



… the opportunity remains large

Distribution of Enrollment in Medicare Private Plans, by Plan Type, 2016



18 Million[1]

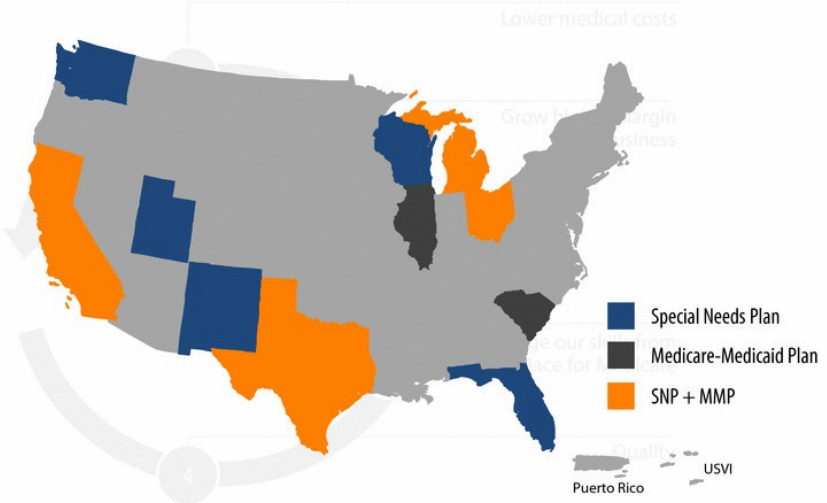
Number of Americans enrolled in **Medicare Advantage.**

50% of all Medicare beneficiaries in the U.S. had incomes below $24,150[2]

1. Kaiser Family Foundation, Medicare Advantage Fact Sheet, May 2016. http://kff.org/medicare/fact-sheet/medicare-advantage/
2. http://kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-2014-2030/

Pursuing higher margin business

Expanding Medicare where 2% of our members drive 22% of our medical margin



- 3 year Medicare expansion roadmap
- 2018 targeting 4 existing states and 1 new entry for MAPD
- Focus on high-performing networks and value-based contracts
- Up to 250% of the FPL

Current Footprint includes 7 of the 10 largest Medicare Advantage markets[1]

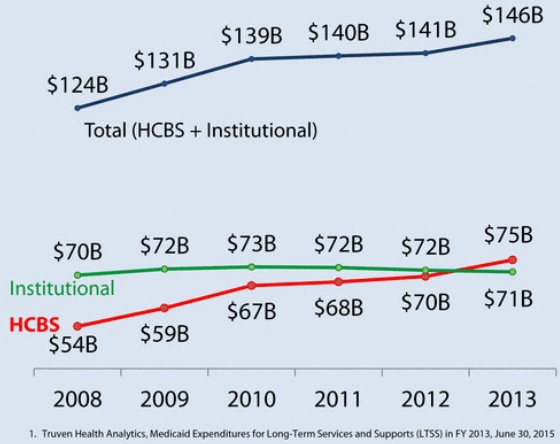
1. Source: CMS January 2017 Medicare eligibles

Pursuing higher margin business

Continuing to pursue organic LTSS opportunities

What are Managed Long Term Services and Support?

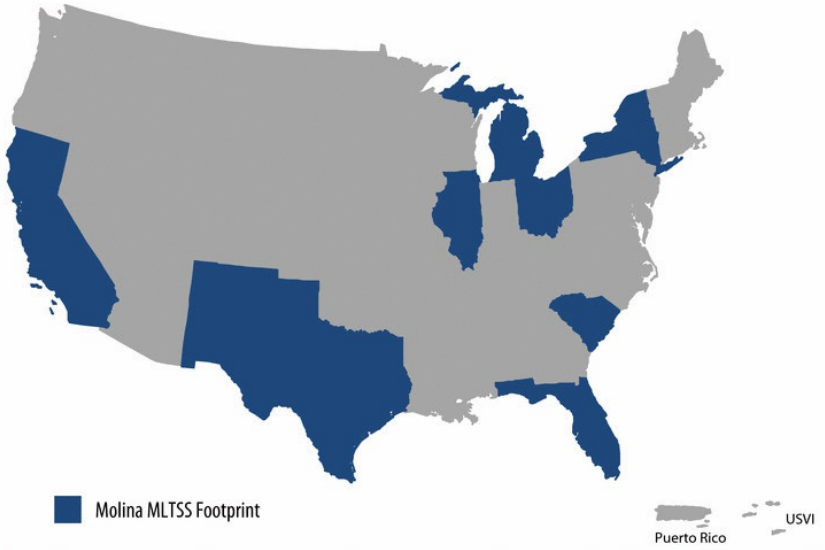
Enables an individual to remain in their home or a community based setting, provides services and addresses barriers to social determinants of health. Provides long term care (residential) when needed.

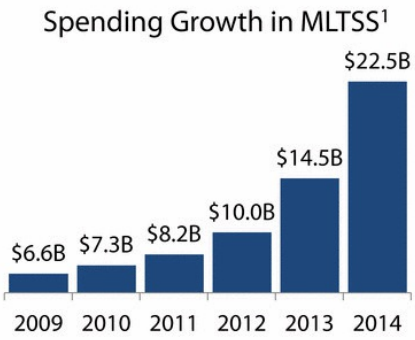


1. Truven Health Analytics, Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2013, June 30, 2015

Continued growth in Medicaid Managed Long Term Services & Support

MLTSS provides community-based services, in-home support, senior services and long-term nursing home care.



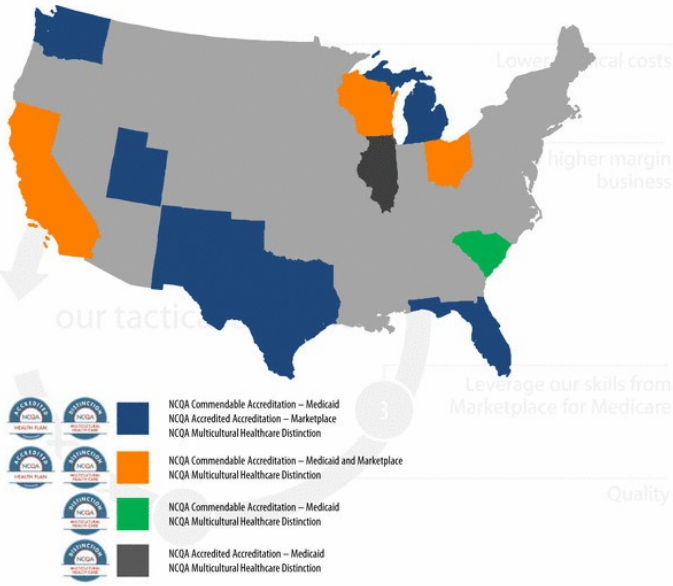


$19 Billion is still in Fee-for-Service

1. Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2014, April 15, 2016. https://www.medicaid.gov/medicaid/ltss/downloads/ltss-expenditures-2014.pdf

Augmenting brand development through quality

Why does quality matter?



- States link reimbursement and patient assignment to quality scores
- Medicare links quality scores to our premium rates
- STAR ratings
- HEDIS scores

2016 – 2017
NCQA Overall **Medicaid** Quality Rankings[1]

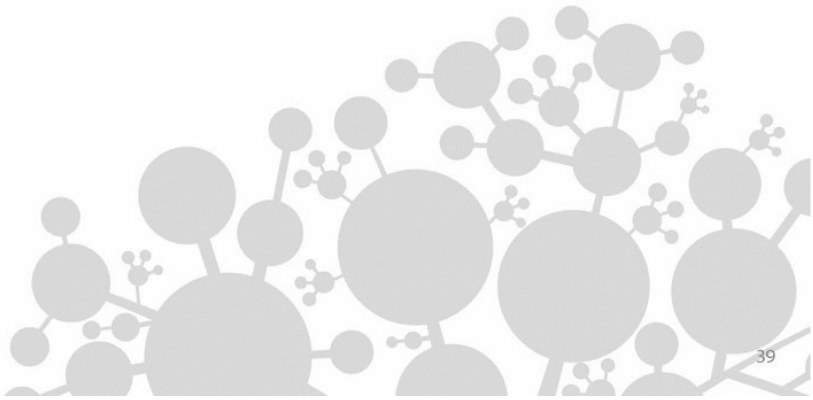
★★★★	MI, UT
★★★½	NM, OH, TX, WA
★★★	CA, FL, SC, WI

2017
Medicare Star Ratings

★★★★	NM
★★★★	FL, MI, TX, UT, WA
★★★	CA

1. http://healthinsuranceratings.ncqa.org/2016/Default.aspx
2. http://healthaffairs.org/blog/2014/09/22/medicare-advantage-stars-systems-disproportionate-impact-on-ma-plans-focusing-on-low-income-populations/

Q&A



2017A: Molina Healthcare Investor Day
February 16, 2017
New York, New York

Marketplace

Joseph White
Chief Accounting Officer

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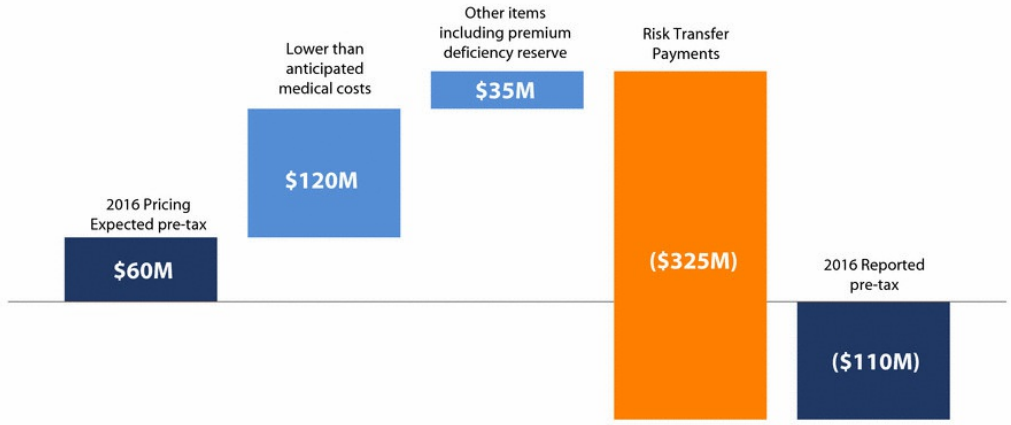
Cautionary Statement

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This slide presentation and our accompanying oral remarks contain numerous "forward-looking statements" regarding, without limitation: our 2017 financial outlook and business expectations for 2017; expected rate changes in 2017; potential efforts to repeal and replace the Affordable Care Act; potential changes in the Medicaid program, including changes in funding mechanisms or the switch to state block grants; Marketplace product and performance issues, including rate adequacy, the Marketplace risk transfer methodology in 2017, cost sharing reductions and premium subsidies, the individual mandate, the special enrollment period, potential effects of announced market exits, and pending Marketplace risk corridor litigation; our expected operational improvements and profit improvement initiatives; general changes in the health care industry; the continued growth of the Company, including continued expansion into Medicare Advantage and Long Term Services and Supports; our quality improvement initiatives; medical expense seasonality; our success in securing reprocurements of existing contracts in Illinois, Washington, Florida, Texas, and New Mexico; projected improvements in our medical care ratio and administrative costs; expected revenues from investment income; our projected effective tax rate; and various other matters. All of our forward-looking statements are subject to numerous risks, uncertainties, and other factors that could cause our actual results to differ materially from those projected in each forward-looking statement. Anyone viewing or listening to this presentation is urged to read the risk factors and cautionary statements found under Item 1A in our Annual Report on Form 10-K, as well as the risk factors and cautionary statements in our Quarterly Reports on Form 10-Q, in our Current Reports on Form 8-K, and in our other filings with the Securities and Exchange Commission and available for viewing on our website at sec.gov. Except to the extent required by federal securities laws, we do not undertake to address or update forward-looking statements in future filings or communications regarding our business or operating results.

Marketplace pretax bridge 2016 pricing to reported

Please refer to the Company's cautionary statement

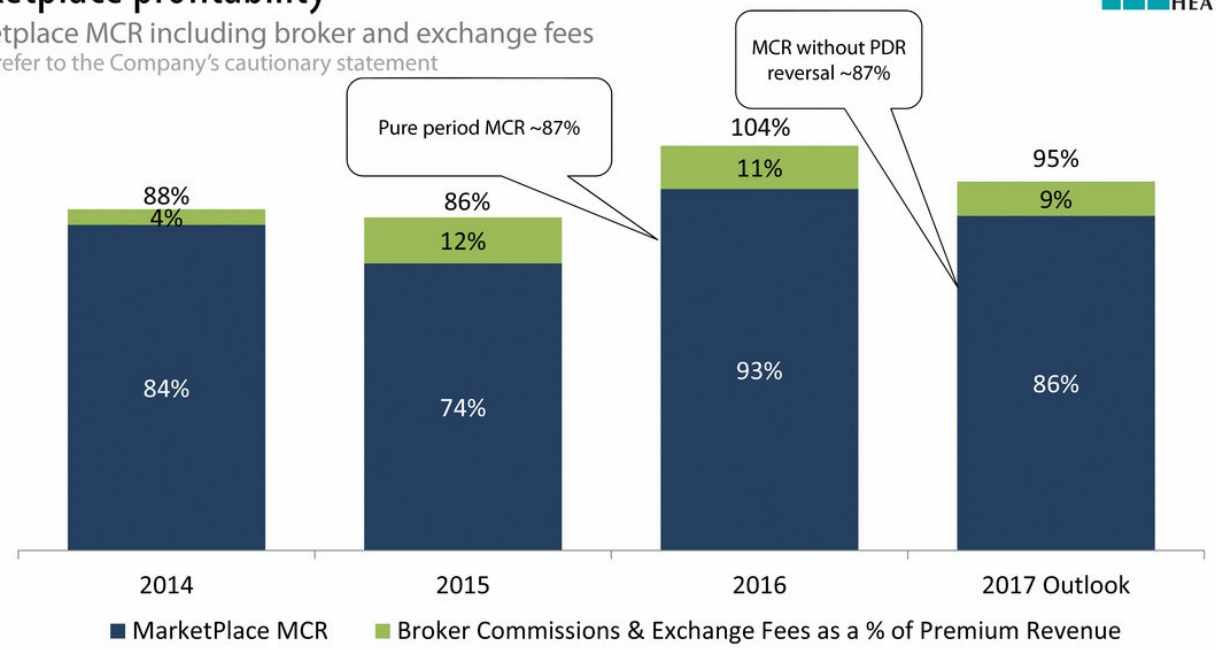


Note: Other includes out of periods adjustments, premium deficiency reserve and administrative costs

Marketplace profitability

Marketplace MCR including broker and exchange fees

Please refer to the Company's cautionary statement

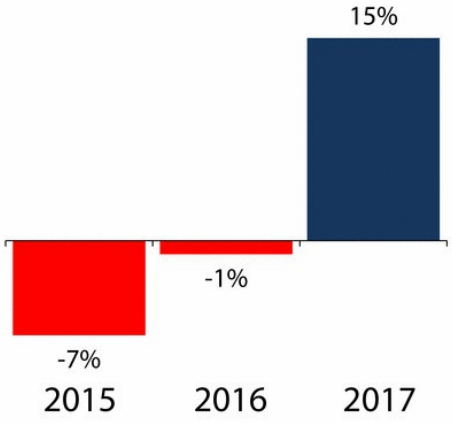


Marketplace rate changes

In 2017 we priced 15% higher

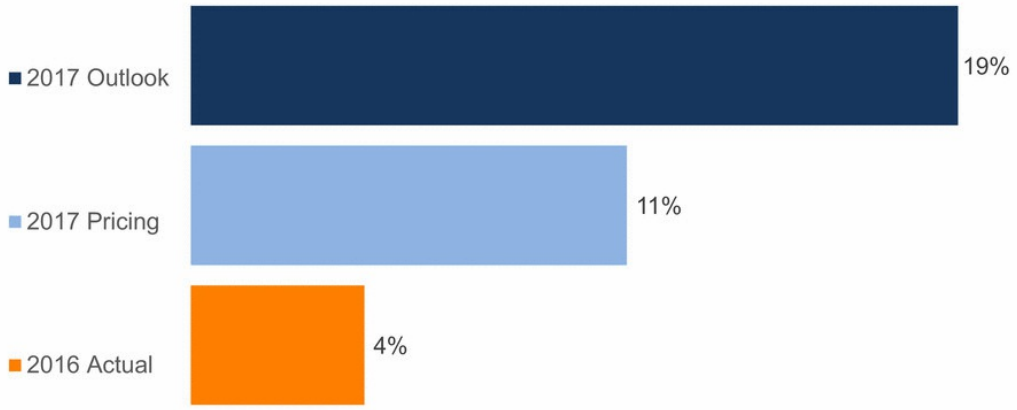
Please refer to the Company's cautionary statement

Plan Year	2015	2016	2017
California	2%	-8%	6%
Florida	-9%	0%	17%
Michigan	-22%	-9%	3%
New Mexico	-11%	-3%	24%
Ohio	-22%	-6%	2%
Texas	-14%	-7%	10%
Utah	-11%	0%	37%
Washington	-10%	-12%	8%
Wisconsin	-11%	0%	27%



Marketplace medical cost trend

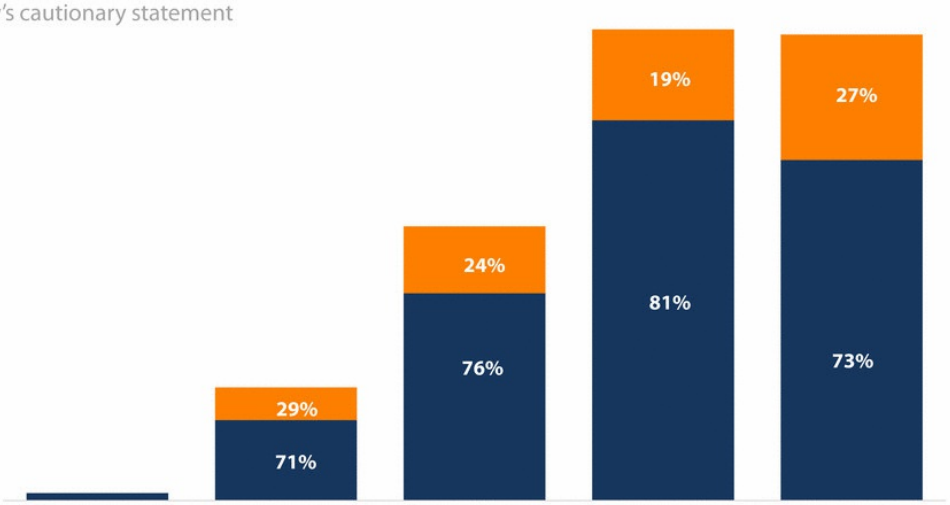
Please refer to the Company's cautionary statement



Marketplace risk transfer

% of Gross Revenue (pure period)

Please refer to the Company's cautionary statement



	2014	2015	2016	2017 Pricing	2017O
Risk Transfer	($2M)	$254M	$522M	$710M	$980M
Net Revenue	$59M	$630M	$1,620M	$2,970M	$2,660M

O = Outlook

Risk transfer methodology

The risk transfer (RT) payment methodology encourages higher premiums

Please refer to the Company's cautionary statement

Scenario 1 - risk transfer calculated on premium

	Industry	MOH	Competition
Premium	100	90	110
Medical Cost	80	64	96
Risk Transfer		-20	20
Gross Margin	20	6	34
Relative Risk	1	-0.2	0.2
MCR before RT	80%	71%	87%
MCR including RT	80%	93%	69%
Difference	0%	22%	-18%
Percentage transferred		4%	

Scenario 2 - risk transfer calculated on medical cost

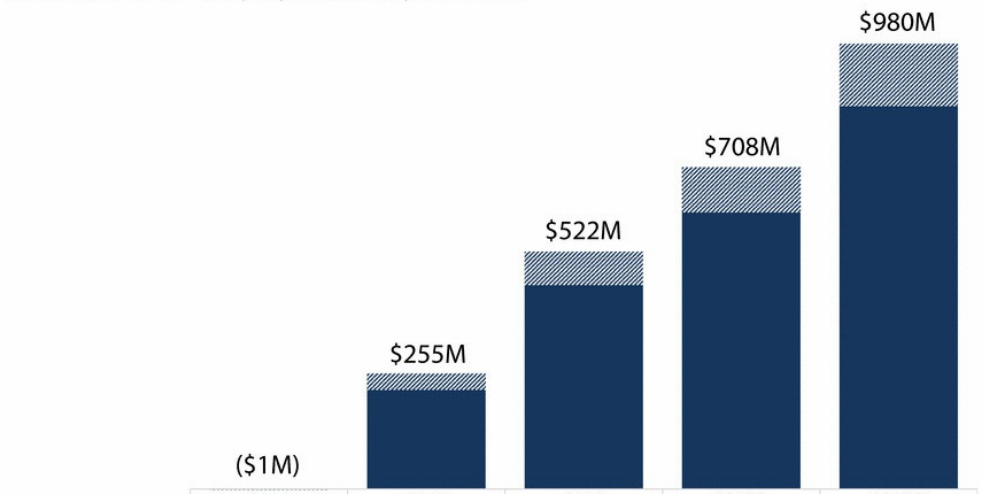
	Industry	MOH	Competition
Premium	100	90	110
Medical Cost	80	64	96
Risk Transfer		-16	16
Gross Margin	20	10	30
Relative Risk	1	-0.2	0.2
MCR before RT	80%	71%	87%
MCR including RT	80%	89%	73%
Difference	0%	18%	-15%
Percentage transferred		3%	

RT = risk transfer

Marketplace risk transfer

Impact of 2018 methodology

Please refer to the Company's cautionary statement



	2014	2015	2016	2017P	2017O
RT Savings	($0.2M)	$36M	$73M	$99M	$137M
RT '18 Methodology	($1M)	$219M	$449M	$609M	$843M

RT= Risk Transfer
P = Pricing
O - Outlook

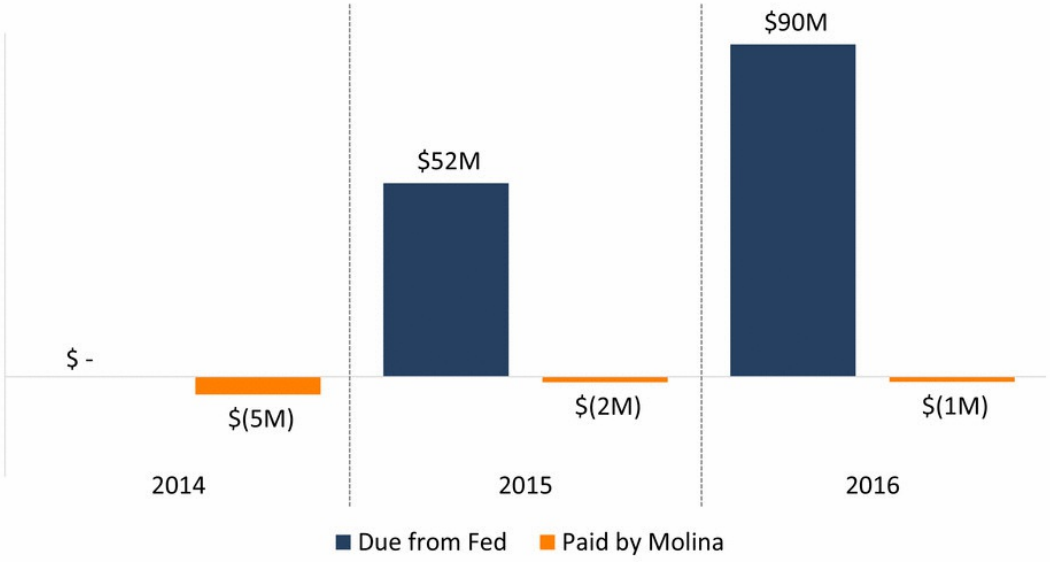
Changes to the MarketPlace risk transfer methodology[1]

- State wide average premium multiplied by 86%

1. https://s3.amazonaws.com/public-inspection.federalregister.gov/2016-30433.pdf

Marketplace risk corridor

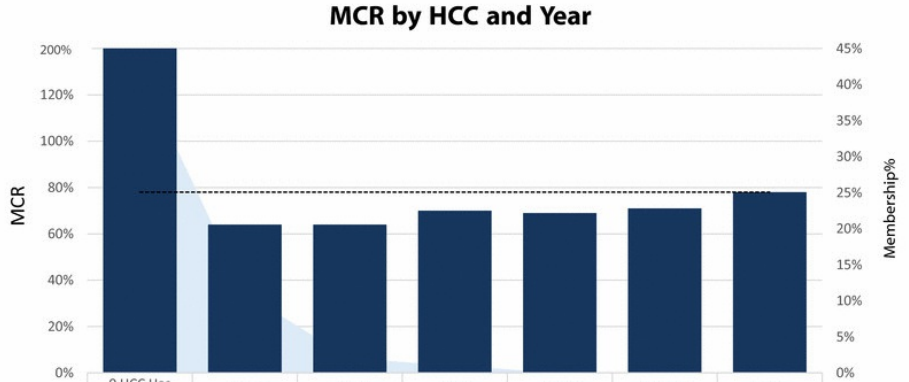
Please refer to the Company's cautionary statement



Higher acuity equals higher margins

The risk model overcompensates for high acuity

Please refer to the Company's cautionary statement



	0 HCC Has Claims	1 HCC	2 HCC	3 HCC	4 HCC	5+ HCC	Total
2016 Membership	42%	11%	2%	1%	0%	0%	
2016 MCR	193%	64%	64%	70%	69%	71%	78%
2016 Average	78%	78%	78%	78%	78%	78%	78%

People with claims but no HCCs were the least profitable members

Every cohort with at least one HCC shows an MCR <=71%

Why SEP is more expensive

Please refer to the Company's cautionary statement

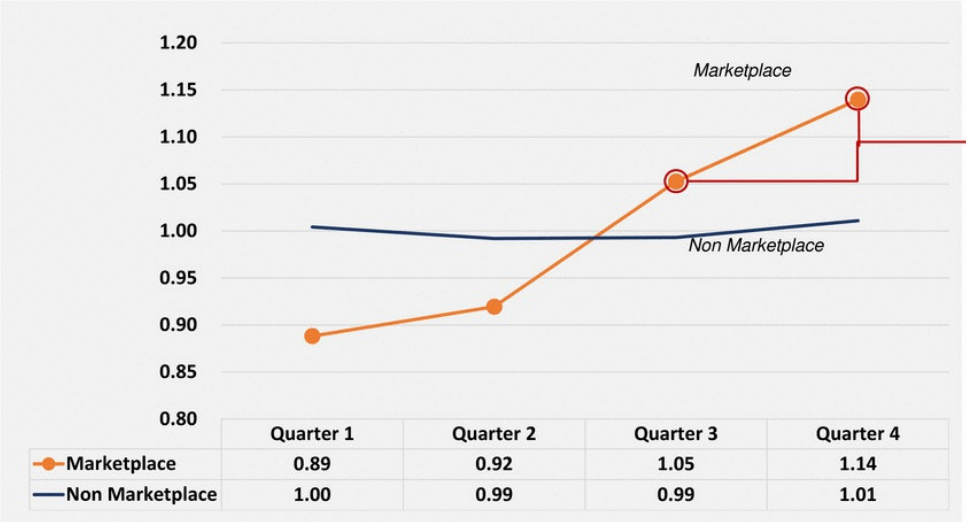
- Pent up demand
- Partial year duration risk scores

	Q3 2016			
Measure	**Continuous**	**Lapse**	**New**	**Total**
Risk Score	1.27	1.09	1.01	1.25
Direct MCR	87%	61%	144%	88%

	Q4 2016			
Measure	**Continuous**	**Lapse**	**New**	**Total**
Risk Score	1.25	1.39	0.80	1.23
Direct MCR	92%	78%	185%	95%

Seasonality of medical expenses

Please refer to the Company's cautionary statement



	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Marketplace	0.89	0.92	1.05	1.14
Non Marketplace	1.00	0.99	0.99	1.01

Marketplace

Utilization increases during the year:

- Special enrollment
- Attrition of healthy members
- Members understanding benefits
- Member cost sharing

Seasonality calculated as the average cost of each day (specific to day of week and holiday).
Adjustments were made for distribution of days and holidays in month/ year.

Marketplace

Dramatic year over year growth in enrollment

Government must address these key elements that are needed to stabilize the program long term:

1. Address issues around the special enrollment period (SEP)
2. Improve the risk transfer methodology
3. Cost sharing reductions (CSRs) and premium subsidies must continue
4. The purchase of health insurance must continue to be a requirement

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2017 Outlook

John C. Molina
Chief Financial Officer

MOLINA HEALTHCARE
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Keys to 2017 outlook

Please refer to the Company's cautionary statement

- Secure re-procurements
- Marketplace profitability
- Profit improvement initiatives

2016 vs. 2017 outlook

Includes $30 million (approximately $0.34 per share) impact of PDR in 2016 and 2017 outlook

Please refer to the Company's cautionary statement

	2016 Actual[1]	2017 Outlook[1]	$ Variance Fav/(UnFav)	% Change Fav/(UnFav)
Premium Revenue	$16.3B	$18.4B	*$2.1B*	*13%*
Health Insurer Fee Revenue	$345M	-	*$ (345M)*	*(100%)*
Premium Tax Revenue	$465M	$460M	*$ (5M)*	*(1%)*
Service Revenue	$539M	$570M	*$31M*	*6%*
Investment Income and Other Revenue	$38M	$40M	*$2M*	*5%*
Total Revenue	**$17.7B**	**$19.5B**	***$1.8B***	***10%***
Total Medical Care Cost	**$14.8B**	**$16.3B**	***$ (1.5B)***	***(10%)***
Medical Care Ratio[3]	*90.5%*	*88.5%*	*2.0%*	*n/a*
Total Cost of Service Revenue	$485M	$520M	*$ (35M)*	*(7%)*
General & Administrative Expenses	**$1.4B**	**$1.8B**	***$ (0.4B)***	***(29%)***
G&A Ratio[4]	*7.9%*	*9.0%*	*(1.1%)*	*n/a*
Premium Tax Expense	$465M	$460M	*$5M*	*1%*
Health Insurer Fee Expense	$217M	-	*$217M*	*100%*
Depreciation and Amortization	$139M	$160M	*$ (21M)*	*(15%)*
Interest and Other Expense	$101M	$100M	*$1M*	*1%*
Income Before Taxes	$137M	$175M	*$38M*	*28%*
EBITDA[5]	$399M	$465M	*$66M*	*17%*
Effective Tax Rate	*94%*	*44%*	*50%*	*n/a*
Net Income	$8M	$100M	*$92M*	*Not meaningful*
Net Profit Margin	- %	*0.5%*	*0.5%*	*n/a*
Diluted EPS	$0.14	$1.72	*$1.58*	*Not meaningful*
Adjusted EPS[5]	$0.50	$2.09	*$1.59*	*318%*
Weighted Diluted Shares Outstanding	*56.3M*	*58.2M*	*1.9M*	*3%*

Notes:

1. Subtotals, totals, and other amounts may differ due to rounding.
2. All amounts are estimates; actual results may differ materially. Does not include Aetna/Humana Medicare transaction break-up fee. See our risk factors as discussed in our Form 10-K and other filings.
3. Medical care ratio represents medical care costs as a percentage of premium revenue.
4. G&A expense ratio represents general and administrative expenses as a percentage of total revenue. Net profit margin represents net income as a percentage of total revenue.
5. See following reconciliations of GAAP financial measures to non-GAAP financial measures

2017 outlook – Marketplace and non-Marketplace

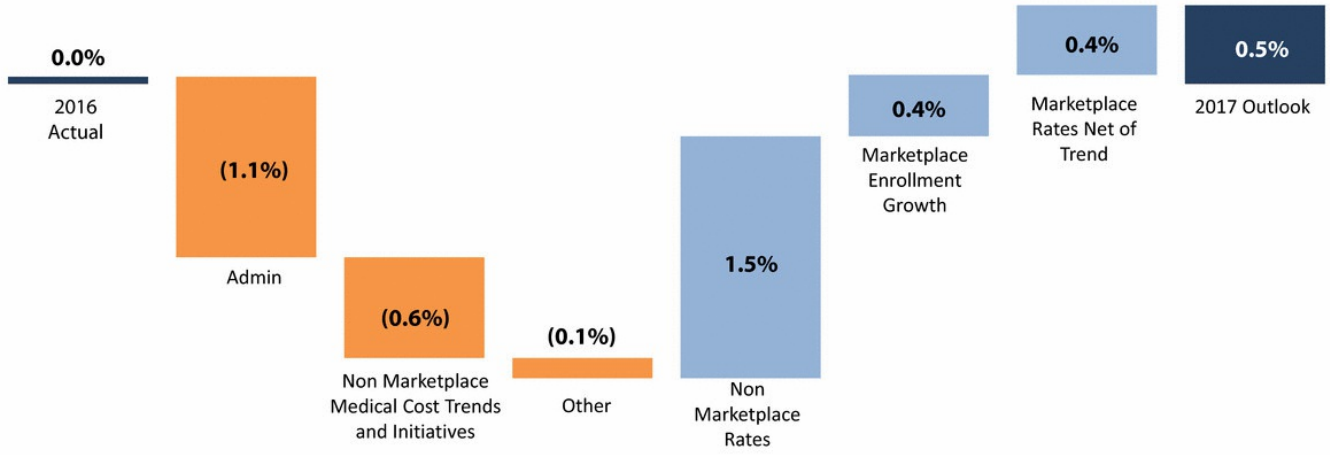
Please refer to the Company's cautionary statement

	Non MP	Marketplace	2017 Guidance
Premium Revenue	$15.7B	$2.7B	$18.4B
Health Insurer Fee Revenue	-	-	-
Premium Tax Revenue	$423M	$37M	$460M
Service Revenue	$570M	-	$570M
Investment Income and Other Revenue	$40M	-	$40M
Total Revenue	**$16.8B**	**$2.7B**	**$19.5B**
Total Medical Care Cost	**$14.0B**	**$2.3B**	**$16.3B**
Medical Care Ratio	*89.0%*	*86.0%*	*88.5%*
Total Cost of Service Revenue	$520M	-	$520M
General & Administrative Expenses	**$1.3B**	**$0.5B**	**$1.8B**
G&A Ratio	*7.8%*	*18.0%*	*9.0%*
Premium Tax Expense	$423M	$37M	$460M
Health Insurer Fee Expense	-	-	-
Depreciation and Amortization	$160M	-	$160M
Interest and Other Expense	$100M	-	$100M
Income Before Taxes	$290M	($115M)	$175M
Effective Tax Rate	*44%*	*44%*	*44%*
Net Income	$164M	($64M)	$100M
Net Profit Margin	*1.0%*	*(2.3%)*	*0.5%*

Bridge 2016 actuals to 2017 outlook

Net profit margin

Please refer to the Company's cautionary statement

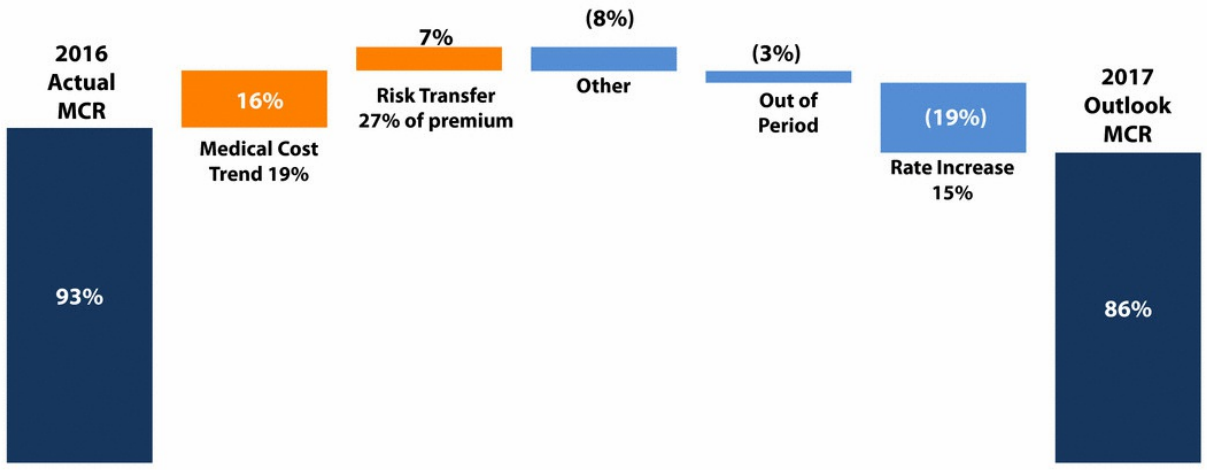


Notes:
Numbers may not add due to rounding.

Marketplace 2016 actuals to 2017 outlook

Medical cost ratio percent

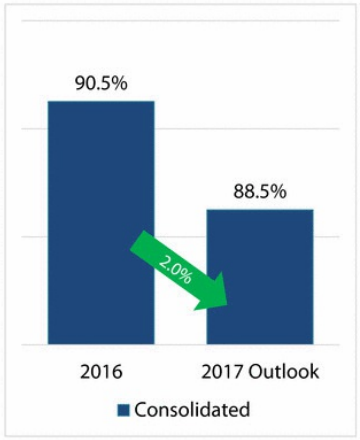
Please refer to the Company's cautionary statement

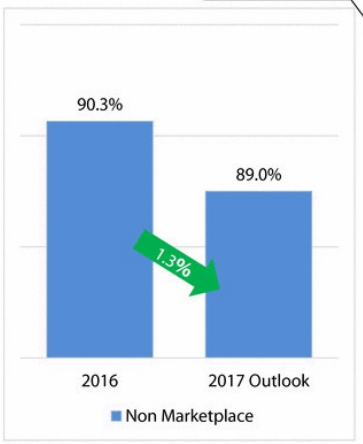


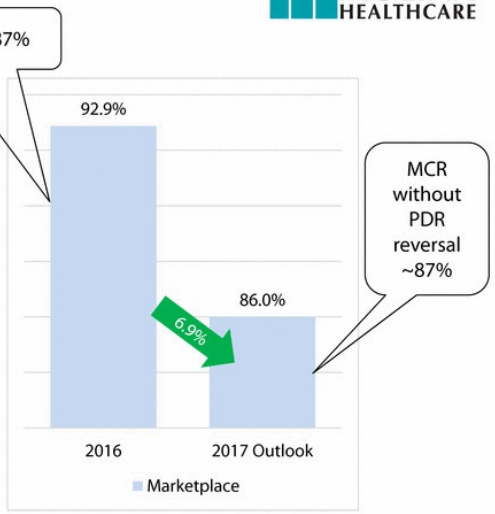
Note: Numbers may not add up due to rounding

MCR year over year change

Please refer to the Company's cautionary statement







- Rate increases
- Profit improvement initiatives

- Increased pricing
- HIF moratorium
- PDR
- 2016 Prior period adjustments

Notes:
Numbers may not add up due rounding

Medicaid rate changes

Please refer to the Company's cautionary statement

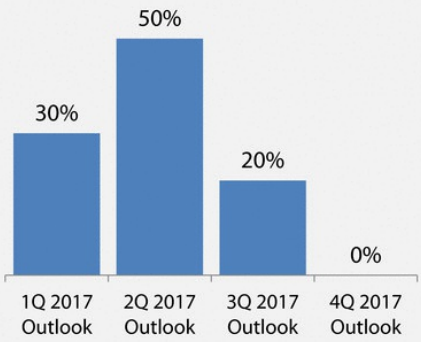
	Eff. Date	Effective Rate Change	Status
CA	Jul-17	(4.0%)	Estimate
FL	Oct-17	3.0%	Estimate
IL	Jan-17	5.0%	Draft
MI	Jan-17	(0.4%)	Final
NM	Jan-17	(1.0%)	Final
NY	Apr-17	1.0%	Estimate
OH	Jan-17	4.0%	Final
PR	Jan-17	2.0%	Draft
SC	Jul-17	1.0%	Estimate
TX	Sep-17	1.0%	Estimate
UT	Jan-17	4.5%	Final
WA	Jan-17	4.0%	Final
WI	Jan-17	3.0%	Draft

Notes::
Rate changes are net
Excludes risk adjustments

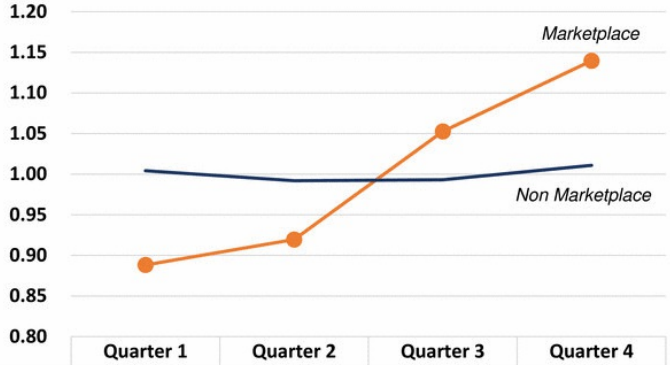
Seasonality

Please refer to the Company's cautionary statement

Seasonality of earnings



Seasonality of medical costs



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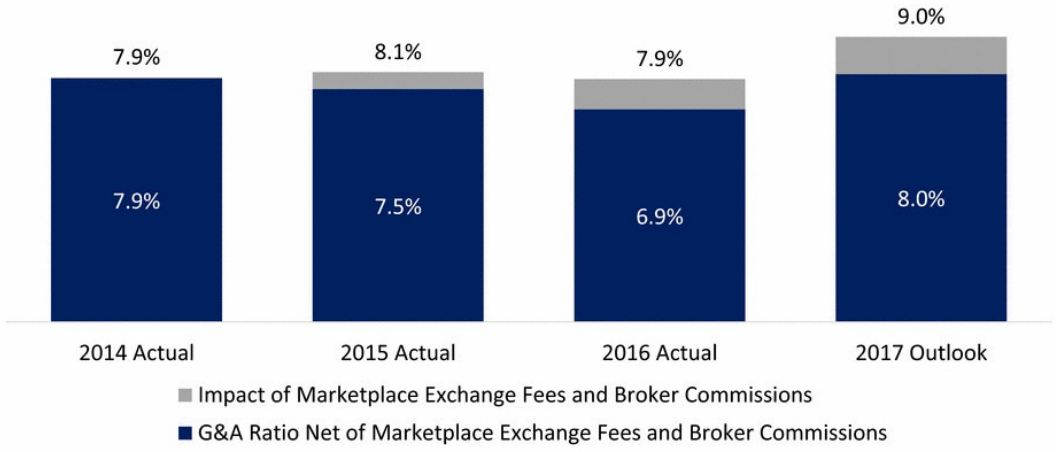
Non Marketplace	1.00	0.99	0.99	1.01

Seasonality calculated as the average cost of each day (specific to day of week and holiday). Adjustments were made for distribution of days and holidays in month/ year.

G&A ratio – Marketplace impact

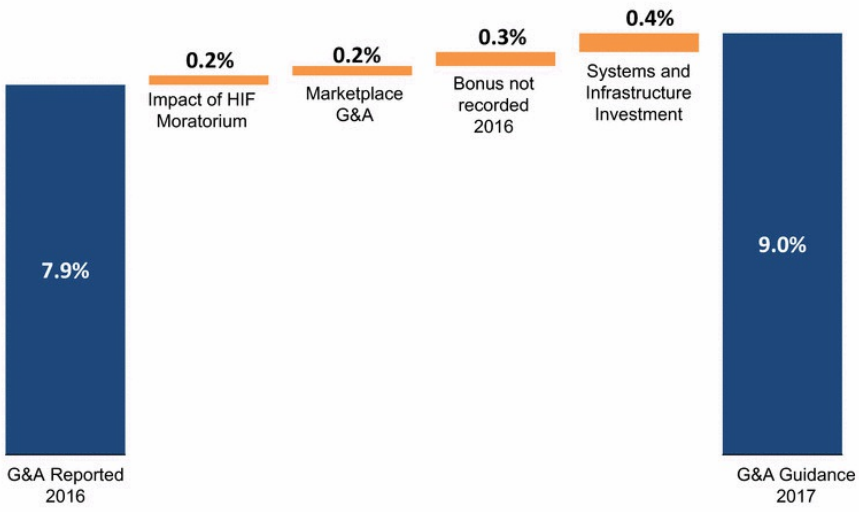
Exchange fees and broker commissions

Please refer to the Company's cautionary statement



G&A bridge - actual to outlook

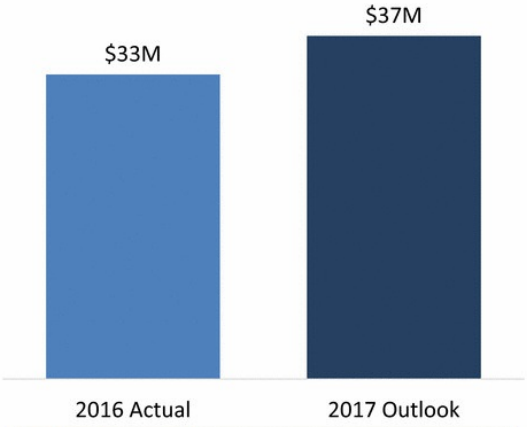
Please refer to the Company's cautionary statement



Investment income

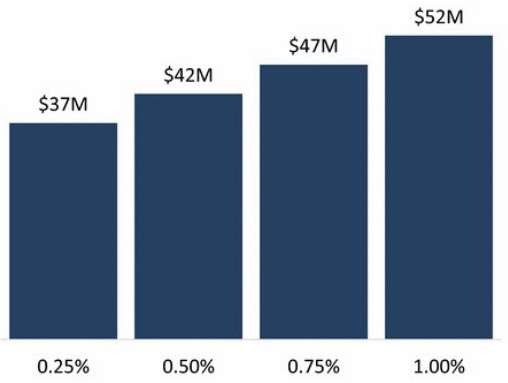
Investment income is projected at $37M, $4.3M or 12% up from 2016 Actual, $4.6M is due to rate increase offset by ($0.3M) due to lower cash balance.

Please refer to the Company's cautionary statement



Outlook Assumptions:
(1) Fed rate increase 25 bps in December 2016
(2) Fed rate increase 25 bps in September 2017

Investment Income Sensitivity

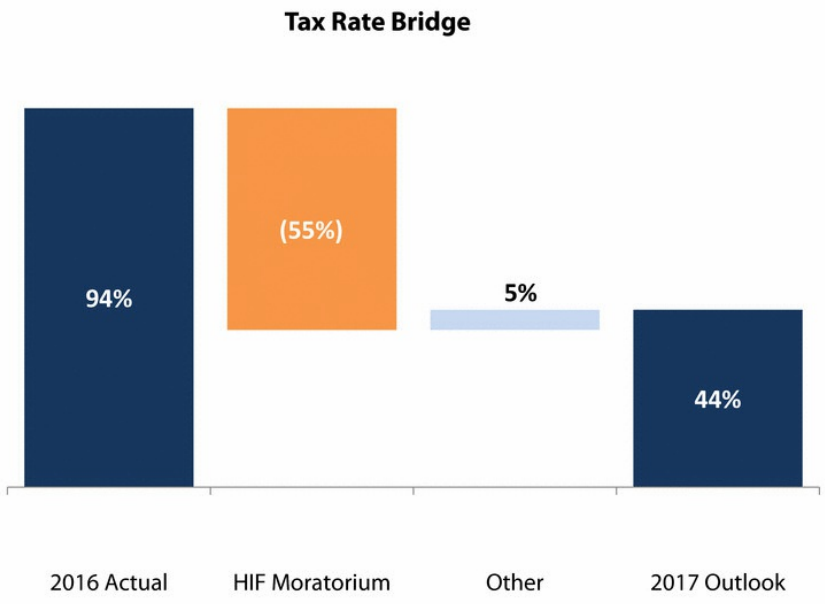


Investment income increases $5M for every 25bps fed rate increment effective 1/1/17.

Note: Numbers may be off due to rounding

Tax rate update

Please refer to the Company's cautionary statement



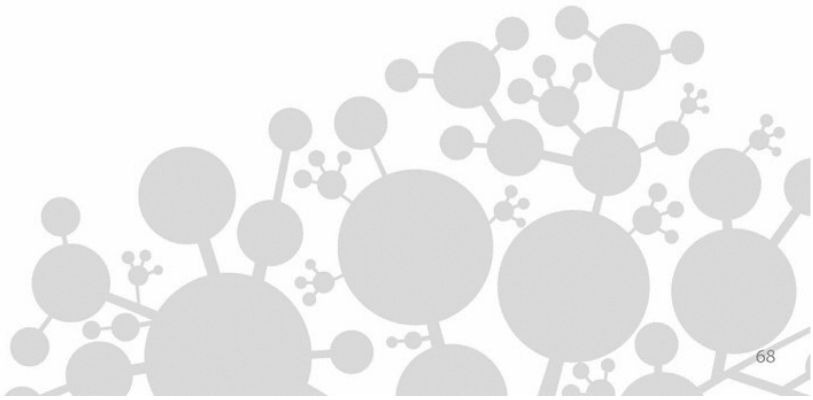
Financial Policy

Please refer to the Company's cautionary statement

Long term focused:

- No planned share repurchase or dividends
- $500M revolving credit facility
- Disciplined strategic approach to acquisitions

Q&A



Supplemental

Re-procurement and new business

Subject to change

Please refer to the Company's cautionary statement

Re-procurement of Existing Market

	February 2017			June 2017	August 2017	September 2017	November 2017
							
State	**WA**	**TX**	**IL**	**FL**	**TX**	**PR**	**NM**
Program Type	**North Central Region**	**CHIP**	**Medicaid**	**Medicaid/LTC**	**Star+ PLUS**	**TANF, CHIP**	**Medicaid**

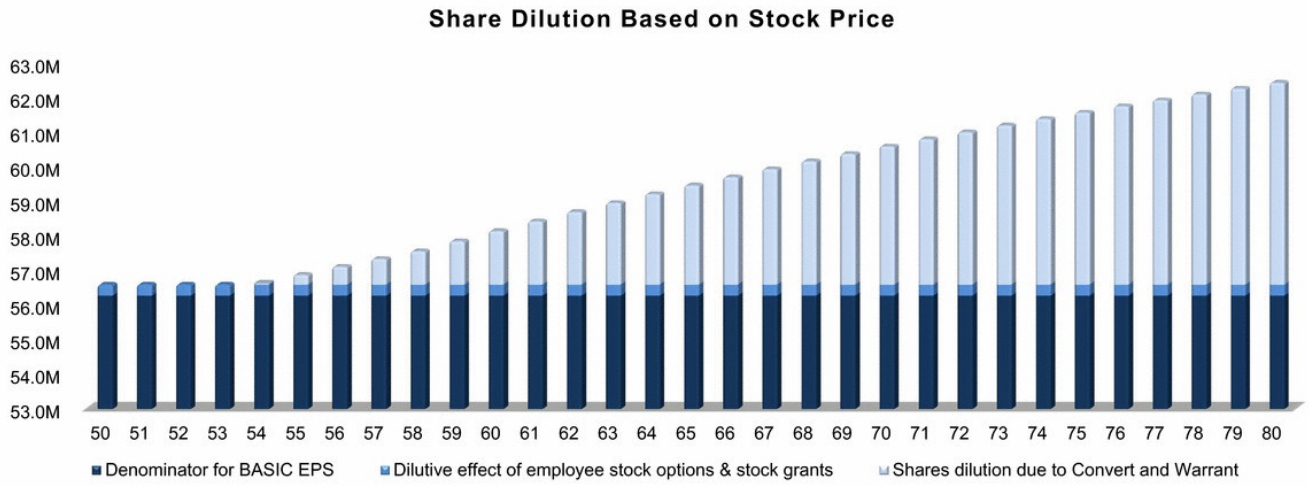
Upcoming Bids – New Business

	January 2017	February 2017	May 2017	December 2017
				
State	**TX**	**MS**	**VA**	**NC**
Program Type	**IDD**	**Medicaid**	**Medicaid/ TANF**	**Medicaid/ TANF**

Share count sensitivity

For every $1 changed in share price, our diluted shares changes by approximately 250K

Please refer to the Company's cautionary statement



Outlook assumes $60 share price and 58.2M weighted average shares outstanding

Note:

Share counts are the same if stock price drops below $53/share

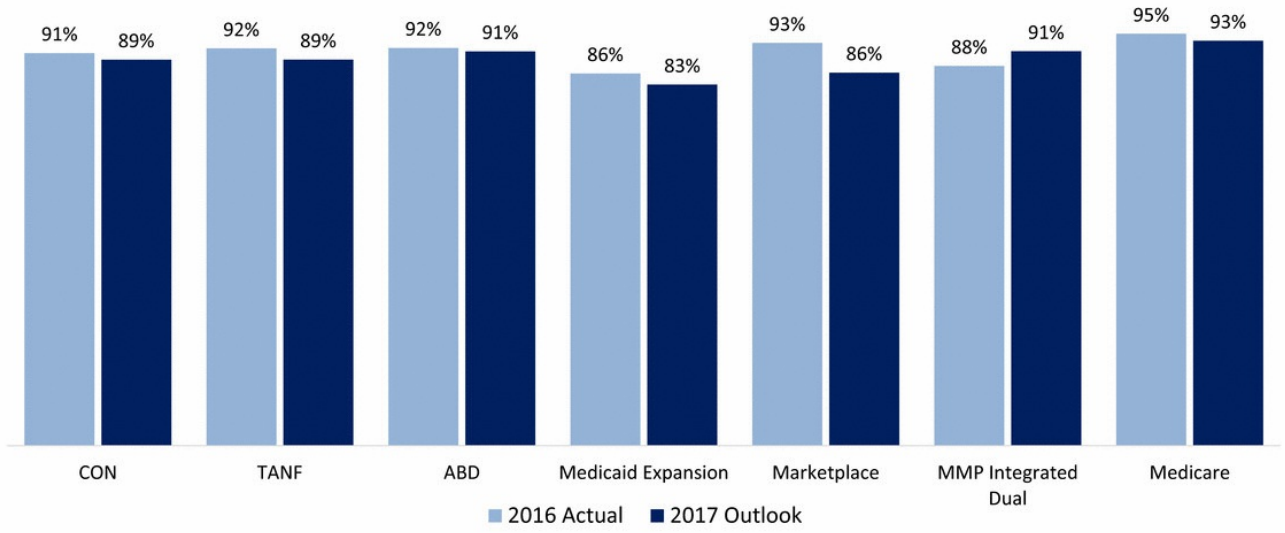
Revenue by line of program

Please refer to the Company's cautionary statement

Notes:
Numbers may not add due to rounding.

Medical care ratio by program

Please refer to the Company's cautionary statement



Notes:
Numbers may not add due to rounding.

Reconciliation of non-GAAP financial measures

Please refer to the Company's cautionary statement

	2016 Actual	2017 Outlook
Net Income	$8M	$100M
Adjustments:		
Depreciation, and amortization of intangibles assets and capitalized software	$161M	$190M
Interest expense	$101M	$100M
Income tax expense	$129M	$75M
EBITDA	$399M	$465M

Per share [1]	2016 Actual	2017 Outlook
Net Income	$0.14	$1.72
Adjustments:		
Amortization of intangible assets	$0.57	$0.59
Income tax effect [2]	($0.21)	($0.22)
Amortization of intangible assets, net of tax effect	$0.36	$0.37
Adjusted net income	$0.50	$2.09

Note:

1. Computation based on 56.3M and 58.2M diluted weighted average shares outstanding for 2016 and 2017 respectively.
2. Income tax effect calculated at the statutory tax rate of 37%.