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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**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 12, 2015**

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**MOLINA HEALTHCARE, INC.**

(Exact name of registrant as specified in its charter)

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**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**

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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 February 12, 2015, the Company issued a press release providing its fiscal year 2015 outlook and guidance. The full text of the press release is attached as Exhibit 99.1 to this report. The information contained in the websites cited in the press release is not part of this report.

In addition, on February 12, 2015, 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 99.2 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](http://www.molinahealthcare.com), or at [www.earnings.com](http://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:

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press release of Molina Healthcare, Inc. issued February 12, 2015.
99.2	Slide presentation given at the Investor Day Conference of Molina Healthcare, Inc. on February 12, 2015.

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**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 12, 2015

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

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**EXHIBIT INDEX**

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## News Release

**Contact:**

Juan José Orellana  
 Investor Relations  
 562-435-3666, ext. 111143

**MOLINA HEALTHCARE PROVIDES FISCAL YEAR 2015  
 OUTLOOK AND GUIDANCE**

**LONG BEACH, California (February 12, 2015)** – Molina Healthcare, Inc. (NYSE:MOH) today announced that it is providing its outlook and guidance for fiscal year 2015.

The following table presents the Company's outlook for fiscal year 2015: (1)

Premium Revenue	\$13.4 billion
Health Insurer Fee Revenue (2)	\$260 million
Premium Tax Revenue	\$395 million
Service Revenue	\$185 million
Investment and Other Income	<u>\$ 15 million</u>
<b>Total Revenue</b>	<b><u>\$14.3 billion</u></b>
<b>Total Medical Care Costs</b>	<b><u>\$12.1 billion</u></b>
<i>Medical Care Ratio (3)</i>	<i>90.0%</i>
Total Cost of Service Revenue	<u>\$150 million</u>
<b>General &amp; Administrative Expenses</b>	<b><u>\$ 1.1 billion</u></b>
<i>G&amp;A Ratio (4)</i>	<i>7.5%</i>
Premium Tax Expense	\$395 million
Health Insurer Fee Expense	\$155 million
Depreciation & Amortization	\$105 million
Interest and Other Expense	\$ 60 million
Income Before Income Taxes	<u>\$275 million</u>
<b>Net Income</b>	<b><u>\$117 million</u></b>
EBITDA	\$460 million
Effective Tax Rate	<i>57%</i>
<b>Diluted EPS (5)</b>	<b><u>\$ 2.35</u></b>
<b>Adjusted EPS (5)</b>	<b><u>\$ 4.60</u></b>

(1) All amounts are estimates; actual results may differ materially. See our risk factors as discussed in our Form 10-K and other filings.

(2) Outlook assumes full reimbursement of the Health Insurer Fee and related tax effects in 2015, **and recognition of \$18 million relating to 2014.**

(3) Medical Care Ratio represents Medical Care Costs as a percentage of Premium Revenue.

(4) G&A Ratio computed as a percentage of Total Revenue.

(5) Computation assumes 50 million diluted weighted average shares outstanding; see reconciliation of non-GAAP financial measure on next page.

-MORE-

The following table reconciles net income per diluted share to adjusted net income per diluted share: (1) (2)

	<b>2015 Outlook</b>
Net income per diluted share	<b>\$ 2.35</b>
Adjustments, net of tax:	
Depreciation, and amortization of capitalized software	1.33
Amortization of convertible senior notes and lease financing obligations	0.37
Stock-based compensation	0.35
Amortization of intangible assets	0.20
Adjusted net income per diluted share	<b>\$ 4.60</b>

- (1) All amounts are estimates and subject to change. Computation assumes 50 million diluted weighted average shares outstanding.
- (2) Adjusted net income per diluted share is a non-GAAP financial measure used by management as a supplemental metric in evaluating its financial performance, its financing and business decisions, and in forecasting and planning for future periods. This measure is not determined in accordance with accounting principles generally accepted in the United States of America (GAAP) and should not be viewed as a substitute for the most directly comparable GAAP measure, which is diluted net income per share.

### **2015 Business Outlook and Investor Meeting**

The Company will host its 2015 Business Outlook and Investor Meeting webcast and presentation on February 12, 2015, at the Le Parker Meridien Hotel in New York City from 12:30 p.m. to 4:30 p.m. Eastern Time. The Company will webcast the presentations offered by its management team, followed by question-and-answer sessions. A 30-day online replay of the Investor Day meeting will be available approximately one hour following the conclusion of the live webcast. A link to this webcast can be found on the Company's website at [www.molinahealthcare.com](http://www.molinahealthcare.com).

### **About Molina Healthcare**

Molina Healthcare, Inc., a FORTUNE 500 company, provides managed health care services under the Medicaid and Medicare programs and through the state insurance marketplaces. Through our locally operated health plans in 11 states across the nation, Molina currently serves over 2.6 million members. Dr. C. David Molina founded our company in 1980 as a provider organization serving low-income families in Southern California. Today, we continue his mission of providing high quality and cost-effective health care to those who need it most. For more information about Molina Healthcare, please visit our website at [www.molinahealthcare.com](http://www.molinahealthcare.com).

-MORE-

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:** *This earnings release contains “forward-looking statements” regarding the Company’s plans, expectations, and anticipated future events. Actual results could differ materially due to numerous known and unknown risks and uncertainties, including, without limitation, risk factors related to the following:*

- *continuing uncertainties associated with the implementation of the Affordable Care Act, including the full grossed up reimbursement by states of the non-deductible ACA health insurer fee, the Medicaid expansion, the insurance marketplaces, the effect of various implementing regulations, the King v. Burwell case now pending before the Supreme Court, and uncertainties regarding the Medicare-Medicaid dual eligible demonstration programs in California, Illinois, Michigan, Ohio, and South Carolina;*
- *management of our medical costs, including seasonal flu patterns and rates of utilization that are consistent with our expectations, and our ability to reduce over time the high medical costs commonly associated with new patient populations;*
- *federal or state medical cost expenditure floors, administrative cost and profit ceilings, and profit sharing arrangements;*
- *the interpretation and implementation of at-risk premium revenue recognition rules regarding the achievement of certain quality measures;*
- *cyber-attacks or other privacy or data security incidents resulting in an inadvertent unauthorized disclosure of protected health information;*
- *the success of our new health plan in Puerto Rico;*
- *newly FDA-approved specialty drugs such as Sovaldi, Olysio, Harvoni, and other specialty drugs or generic drugs that are exorbitantly priced but not factored into the calculation of our capitated rates;*
- *significant budget pressures on state governments and their potential inability to maintain current rates, to implement expected rate increases, or to maintain existing benefit packages or membership eligibility thresholds or criteria;*
- *the accurate estimation of incurred but not paid medical costs across our health plans;*
- *retroactive adjustments to premium revenue or accounting estimates which require adjustment based upon subsequent developments, including Medicaid pharmaceutical rebates or retroactive premium rate increases;*
- *efforts by states to recoup previously paid amounts;*
- *the success of our efforts to retain existing government contracts and to obtain new government contracts in connection with state requests for proposals (RFPs) in both existing and new states, including the success of the proposal of Molina Medicaid Solutions in New Jersey;*
- *the continuation and renewal of the government contracts of both our health plans and Molina Medicaid Solutions and the terms under which such contracts are renewed;*
- *complications, member confusion, or enrollment backlogs related to the annual renewal of Medicaid coverage;*
- *government audits and reviews, and any fine, enrollment freeze, or monitoring program that may result therefrom;*
- *changes with respect to our provider contracts and the loss of providers;*
- *approval by state regulators of dividends and distributions by our health plan subsidiaries;*
- *changes in funding under our contracts as a result of regulatory changes, programmatic adjustments, or other reforms;*
- *high dollar claims related to catastrophic illness;*
- *the favorable or unfavorable resolution of litigation, arbitration, or administrative proceedings, including pending qui tam actions in Florida and California, and the litigation commenced against us by the state of Louisiana alleging that Molina Medicaid Solutions and its predecessors used an incorrect reimbursement formula for the payment of pharmaceutical claims;*
- *the relatively small number of states in which we operate health plans;*
- *our management of a portion of College Health Enterprises’ hospital in Long Beach, California;*
- *the availability of adequate financing on acceptable terms to fund and capitalize our expansion and growth, repay our outstanding indebtedness at maturity and meet our liquidity needs, including the interest expense and other costs associated with such financing;*
- *the failure of a state in which we operate to renew its federal Medicaid waiver;*
- *changes generally affecting the managed care or Medicaid management information systems industries;*
- *increases in government surcharges, taxes, and assessments;*
- *public alarm associated with the Ebola virus, measles, or any actual widespread epidemic;*
- *changes in general economic conditions, including unemployment rates;*
- *increasing competition and consolidation in the Medicaid industry;*

*and numerous other risk factors, including those discussed in the Company’s periodic reports and filings with the Securities and Exchange Commission. These reports can be accessed under the investor relations tab of the Company’s website or on the SEC’s website at [www.sec.gov](http://www.sec.gov). Given these risks and uncertainties, we can give no assurances that the Company’s forward-looking statements will prove to be accurate, or that any other results or events projected or contemplated by the Company’s forward-looking statements will in fact occur, and we caution investors not to place undue reliance on these statements. All forward-looking statements in this release represent the Company’s judgment as of February 12, 2015, and we disclaim any obligation to update any forward-looking statements to conform the statement to actual results or changes in the Company’s expectations.*

-END-





Your Extended Family.

# 2015A Investor Day

February 12, 2015 / New York, New York

# 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 future business plans; the expected start dates of our Medicare-Medicaid Plan (MMP) implementations; our expansion plans in Florida; our expansion plans and expected operational start date in Puerto Rico; our Marketplace plans’ growth and operations; the Affordable Care Act annual health industry fee and its expected reimbursement by states, including any tax impact; 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. 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 and in our other reports and filings with the Securities and Exchange Commission and available for viewing on its website at [www.sec.gov](http://www.sec.gov). Except to the extent otherwise 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 2015A



## 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-2:25pm	2015 Outlook	John Molina, Chief Financial Officer; Joseph White, Chief Accounting Officer
2:25pm-3:10pm	Long Term Financial Overview	John Molina, Chief Financial Officer; Joseph White, Chief Accounting Officer
3:10pm-3:30pm	Q&A	
3:30pm	End of Program	



Your Extended Family.

# 2015A Investor Day

## Business Overview

J. Mario Molina, President & Chief Executive Officer

February 12, 2015 / New York, New York

# The future



We envision a future where every American has access to quality and affordable healthcare



C. David Molina, circa 1983

## Our mission



To provide quality health care to people receiving government assistance



# One of a kind



Flexible health services portfolio (health plans, direct delivery, MMIS)

Focused on people receiving government assistance

Scalable administrative infrastructure

Consistent national brand

Seasoned management team

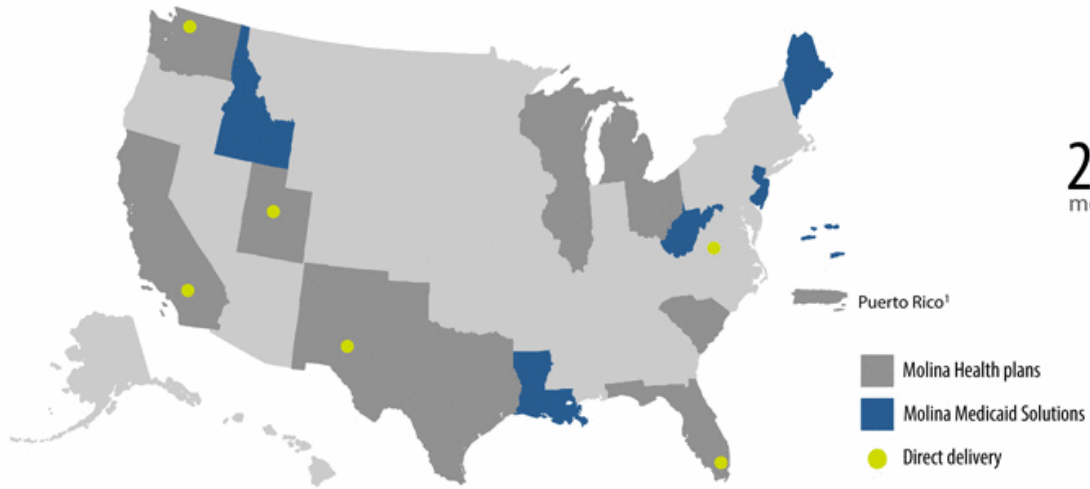
Unique culture



# Presence in key Medicaid markets



Health plan footprint includes 4 of 5 largest Medicaid markets



2.8M<sup>2</sup>  
members

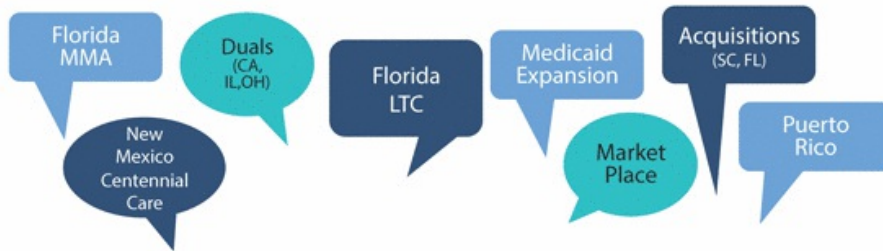
1. On December 8th, 2014 Molina was awarded a managed care contract to administer Puerto Rico's Medicaid in the East and Southwest regions. Start date is currently scheduled for April 2015.  
2. Enrollment described in this column relates to effective membership on January 1, 2015 and will not be reflected in our year-end 2014 earnings release or Form 10-K annual report.



# 2014 was a year of great accomplishments



Last year we made major progress in expanding to new markets and integrating new programs



## 2014 highlights

**47%**  
revenue growth

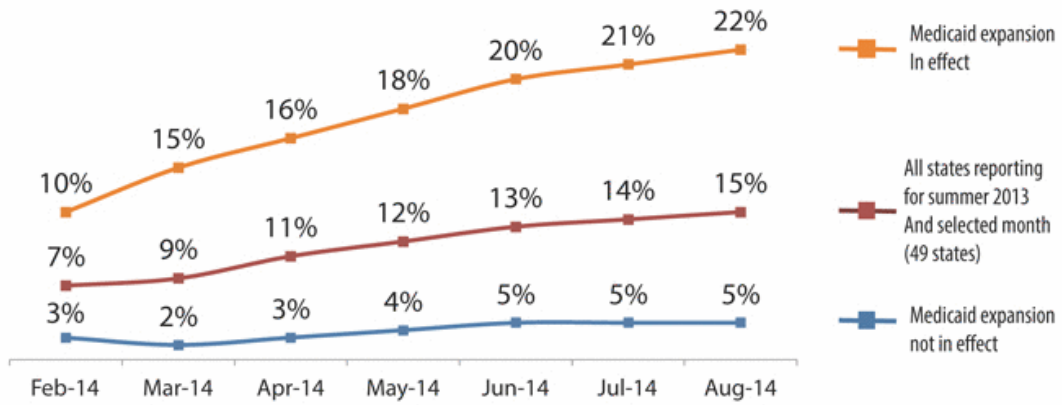
**36%**  
enrollment growth

**7.9%**  
admin ratio

# Medicaid growth due to Medicaid expansion



Change in total Medicaid and CHIP enrollment compared to summer 2013<sup>1</sup>

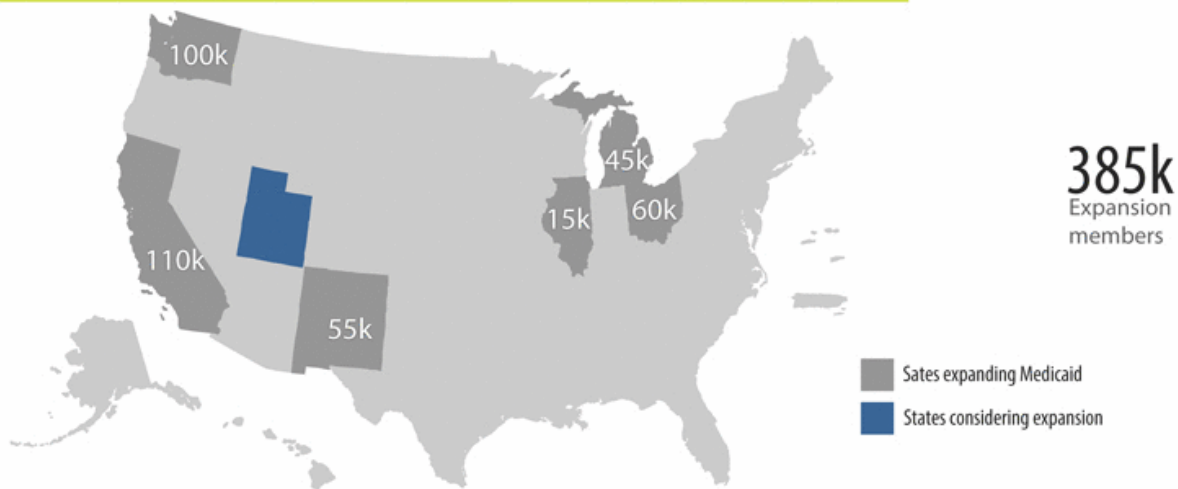


1. The Kaiser Commission on Medicaid and the Uninsured, October 2014 Issue Brief. "Recent Trends in Medicaid and CHIP Enrollment: Analysis of CMS Performance Measure Data through August 2014"

# Molina Medicaid expansion



## Growth to date<sup>1</sup>

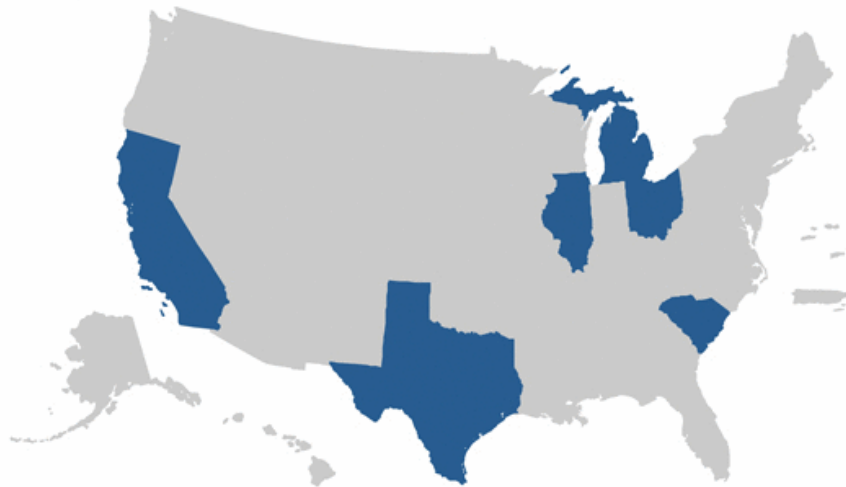


1. Enrollment as of December 31, 2014

# Medicare-Medicaid Plan (MMP) implementations



## Dual eligibles



### Enrollment

	Jan 2015 <sup>1</sup>
California	17K
Illinois	5K
Michigan	Go live 5/15
Ohio	12K
South Carolina	Went live 2/15
Texas	Go live 3/15
<b>Total</b>	<b>35K</b>

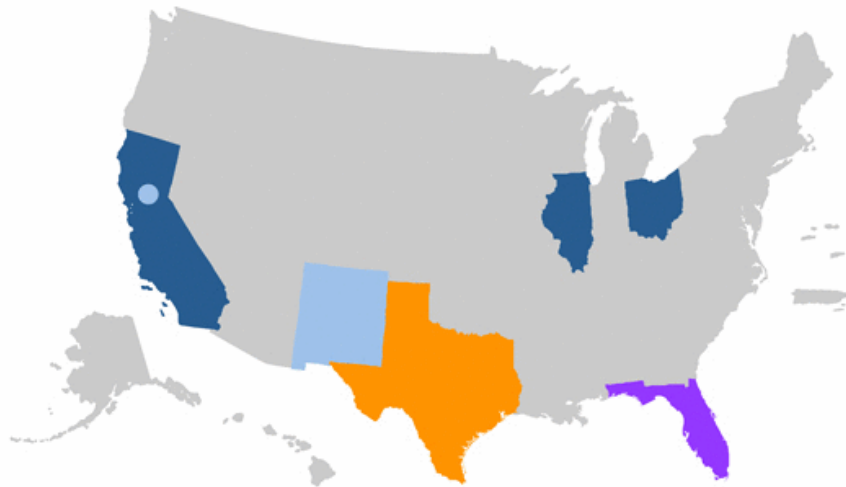
■ Contracts awarded to Molina

1. Enrollment described in this column relates to effective membership on January 1, 2015 and will not be reflected in our year-end 2014 earnings release or Form 10-K annual report

# Molina Long Term Services & Support (LTSS) footprint



As of January 2015



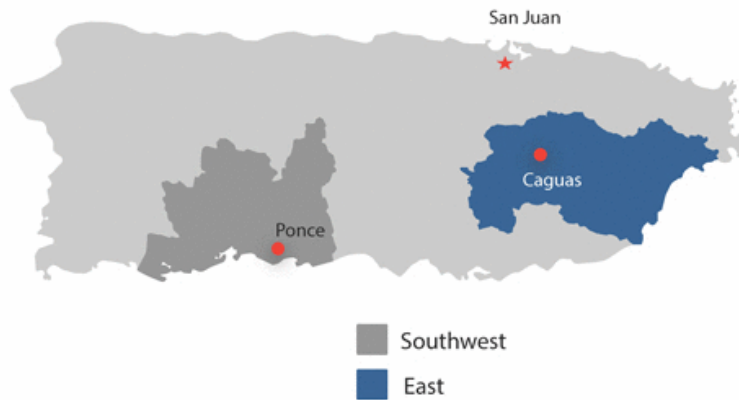
## Service Areas

- MMP demonstrations
- LTSS "stand alone"
- LTSS and acute care
- Home and Community-Based Services (HCBS)

# Puerto Rico contract award



One health plan awarded in each region



On December 8<sup>th</sup>, awarded a managed care contract by the Puerto Rico Health Insurance Administration for the East and Southwest regions

Effective date of **April 1, 2015**

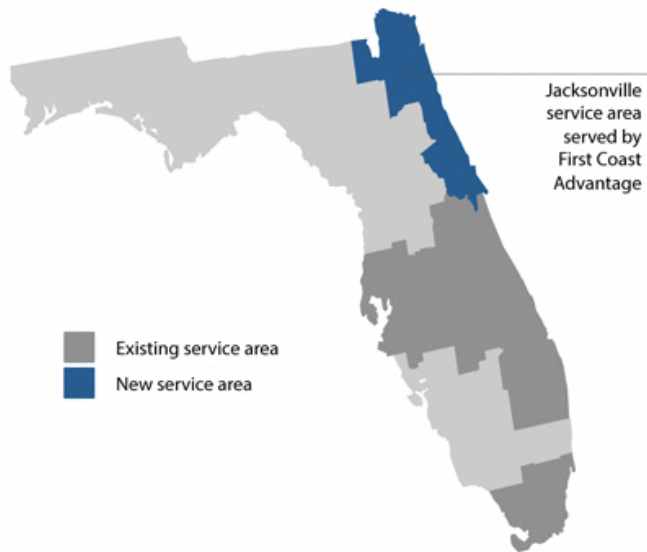
**350,000** new members expected

Anticipate annualized revenue of **\$750M**

# Jacksonville footprint expansion



First Coast Advantage acquisition



On December 1<sup>st</sup>, Molina acquired Medicaid business assets of a Florida health plan, First Coast Advantage

Approximately 62,000 members in the Jacksonville area transferred to Molina

Members transitioned into Molina as part of the Florida Managed Medical Assistance (MMA) program

# Marketplace year two



2014 pricing assumed higher medical costs and utilization compared to existing membership

2015 focused on competitive pricing in existing markets

Significant sign up activity during 2015 open enrollment



# Managing our growth

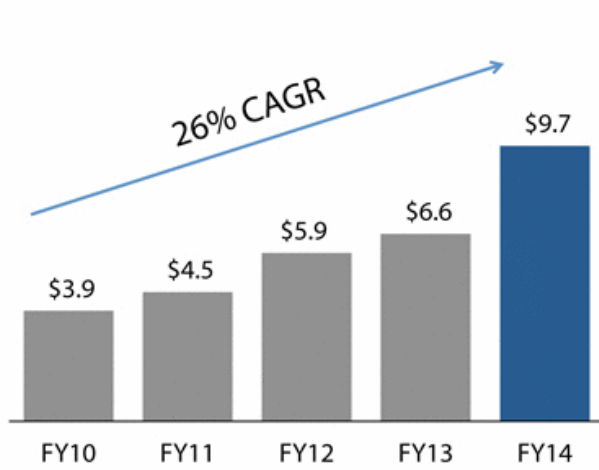
2013 INCUBATE	2014 TRANSITION & GROW	2015 DEVELOP & GROW	2016+ FORTIFY
			
<ul style="list-style-type: none"> <li>▪ Acquire new business</li> <li>▪ Design systems</li> <li>▪ Test readiness</li> <li>▪ Invest in infrastructure</li> <li>▪ New business: SC, Duals, Marketplace, Medicaid Expansion, NM &amp; FL re-procurements, WI Medicare</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transition members into model of care</li> <li>▪ Address pent-up demand</li> <li>▪ Adjust premiums</li> <li>▪ Process transition issues</li> <li>▪ Begin leveraging infrastructure</li> <li>▪ Invest to prepare for 2015 revenue</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transition members into model of care</li> <li>▪ Address pent-up demand</li> <li>▪ Adjust premiums</li> <li>▪ Improve systems</li> <li>▪ Ensure equitable rates</li> <li>▪ Leverage administrative costs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improve model of care</li> <li>▪ Enhance systems</li> <li>▪ Improve margins</li> </ul>

# Growth story



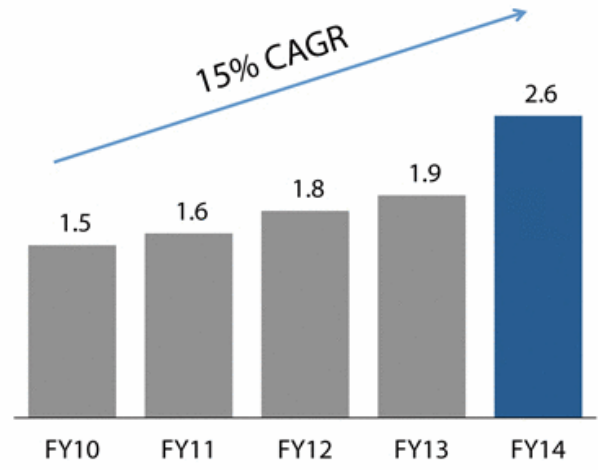
## Revenue growth

\$ Billions



## Enrollment growth

Millions

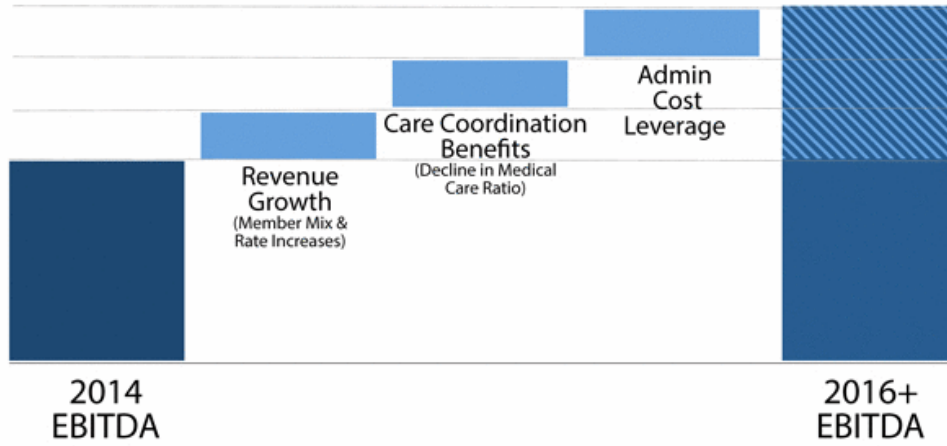


# EBITDA evolution



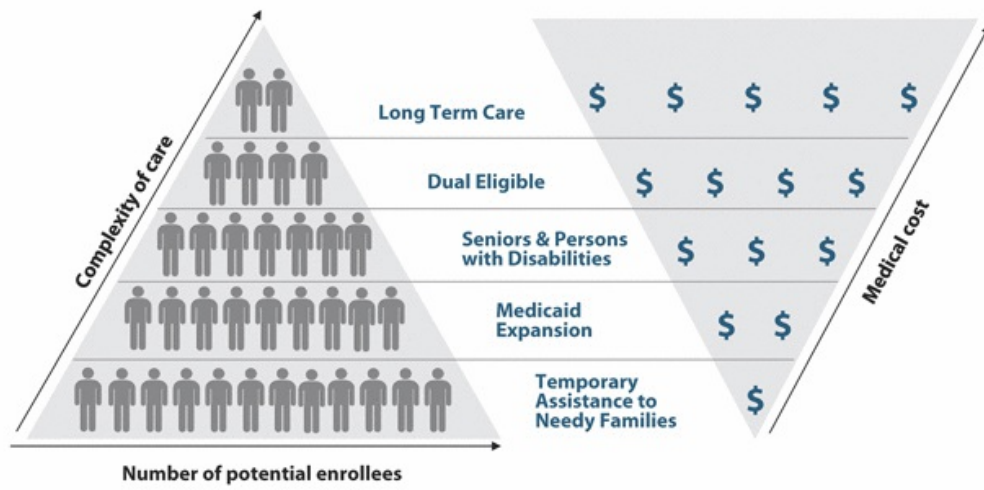
Illustrative; not drawn to scale

Please refer to the Company's cautionary statement



# Government program segmentation

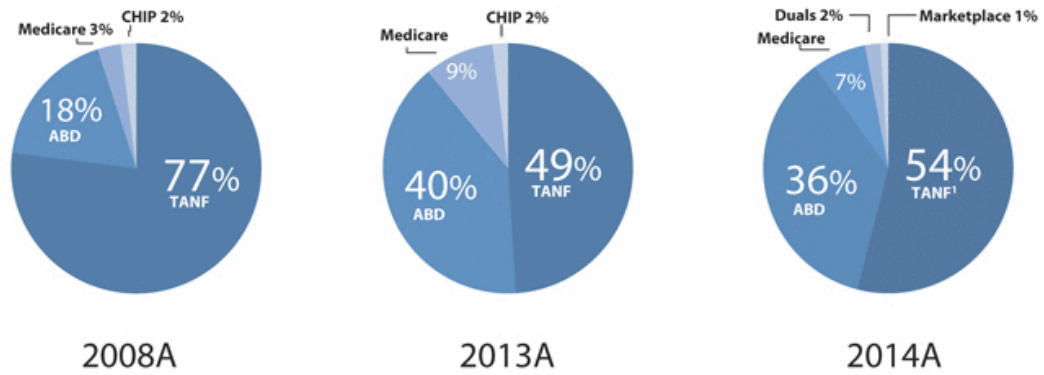
Increasing complexity



# Change in patient mix



## Revenue by product



Premium Revenue	\$3.1B	\$6.2B	\$9.0B
Blended Revenue PMPM	\$211	\$274	\$323

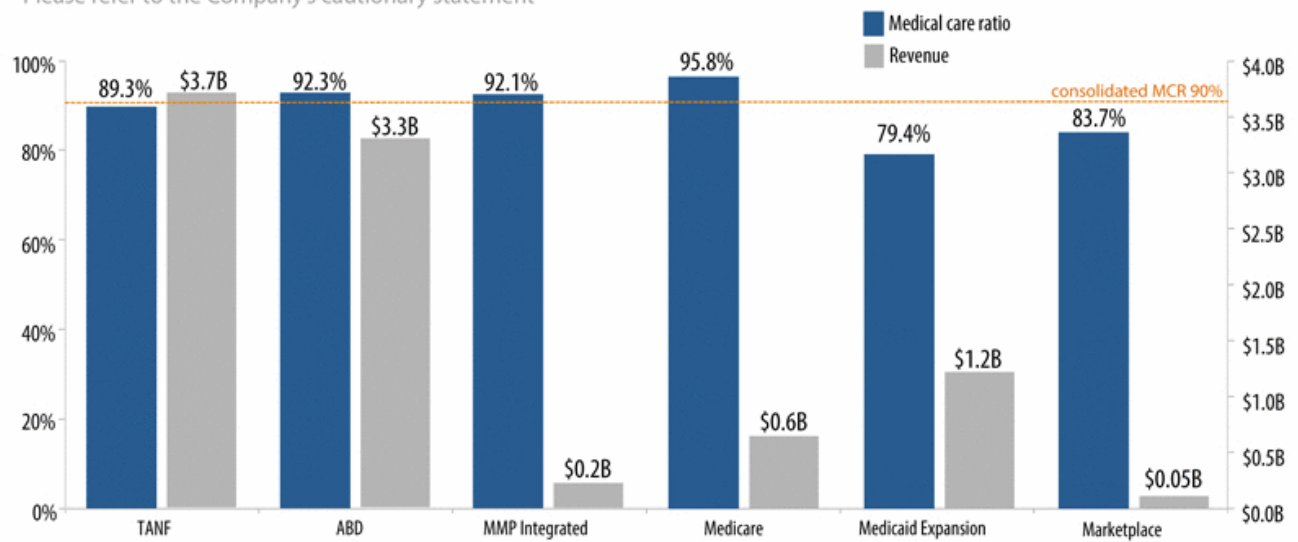
1. TANF includes Medicaid Expansion and CHIP in 2014

# 2014 Medical care ratio and revenue



## By line of business

Please refer to the Company's cautionary statement

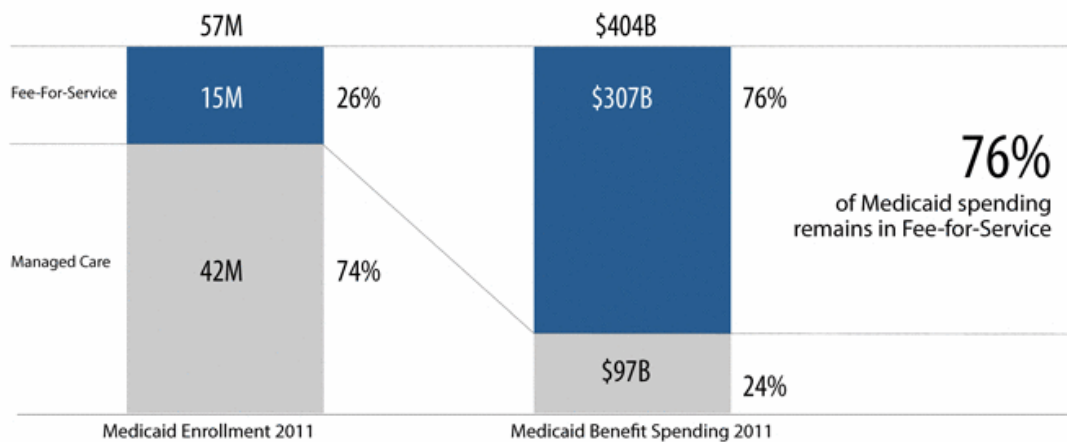


# Medicaid enrollment spending



## Managed care organizations and fee for service FY 2011

Please refer to the Company's cautionary statement

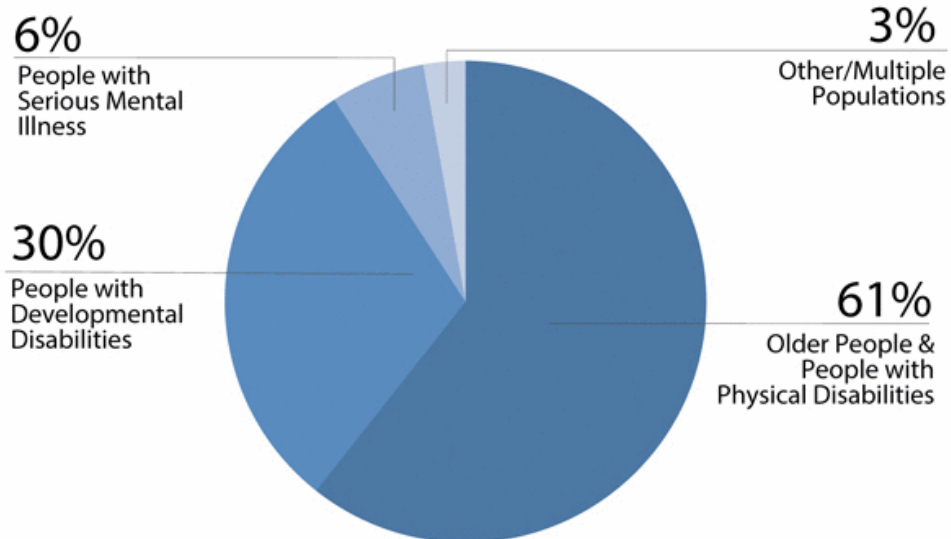


Sources:  
 1. Medicaid and CHIP Payment and Access Commission; Report to the Congress on Medicaid and CHIP; June 2014  
 2. CMS Medicaid Managed Care Enrollment Report, Summary Statistics as of July 1, 2011; June 1, 2012

# Medicaid Long Term Services and Supports (LTSS)



Full Medicaid LTSS Spend in 2012: **\$140 Billion<sup>1</sup>**



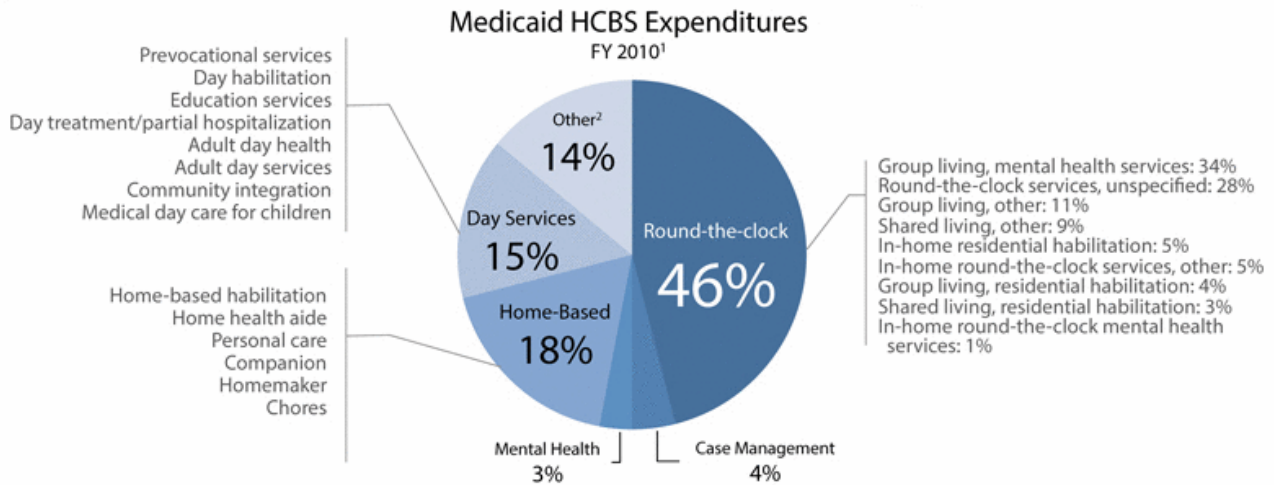
1. Truven Health Analytics. Medicaid Expenditures for Long-Term Services and Supports in FFY 2012; April 28, 2014.



# Chronic care and related services



## Services for ABD and long term care members



**Medicaid HCBS total spend in 2012: \$69B**

1. Mathematica Policy Research. The HCBS Taxonomy: A New Language for Classifying Home- and Community-Based Services, August 2013.  
2. Other includes expenses related to goods and services, interpreters, housing consultation, and claims where the procedure code could not be interpreted.

# The landscape

Post ACA







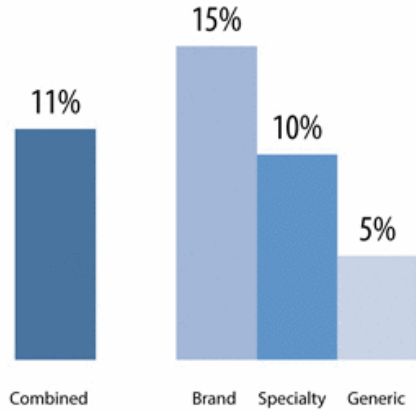
# Drug spending



# Drug spending and rising prices



Drug prices are increasing across all segments of the industry<sup>1</sup>



Drug spending has increased 10.9% in 2014

Hepatitis C and Sovaldi provide important precedent on reimbursement

States have acknowledged that these costs are outside our control

1. Silverman, "Prices for Prescription Medicines Rose How Much Last Year?" Wall Street Journal, January 26, 2015

# Drug spending and rising prices



## Increasing Generic Costs<sup>1</sup>

Drug	Avg. Mkt. Price Oct 2013	Avg. Mkt. Price April 2014	Avg. % Increase <sup>2</sup>
Doxycycline Hyclate	\$20	\$1,849	8,281%
Albuterol Sulfate	\$11	\$434	4,014%
Divalproex Sodium ER	\$31	\$234	736%
Pravastatin Sodium	\$27	\$196	573%
Benazepril / Hydrochlorothiazide	\$34	\$149	420%

Generic spend is trending upward

Deceptively smaller dollars but large percentage increase

Potential threat to medical cost trends going forward

States currently assume these costs to be included in premium rates

1. Committee on Oversight & Government Reform, "Table on Generic Drug Price Increases FINAL.PDF"

2. The Healthcare Supply Chain Association surveyed average costs paid by four GPOs from October 2013 to April 2014. One GPO provided percentage increases rather than price increases. As a result the average reflects additional price data not captured by the average market price increase.

# Strategic priorities



## Mission

Our mission is to provide quality healthcare to people receiving government assistance



## Priorities

Continued revenue growth and diversification

Care of complex patients

Quality

Administrative expense

Improve profitability

**We sustain our mission and invest in the organization by being profitable.**



# The year ahead



## Headwinds

Delay in state program implementations

ACA reimbursement

Medical cost pressure associated with new contracts/populations

Flu season

## Tailwinds

Medicaid expansion

Footprint includes 4 of 5 largest Medicaid markets

Uniquely positioned to capture Dual Eligible enrollment

Marketplace open enrollment





Your Extended Family.

# 2015A Investor Day

**2015 Outlook**

John C. Molina, Chief Financial Officer

February 12, 2015 / New York, New York

## Cautionary Statement



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# 2015 and beyond

2013 INCUBATE	2014 TRANSITION & GROW	2015 DEVELOP & GROW	2016+ FORTIFY
			
<ul style="list-style-type: none"> <li>▪ Acquire new business</li> <li>▪ Design systems</li> <li>▪ Test readiness</li> <li>▪ Invest in infrastructure</li> <li>▪ New business: SC, Duals, Marketplace, Medicaid Expansion, NM &amp; FL re-procurements, WI Medicare</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transition members into model of care</li> <li>▪ Address pent-up demand</li> <li>▪ Adjust premiums</li> <li>▪ Process transition issues</li> <li>▪ Begin leveraging infrastructure</li> <li>▪ Invest to prepare for 2015 revenue</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transition members into model of care</li> <li>▪ Address pent-up demand</li> <li>▪ Adjust premiums</li> <li>▪ Improve systems</li> <li>▪ Ensure equitable rates</li> <li>▪ Leverage administrative costs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improve model of care</li> <li>▪ Enhance systems</li> <li>▪ Improve margins</li> </ul>

# Comparison 2014 actual, 2015 outlook

Please refer to the Company's cautionary statement



	2014 Actual	2015 Outlook	Percent Variance
<b>Revenue</b>			
Premium revenue	\$9.0B	~\$13.4B	49%
Health insurer fee revenue	\$119M	~\$260M <sup>3</sup>	118%
Premium tax revenue	\$294M	~\$395M	34%
Service revenue	\$210M	~\$185M	(12%)
Investment and other income	\$20M	~\$15M	(25%)
<b>Total revenue</b>	<b>\$9.7B</b>	<b>~\$14.3B</b>	<b>47%</b>
<b>Total medical care costs</b>	<b>\$8.0B</b>	<b>~\$12.1B</b>	<b>51%</b>
<i>Medical care ratio<sup>1</sup></i>	89.5%	~90.0%	(0.5%)
Total cost of service revenue	\$157M	~\$150M	(4%)
<b>General &amp; administrative expenses</b>	<b>\$765M</b>	<b>~\$1.1B</b>	<b>44%</b>
<i>G&amp;A ratio<sup>2</sup></i>	7.9%	~7.5%	(0.4%)
Premium tax expense	\$294M	~\$395M	34%
Health insurer fee expense	\$89M	~\$155M	74%
Depreciation & amortization	\$93M	~\$105M	13%
Interest and other expense	\$58M	~\$60M	3%
Income before income taxes	\$135M	~\$275M	104%
<b>Net Income</b>	<b>\$62M</b>	<b>~\$117M</b>	<b>88%</b>
EBITDA	\$305M	~\$460M	51%
Effective tax rate	53.8%	~57%	3.2%
<b>Diluted EPS<sup>4</sup></b>	<b>\$1.30</b>	<b>~\$2.35</b>	<b>81%</b>
<b>Adjusted EPS<sup>4</sup></b>	<b>\$3.43</b>	<b>~\$4.60</b>	<b>36%</b>

Amounts are estimates – actual results may differ materially. See our risk factors as discussed in our Form 10-K and other periodic filings

1. Medical Care Ratio represents medical care costs as a percent of premium revenue

2. G&A ratio computed as a percentage of total revenue

3. Outlook assumes full reimbursement of the Health Insurer Fee and related tax effects in 2015 and recognition of \$18M related to 2014.

4. See EPS reconciliation presented further in this presentation for a reconciliation of adjusted GAAP diluted net income per share to adjusted EPS; calculation assumes 50M average diluted shares outstanding

# 2015 program and benefit implementation

Please refer to the Company's cautionary statement



## Assumptions



State/Territory	South Carolina	Texas	Texas	Puerto Rico	Michigan
Program	MMP Duals <sup>4</sup>	MMP Duals <sup>3</sup>	Nursing Home	TANF	MMP Duals <sup>4</sup>
Eligible <sup>1</sup>	14K	120K	52K	N/A	76K
Enrollees <sup>1</sup>	2K	16K	7K	362K	9K
Revenue PMPM <sup>2</sup>	\$1,500	\$1,400	\$4,000	\$180	\$2,500
MCR <sup>3</sup>	~95%	~95%	~96%	~91%	~95%
Opt Out	50%	50%	N/A	N/A	50%

Amounts are estimates-actual results may differ materially. See our risk factors as discussed in our Form 10-K and other periodic filings.

1. Eligible denotes total number of eligible members in Molina markets; Enrollees denotes membership assumed in projection at year-end 2015; MMP Duals enrollment relates only to the number of MMP Duals after opt-out
2. Revenue PMPM and MCR are net of premium tax and ACA fee; Denotes both Medicaid and Medicare MMP Duals
3. Projections assume Molina Medicaid STAR+PLUS member will roll into the MMP program and revenue PMPM is incremental portion of premium only
4. Molina will not retain the Medicaid benefit for SC and MI member that opt out of the MMP program

# Rate change outlook

Please refer to the Company's cautionary statement



State	Baseline Outlook <sup>1</sup>		Medicaid Expansion	
	Effective Date	Rate Change	Effective Date	Rate Change
California	Jul-15	+1% <sup>2</sup>	Jan-15 <sup>3</sup> /Jul-15	(16%)/0%
Florida	Sept-15	+3% <sup>2</sup>	NA	NA
Illinois	Jul-15	0% <sup>2</sup>	Jul-15	0%
Michigan	Oct-15	0% <sup>2</sup>	Oct-15	0%
New Mexico	Jan-15	+3% <span style="background-color: #0056b3; color: white; padding: 2px 5px; border-radius: 5px;">8% LTC</span>	Jan-15	+4%
Ohio	Jan-15	+1%	Jan-15	(3%)
South Carolina	Jul-15	+1% <sup>2</sup>	NA	NA
Texas	Jun-15 <sup>4</sup> /Sep-15	+3% <sup>2</sup> /+1% <sup>2</sup>	NA	NA
Utah	Jan-15 <sup>5</sup> /Jul-15	+3%/0%	NA	NA
Washington	Jan-15	+3% <span style="background-color: #0056b3; color: white; padding: 2px 5px; border-radius: 5px;">11% ABD</span>	Jan-15	(41%)
Wisconsin	Jan-15	+0.5%	NA	NA

1. Base business denotes rate change for TANF, CHIP, ABD and MMP  
 2. Estimate  
 3. CA fiscal year begins 7/1/15, but Expansion included a rate update 1/1/15  
 4. TX fiscal year begins 9/1/15, but Outlook includes rate update CFC (Community First Choice) on 6/1/15  
 5. UT fiscal year begins 7/1/15, but Outlook includes rate update on 1/1/15

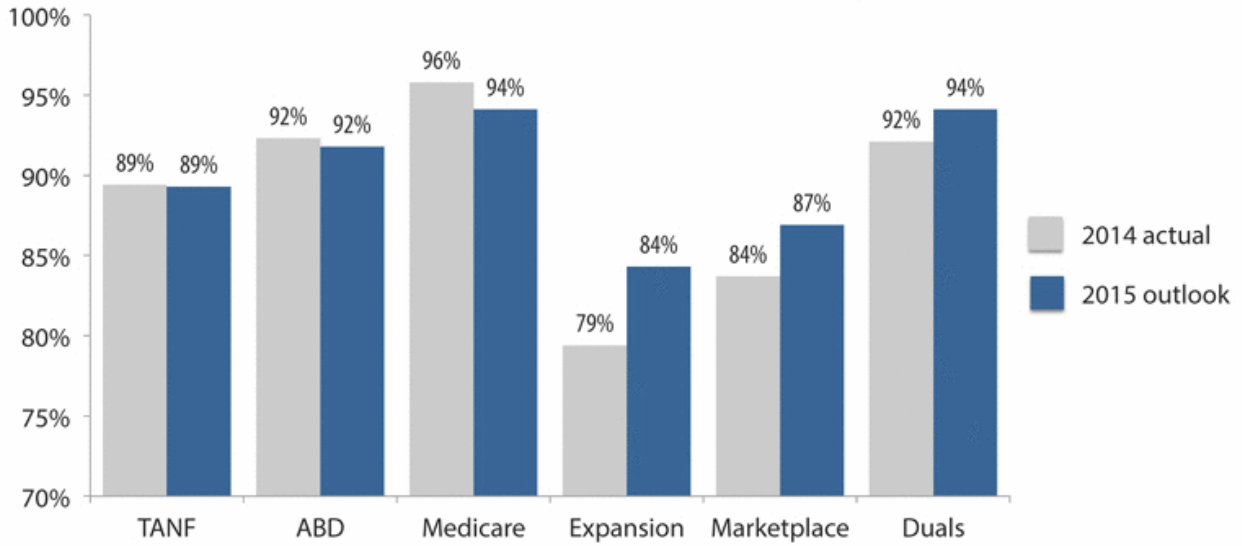


# Medical care ratio by program

Please refer to the Company's cautionary statement



## 2014 actuals versus 2015 outlook



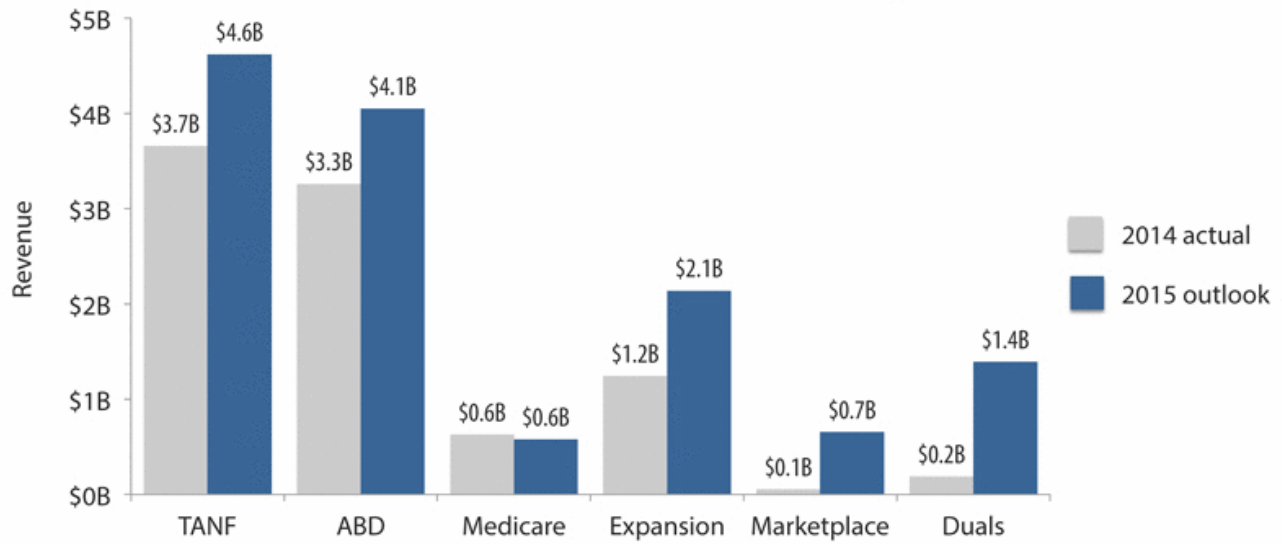
Amounts are estimates – actual results may differ materially. See our risk factors as discussed in our Form 10-K and other periodic filings

# Revenue by program

Please refer to the Company's cautionary statement



## 2014 actuals versus 2015 outlook



Amounts are estimates – actual results may differ materially. See our risk factors as discussed in our Form 10-K and other periodic filings

# 2015 ACA fee estimates

Please refer to the Company's cautionary statement



## Outlook by state/program<sup>1</sup>

State/Program	Fee	Tax Effect	Total <sup>2</sup>	2014 Fee Revenue <sup>3</sup>
California	\$17.7M	\$10.6M	\$28.3M	\$11.6M
Florida	\$4.5M	\$2.8M	\$7.3M	-
Illinois	\$1.1M	\$0.8M	\$1.9M	-
Michigan	\$16.4M	\$10.5M	\$26.9M	\$6.8M
New Mexico	\$17.7M	\$10.7M	\$28.4M	-
Ohio	\$27.7M	\$18.7M	\$46.4M	-
South Carolina	\$7.5M	\$4.7M	\$12.2M	-
Texas	\$14.0M	\$7.9M	\$21.9M	-
Utah	\$4.3M	\$2.7M	\$7.0M	-
Washington	\$27.7M	\$15.8M	\$43.5M	-
Wisconsin	\$4.1M	\$2.7M	\$6.8M	-
Medicaid FY15	\$142.7M	\$87.8M	\$230.5M	\$18.4M
MMP Dual Medicare FY15	\$1.6M	\$0.9M	\$2.5M	-
Medicare FY15	\$10.7M	\$7.1M	\$17.8M	-
<b>Total FY15</b>	<b>\$155.0M</b>	<b>\$95.7M</b>	<b>\$250.8M</b>	<b>\$18.4M</b>

## 2015 Revenue estimate includes \$9.2M recognized as premium tax revenue

Amounts are estimates – actual results may differ materially. See our risk factors as discussed in our Form 10-K and other periodic filings

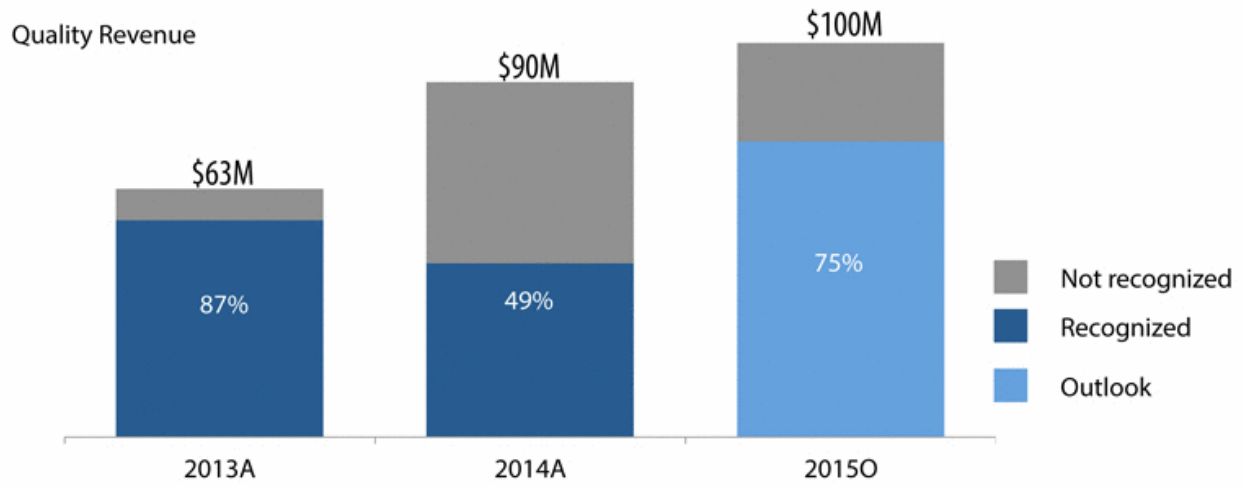
1. Outlook assumes the ACA fee and related tax effects will be fully reimbursed in all states
2. Amounts in the table include the full economic impact of the excise tax including premium tax and the income tax effect
3. Revenue for the period ending December 31, 2014 that is expected to be collected in 2015

# Consolidated quality revenue

Please refer to the Company's cautionary statement



## Historical and current outlook – 2015 assumptions



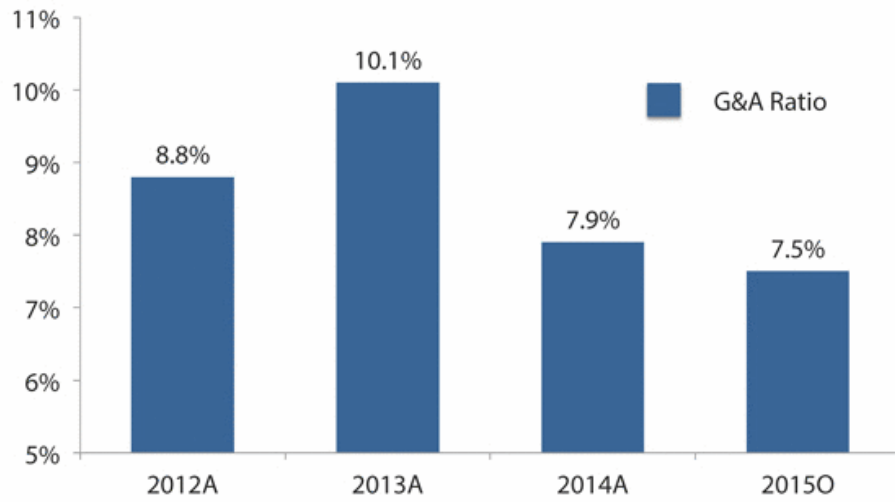
Totals indicate quality revenue available to be earned for the year specified.  
Earned amounts include amounts recognized in the year indicated – whether related to the prior year and current year.  
\*A\* denotes actual \*O\* denotes outlook

# General and administrative cost leverage

Please refer to the Company's cautionary statement



Revenue growth maximizes G&A investment



# EPS reconciliation

Please refer to the Company's cautionary statement

Outlook versus adjusted



	<b>2015 Outlook<sup>1</sup></b>
Net income per diluted share <sup>2</sup>	<b>\$2.35</b>
<u>Non-cash adjustments, net of tax:</u>	
Depreciation, and amortization of capitalized software	\$1.33
Amortization of convertible senior notes and lease financing obligations	\$0.37
Stock-based compensation	\$0.35
Amortization of intangible assets	\$0.20
Adjusted net income per diluted share <sup>2</sup>	<b>\$4.60</b>

Assumes 50 million average weighted diluted shares outstanding

1. Amounts are estimates - actual results may differ materially. See our risk factors as discussed in our Form 10-K and other periodic filings

2. Adjusted net income per diluted share, is a non-GAAP measure. The table above reconciles adjusted net income per diluted share, which the Company believes to be the most comparable GAAP measure to net income (loss) per diluted shares. GAAP stands for Generally Accepted Accounting Principles



Your Extended Family.


# 2015A Investor Day

**Long Term Financial Improvement**

John C. Molina, Chief Financial Officer

February 12, 2015 / New York, New York

# 2015 and beyond

2013 INCUBATE	2014 TRANSITION & GROW	2015 DEVELOP & GROW	2016+ FORTIFY
			
<ul style="list-style-type: none"> <li>▪ Acquire new business</li> <li>▪ Design systems</li> <li>▪ Test readiness</li> <li>▪ Invest in infrastructure</li> <li>▪ New business: SC, Duals, Marketplace, Medicaid Expansion, NM &amp; FL re-procurements, WI Medicare</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transition members into model of care</li> <li>▪ Address pent-up demand</li> <li>▪ Adjust premiums</li> <li>▪ Process transition issues</li> <li>▪ Begin leveraging infrastructure</li> <li>▪ Invest to prepare for 2015 revenue</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transition members into model of care</li> <li>▪ Address pent-up demand</li> <li>▪ Adjust premiums</li> <li>▪ Improve systems</li> <li>▪ Ensure equitable rates</li> <li>▪ Leverage administrative costs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improve model of care</li> <li>▪ Enhance systems</li> <li>▪ Improve margins</li> </ul>



# 2017 Financial Objectives

Please refer to the Company's cautionary statement



## Revenue Growth

~0.5%-1.5% decline in medical cost ratio

~0.5% - 1.0% decline in G&A ratio

Target: ~1.5% - 2.0% after tax margin

How will we get there?

Actuarially sound premium rates

Appropriate risk adjustment

Manage inpatient costs

Network alignment

Retention of members

## Select medical cost categories

Please refer to the Company's cautionary statement

### Sensitivity Analysis



Category	% PMPM Decrease	Increase in After Tax Margin
Lower Inpatient Costs	(2.0%)	0.25%
Lower Other Fee-for-Service Costs	(1.0%)	0.25%
Lower Pharmacy Costs	(3.0%)	0.25%

Based on 2015 outlook

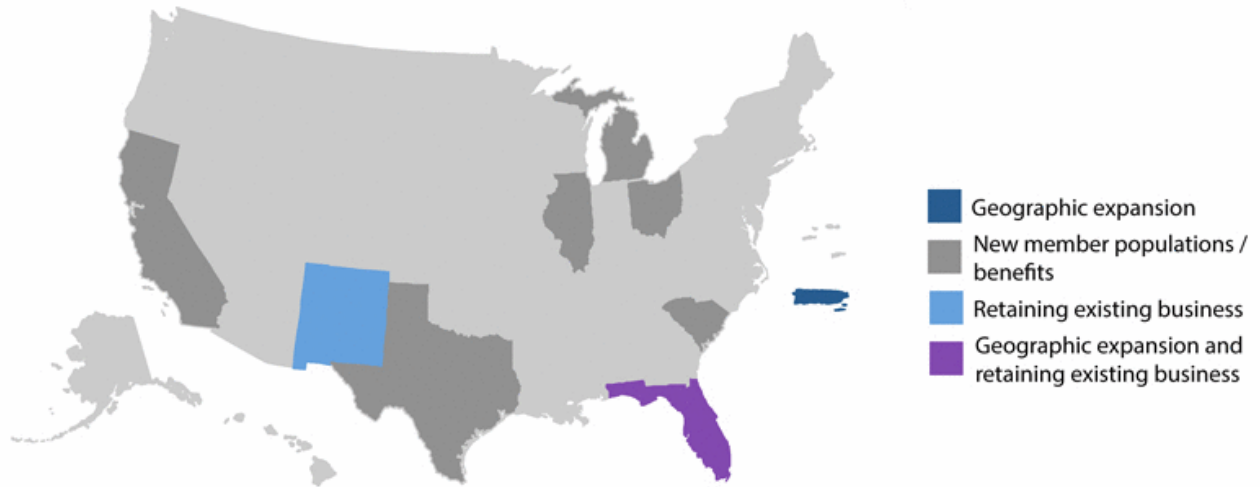
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## Top line growth

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### Key drivers



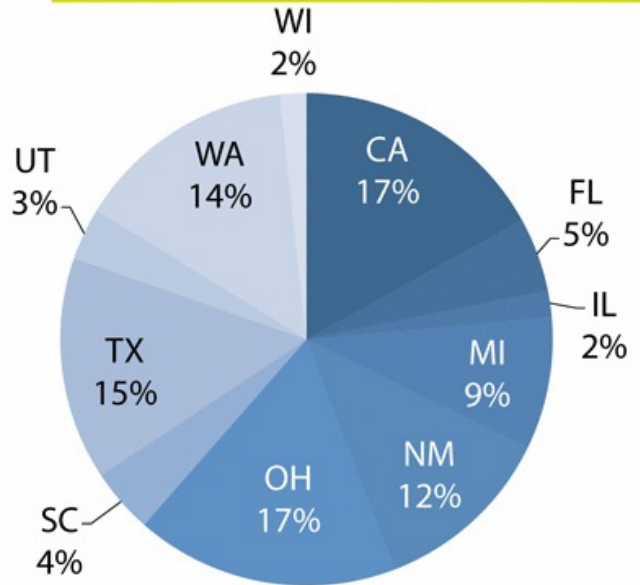
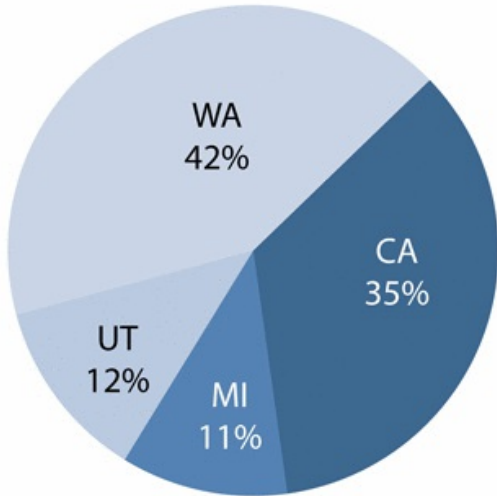
Florida includes both geographic expansion and business retention due to the acquisition of First Coast Advantage and Managed Medical Assistance (MMA) contract award.

# Premium revenue by state then and now



2003: **\$0.8 billion** premium revenue

2014: **\$9.0 billion** premium revenue



# Revenue diversification

Please refer to the Company's cautionary statement



Market diversification mitigates variations in earnings



# Addressing chronic care and LTSS takes time

Please refer to the Company's cautionary statement



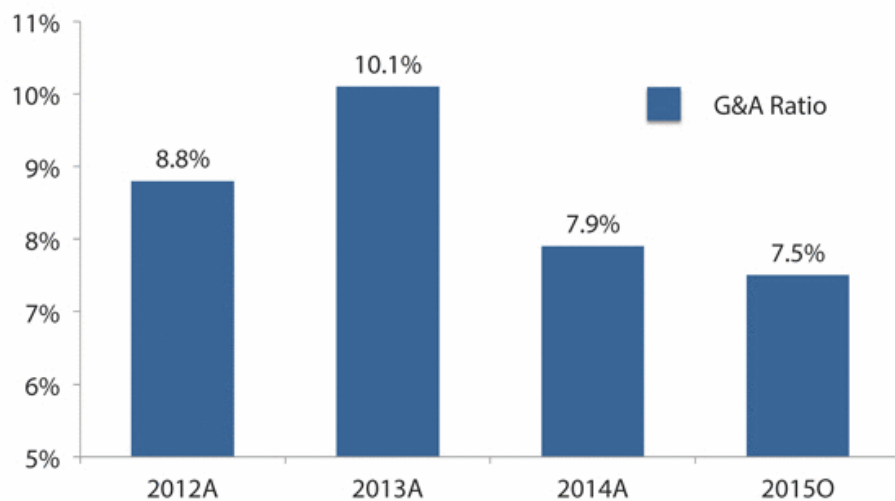
MINUS 3 TO MONTH 0	MONTHS 0-6	MONTHS 7-12	MONTHS 13-18
			
<ul style="list-style-type: none"> <li>▪ Hire and train staff</li> <li>▪ Identify, define and address state reporting, staffing and performance requirements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adjust staffing</li> <li>▪ Find the member</li> <li>▪ Perform Health Risk Assessment</li> <li>▪ Assess health and home</li> <li>▪ Design care plan and stratify by need</li> <li>▪ Confirm rate category</li> <li>▪ Implement continuity of care</li> <li>▪ Inform and engage with state</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assess and modify staff training</li> <li>▪ Track member</li> <li>▪ Implement care plan</li> <li>▪ Coordinate social services</li> <li>▪ Collect and submit diagnoses</li> <li>▪ Move to Molina protocols upon expiration of continuity of care</li> <li>▪ Inform and engage with state</li> </ul>	<ul style="list-style-type: none"> <li>▪ Right size staff size, skills and focus</li> <li>▪ Track member</li> <li>▪ Adjust care plan as needed</li> <li>▪ Reassess home environment</li> <li>▪ Receive risk adjusted rate</li> <li>▪ Assess and modify Molina protocols</li> <li>▪ Re-address standards with state</li> </ul>

# General and administrative cost leverage

Please refer to the Company's cautionary statement



Revenue growth maximizes G&A investment



## General and administrative cost leverage

Please refer to the Company's cautionary statement



Example

Revenue	G&A Ratio	
	Low	High
2014A	7.9%	
2015O	~7.5%	
\$1.0B	~7.3%	~7.4%
\$2.0B	~7.2%	~7.3%
\$3.0B	~7.0%	~7.1%
\$4.0B	~6.8%	~7.0%

Every \$1 billion of incremental revenue:

- requires between \$43 million and \$50 million of new G&A spend
- G&A ratio declines between 10 to 20 bps

40 bps decrease in G&A ratio increases after tax margins by 25 bps

Based on 2015 Outlook

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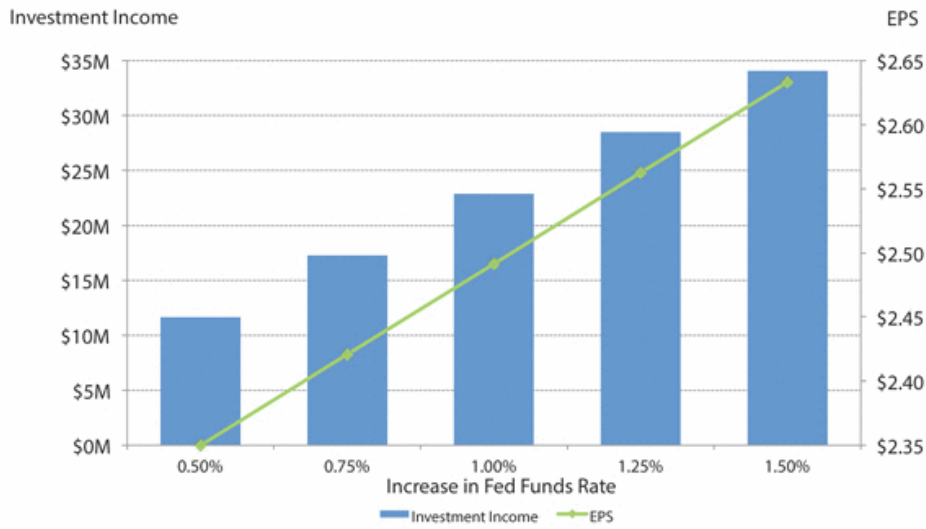


# Investment income

Please refer to the Company's cautionary statement



## Interest rate sensitivity on investment income



Each 25bp increase in rates results in \$5M to \$6M more of annualized investment income

# Non-deductible expenses

Please refer to the Company's cautionary statement



After tax margin distortions – for illustrative purposes only

<b>Revenue</b>	<b>\$100.0</b>
Deductible expenses	70.0
Non-deductible expenses	10.0
Total expenses	80.0
<b>Pre tax income</b>	<b>20.0</b>
<i>Income taxes:</i>	
Reported pre tax income at 37%	7.4
Increased tax on non-deductible expenses	3.7
Total income tax	11.1
<b>Net income</b>	<b>\$8.9</b>
Statutory tax rate	37%
<b>Effective tax rate</b>	<b>56%</b>

## Significant non-deductible expenses

- ACA Health Insurer Fee
- Executive compensation

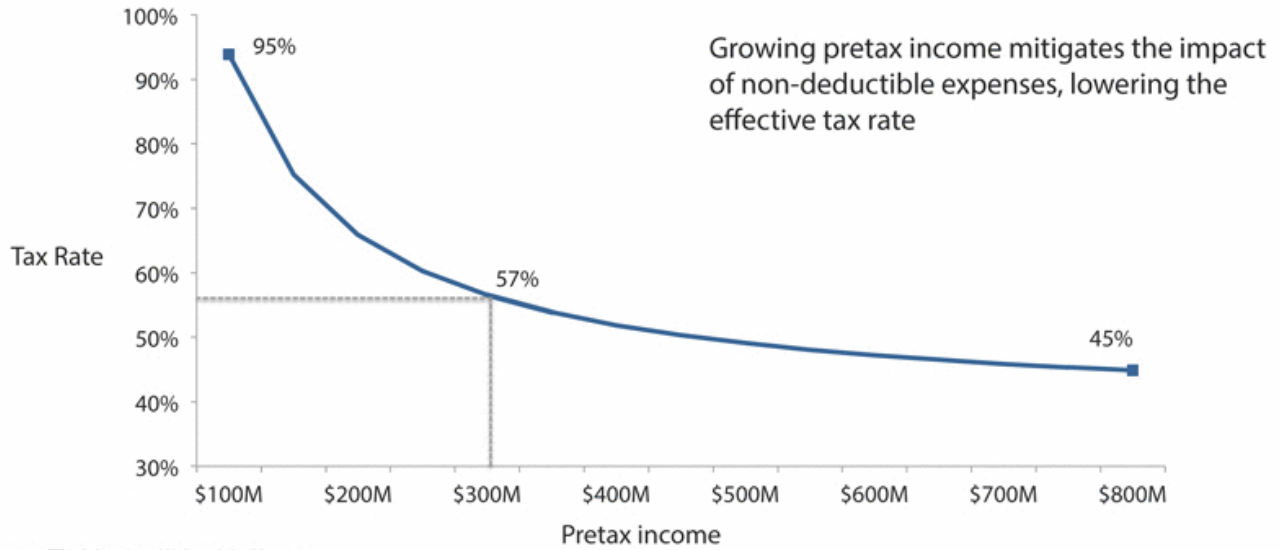
Low amounts of pretax income can result in effective tax rates that are very high or even negative

# Effective tax rate

Please refer to the Company's cautionary statement



## ETR sensitivity to pretax income<sup>1</sup>

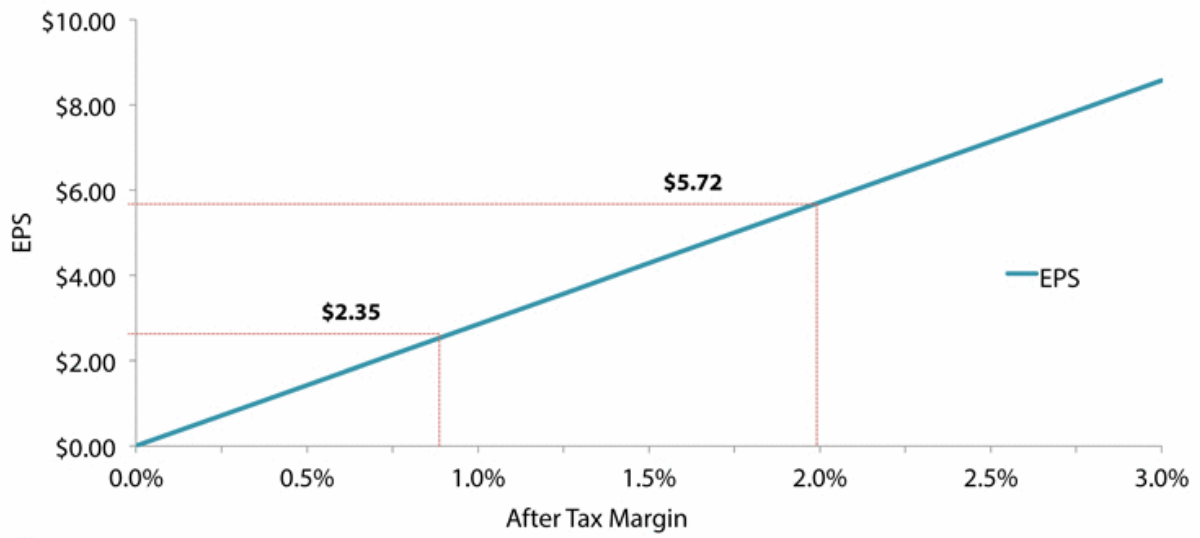


# After tax margin sensitivity

Please refer to the Company's cautionary statement



Each 25bps increase in after tax margin increases EPS by \$0.70



Based on 2015 Outlook

