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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): September 19, 2013**

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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)

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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**

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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 September 19, 2013, Molina Healthcare, Inc. (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](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	Slide presentation given at the Investor Day Conference of Molina Healthcare, Inc. on September 19, 2013.

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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: September 19, 2013

By: /s/ Jeff D. Barlow

Jeff D. Barlow

Sr. Vice President – General Counsel, and Secretary

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**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Slide presentation given at the Investor Day Conference of Molina Healthcare, Inc. on September 19, 2013.



Your Extended Family.



# Investor Day 2013B

September 19, 2013  
New York, New York

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# Cautionary Statement

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**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 revenue, membership, and profitability growth projections; market and growth opportunities related to dually eligible members, to the Affordable Care Act (ACA) Medicaid expansion, and to the insurance exchanges or marketplaces; our capital requirements and potential financing sources; the ACA health industry fee and its expected reimbursement; projected growth from recent acquisitions in New Mexico and South Carolina; the settlement expected to be entered into by our California health plan; 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.

Approx. Time	Topic	Speaker
12:30pm-12:35pm	Opening Remarks	Juan José Orellana, SVP Investor Relations
12:35pm-1:10pm	Business Overview	Dr. J. Mario Molina, Chief Executive Officer
1:10pm-1:45pm	Health Plan Discussion	Terry Bayer, Chief Operating Officer
1:45pm-2:00pm	Q&A	
2:00pm-2:15pm	Break	
2:15pm-2:45pm	Financial Discussion	Joseph White, Chief Accounting Officer
2:45pm-3:05pm	Q&A	
3:05pm-3:50pm	Financial Discussion	John Molina, Chief Financial Officer
3:50pm-4:30pm	Q&A	
4:30pm	End of Program	



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# Business Overview

**J. Mario Molina, M.D.**  
President & Chief Executive Officer

September 19, 2013  
New York, New York

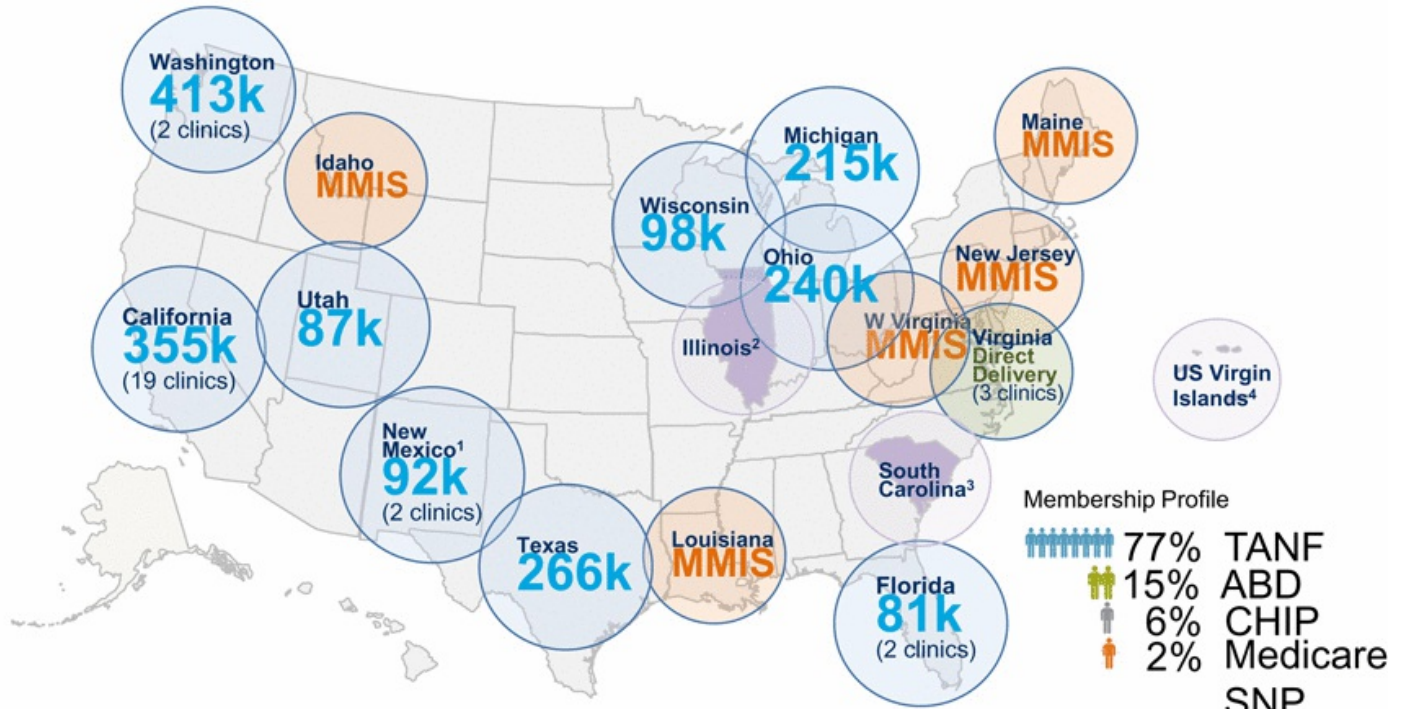
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**NYSE**



To provide quality health services to financially vulnerable families and individuals covered by government programs.

# Business Snapshot

## Our Markets (2Q2013)



**1.8 million members**

1. As of August 1 '13, New Mexico membership increased to 172K members due to the acquisition of the Lovelace state contract  
 2. As of September 1 '13, Illinois health plan began serving ABD members  
 3. South Carolina health plan is expected to begin serving South Carolina Medicaid members starting December 1 '13, as a result of the South Carolina Solutions asset acquisition  
 4. US Virgin Islands Medicaid management information system, in partnership with MMS West Virginia, went live on August 1 '13

### Organic Growth



Florida, Georgia, and Illinois state flags.

### Acquisitions



New Mexico and Saudi Arabia flags.

### Growth Capital

\$550,000,000 February 2013



**MOLINA**  
HEALTHCARE

1.125% Convertible Senior Notes due 2020  
Interest payable January 15 and July 15



A tall, modern glass skyscraper.

### Infrastructure



A collage of diverse people's faces and a server room with a person working on equipment.

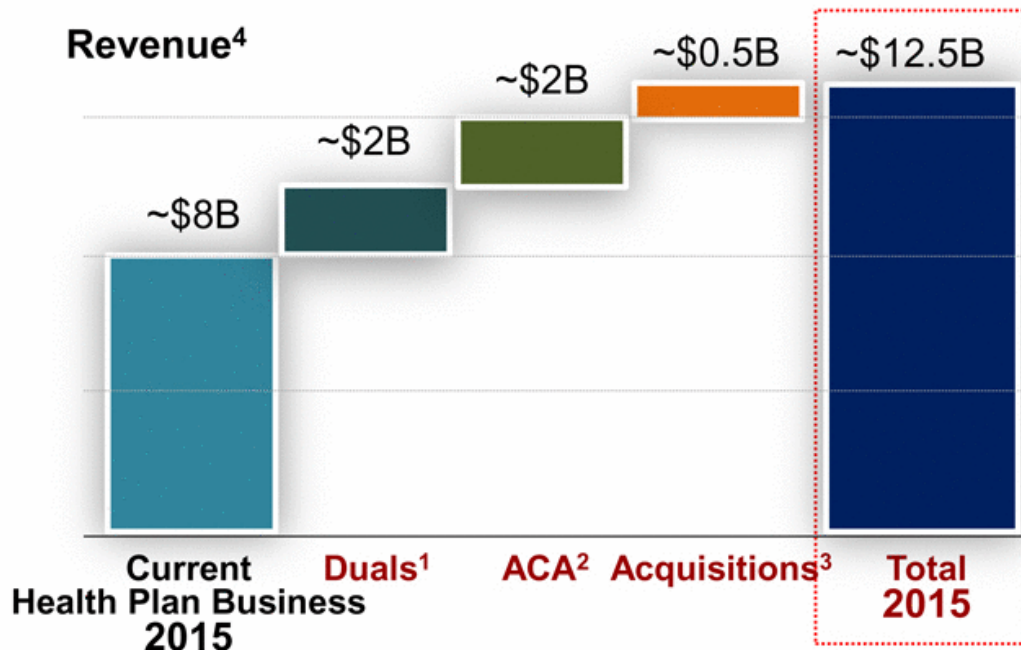


A central Molina Healthcare logo with arrows pointing to it from the four main categories.

# Long Term Incremental Growth Drivers

Please refer to the Company's cautionary statements.

Estimated potential revenue run-rate by year-end 2015 associated with growth activities



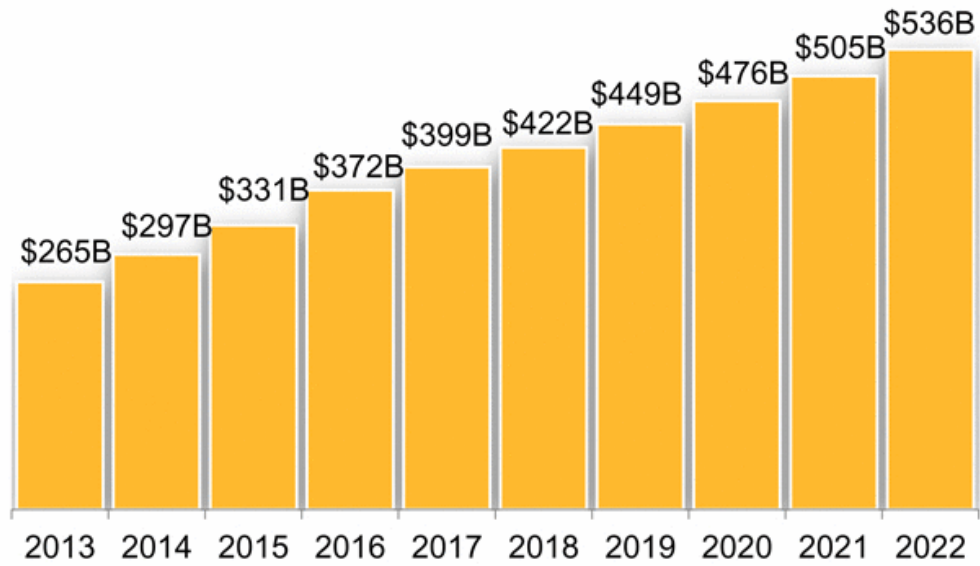
1. Duals denotes revenue potential for dual eligibles in CA, MI, OH, TX, IL  
2. ACA denotes revenue potential as a result of Medicaid expansion in CA, IL, MI, NM, and WA; and Marketplace in CA, FL, MI, NM, TX, UT, WA, OH, and WI  
3. Acquisitions denote New Mexico (Lovelace), and South Carolina (Community Health Solutions assets)  
4. All amounts are estimates and subject to change







**Projected Medicaid Spending  
2013-2022<sup>1</sup>**



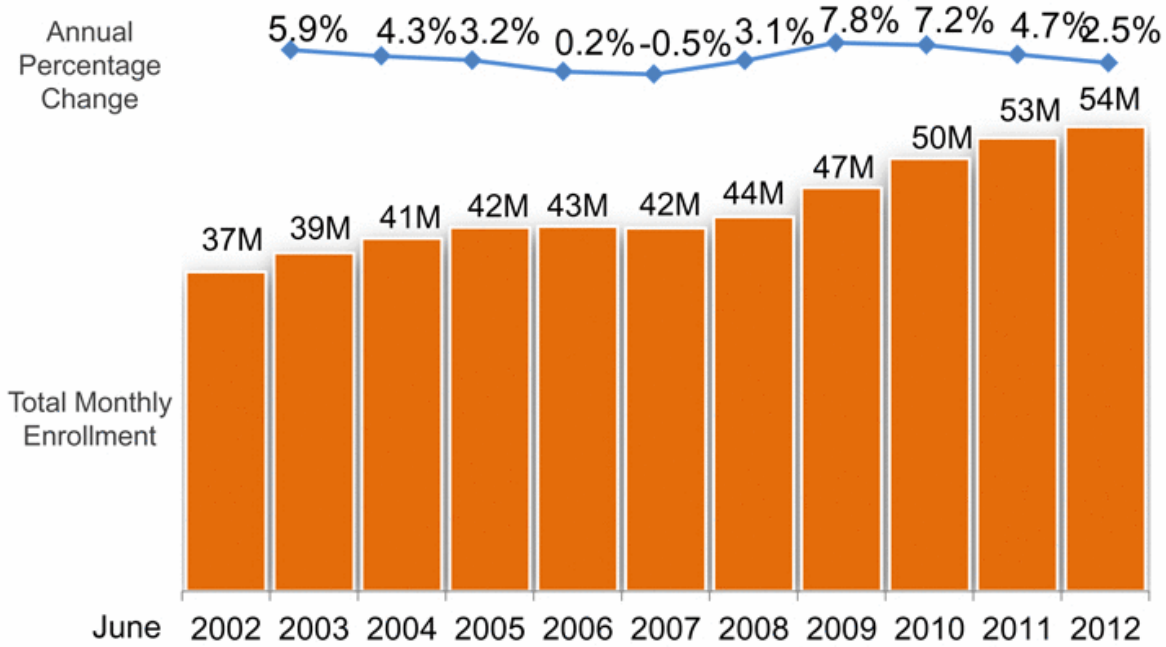
**Medicaid spending continues to grow**

1. Congressional Budget Office (CBO). <http://www.cbo.gov/publication/43947>

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### Annual Change in Medicaid Enrollment in 50 States and DC June 2002 to June 2012<sup>1</sup>



**Medicaid enrollment continues to grow**

1. Kaiser Family Foundation. Medicaid Enrollment: June 2012 Data Snapshot

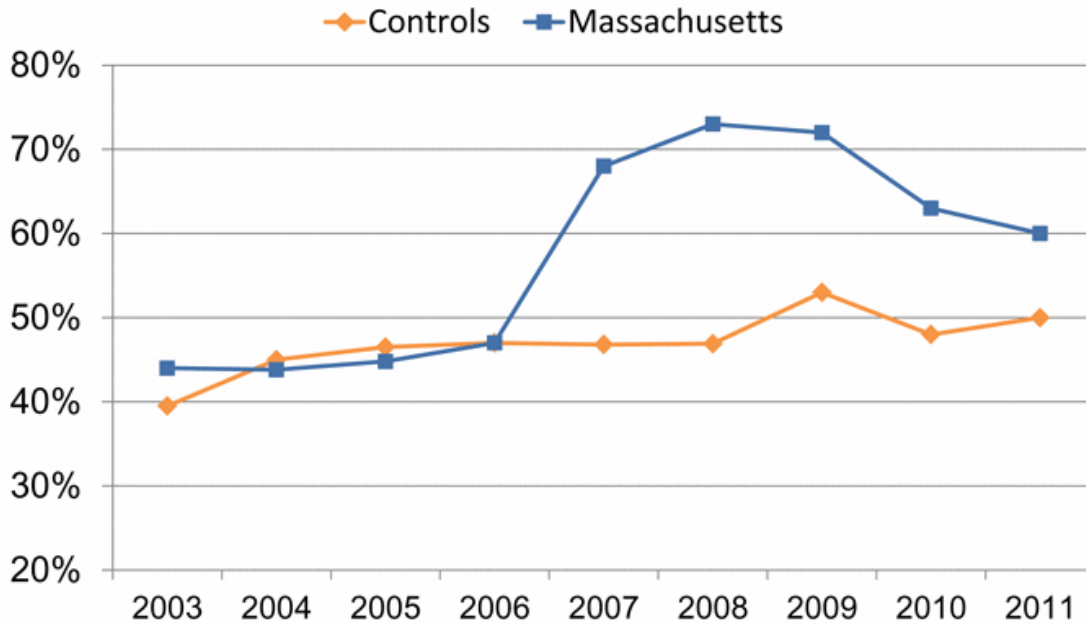
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# Welcome-Mat Effect ??

The intensity of outreach and awareness efforts associated with the Affordable Care Act may affect the increase in Medicaid enrollment and participation among previously eligible individuals.

## MA Medicaid Unadjusted Enrollment Rates<sup>1</sup>

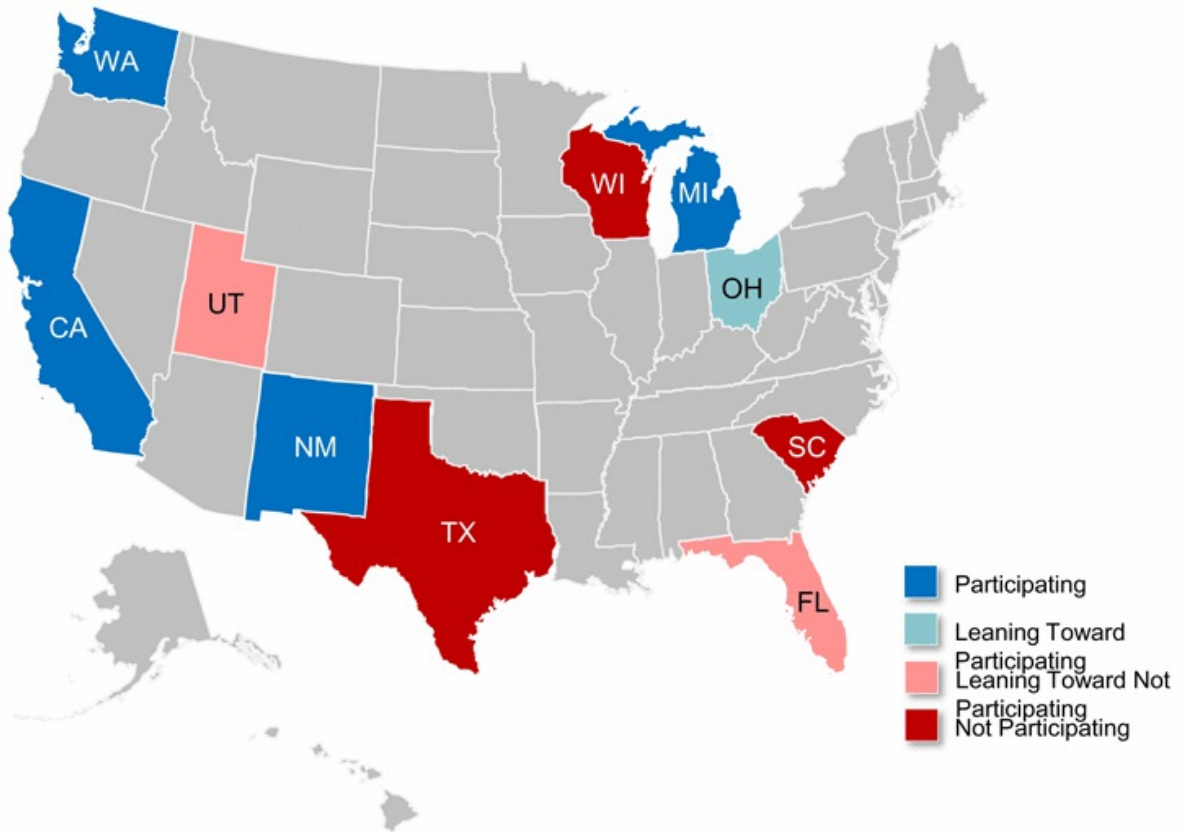


**Medicaid enrollment increased by ~16% in MA as a result of outreach efforts**

1. Health Affairs Journal. "Medicaid 'Welcome-Mat' Effect of Affordable Care Act Implementation Could be Substantial", July 2013



Where **Molina States Stand on Medicaid Expansion** as of August 2013<sup>1</sup>



1. The Advisory Board Company. Beyond the pledges: Where the states stand on Medicaid

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# California Managed Care Adoption

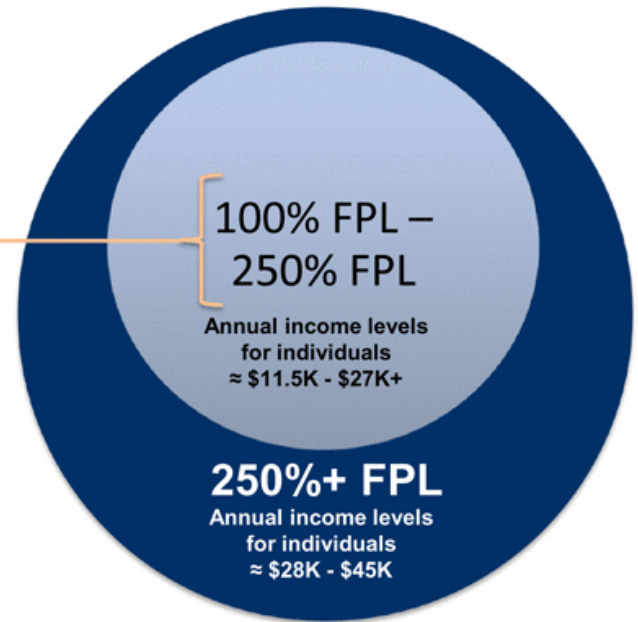
Govt Program	San Bernardino/Riverside	Los Angeles	San Diego	Sacramento
<b>Medi-Cal</b>	Molina Healthcare Inland Empire Health Plan	Health Net ( <b>Molina as Subcontractor</b> ) L. A. Care Health Plan	Molina Healthcare Care 1st Partner Plan Community Health Group Health Net Kaiser Permanente	Molina Healthcare Anthem Health Net Kaiser Permanente
<b>Medicare SNP</b>	Molina Healthcare Inland Empire Health Plan Kaiser Permanente Scan Healthplan	Molina Healthcare Health Net L. A. Care Health Plan	Molina Healthcare Care 1st Partner Plan Community Health Group Health Net	Molina Healthcare Health Net Kaiser Permanente
<b>MMP</b>	Molina Healthcare Inland Empire Health Plan	Health Net L. A. Care Health Plan	Molina Healthcare Care 1st Health Plan Community Health Group Health Net	N/A <sup>1</sup>
and now... <b>Marketplace</b>	Molina Healthcare Anthem Blue Shield Health Net Kaiser Permanente	Molina Healthcare Anthem Blue Shield Health Net Kaiser Permanente L.A. Care Health Plan	Molina Healthcare Anthem Blue Shield Health Net Kaiser Permanente Sharp Health Plan	Anthem Blue Shield Kaiser Permanente Western Health Advantage

**Well represented in programs for low-income population**

1. Carved Out



- Medicaid transitioners; parents of CHIP members; ex-Medicaid members; low-income uninsured
- Heavily subsidized
- Used to getting care from safety net providers
- Require enhanced services



**Ensuring continuity of care to Medicaid transitioners**



**CA Minimum Wage**  
**\$8.00** per hour  
**\$16,640** annualized

Premium assistance for marketplace is calculated based on the federal poverty scale. Individuals who earn **<138%** of the FPL qualify for Medicaid.

FEDERAL POVERTY LEVELS & INCOME <sup>1</sup>					
Size of Household	133%	138%	150%	200%	250%
1	\$15,282	\$15,900	\$17,235	\$22,980	\$28,725
2	\$20,628	\$21,500	\$23,265	\$31,020	\$38,775
3	\$25,975	\$27,000	\$29,295	\$39,060	\$48,825
4	\$31,322	\$32,499	\$35,325	\$47,100	\$58,875
5	\$36,668	\$38,047	\$41,355	\$55,140	\$68,925

Hourly rate \$12.49

Hourly rate \$14.08

**Small hourly rate increases can affect Medicaid eligibility and marketplace subsidies**

1. www.medicaid.gov

## Covered California Bronze Plan monthly pricing for 40-year-old individual, non-smoker in San Bernardino/Riverside

Income Level			133% FPL		150% FPL		200% FPL		250% FPL	
Carrier	Bronze Plan Price	Bronze Plan Rank	Member Premium	Subsidy	Member Premium	Subsidy	Member Premium	Subsidy	Member Premium	Subsidy
<b>Molina</b>	<b>\$204</b>	<b>1</b>	-	<b>\$221</b>	<b>\$2</b>	<b>\$202</b>	<b>\$66</b>	<b>\$138</b>	<b>\$138</b>	<b>\$66</b>
Anthem	\$219	2	-	\$221	\$17	\$202	\$66	\$138	\$138	\$66
Kaiser	\$226	3	\$5	\$221	\$24	\$202	\$81	\$138	\$153	\$66
Health Net	\$270	4	\$49	\$221	\$68	\$202	\$132	\$138	\$204	\$66

CA Molina Premium Revenue PMPM (Medicaid TANF)..... \$103  
 Consolidated Premium Revenue PMPM (Medicaid TANF).....\$182

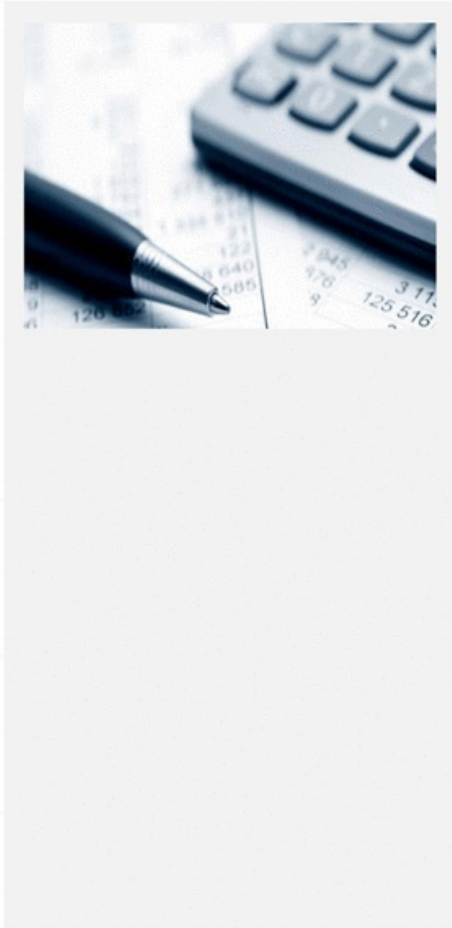
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## Basic Health Plan

### Optional coverage program under the Affordable Care Act (ACA)

- Offers continuity of coverage for individuals who:
  - Are ineligible for Medicaid and <65;
  - Have incomes at or below 200% FPL; and
  - Do not have access to affordable employer – or government sponsored coverage
  
- States receive 95% of what federal government would have spent on tax credits and subsidies for out-of-pocket costs in the marketplace
  
- Operational starting in 2015 for interested states





- Reinsurance
- Risk Corridors
- Risk Adjustment

Tailwinds	Headwinds
Medicaid expansion	Delayed state implementations
Footprint includes 4 of 5 largest Medicaid markets	Industry tax
Uniquely positioned to capture dual eligible enrollment	Medical cost pressure associated with new contracts/populations



## Mission



Our mission is to provide quality health services to financially vulnerable families and individuals covered by government programs.

## Priorities

- Manage our growth
  - Organic growth
  - Medicaid expansion
  - Dual eligible population
  - RFPs
- Margin Expansion
- Leverage our business portfolio
  - Health plan business
  - MMS
  - Direct delivery
- Strive for operational excellence
  - Quality care
  - Star ratings

10<sup>th</sup> Anniversary as a listed company  
(July 2, 2013)



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# Health Plan Discussion

**Terry Bayer**  
Chief Operating Officer

September 19, 2013  
New York, New York

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## People



- 15% YTD employee growth
- Dedicated team for Marketplace
- Expanded Medicare team for Duals Demonstration

## Process



- Product development
- Pricing
- Network customization
- Premium billing and collection
- Marketing/Sales/Advertising
- LTSS management

## Technology

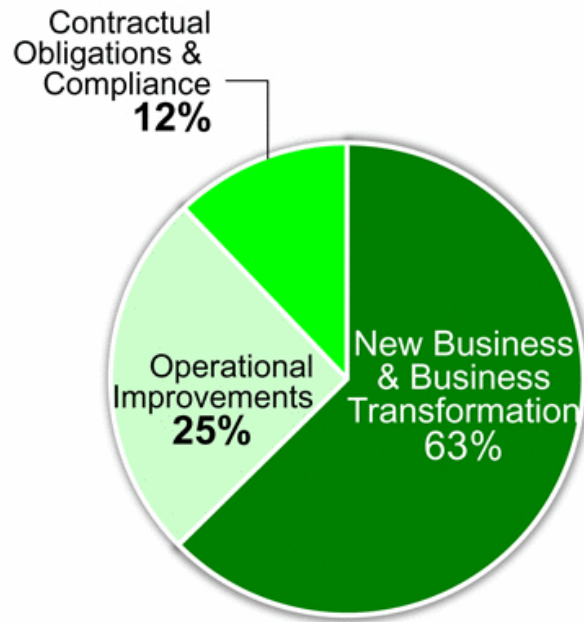


- Premium billing & collections
- Member 360
- Upgraded care management software
- Clear Coverage™
- Telephony upgrade

**Infrastructure build precedes revenue**



Enterprise wide approach to business processes

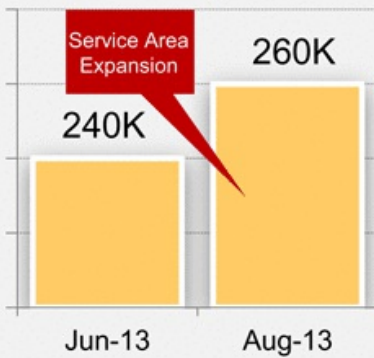


**Infrastructure costs being driven by new business**

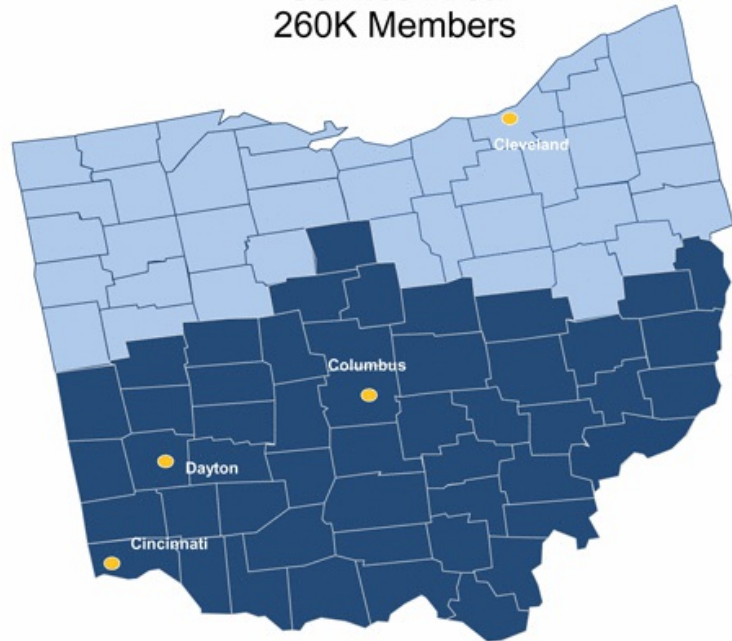


In Q3 2013 Molina expanded into 38 new counties.

### Molina Healthcare of Ohio Historical Enrollment Growth Jun 2013-Aug 2013



### New Molina Statewide Service Area 260K Members



- Expansion service area
- Existing service area





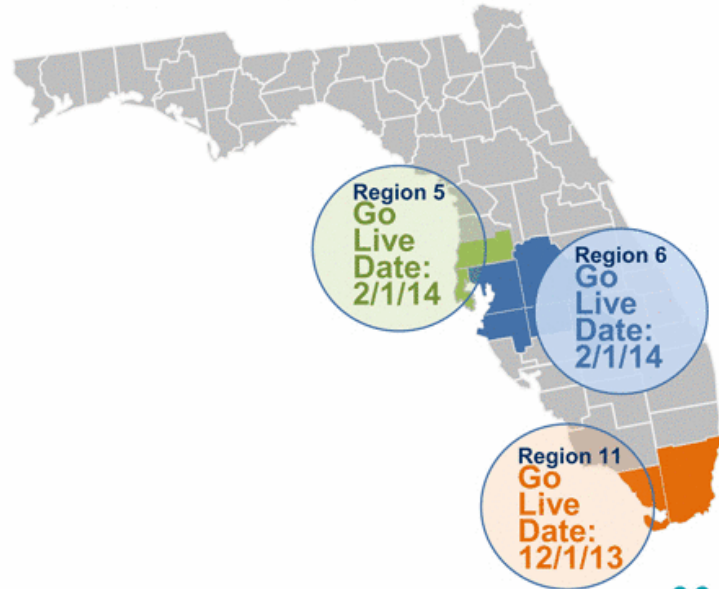
Under the LTC program, Molina will provide long-term care benefits including institutional and home and community-based services.

### Anticipated LTC

**Rates:**  
**\$3,200-\$3,500**  
**PMPM**

- Consolidates numerous individual LTC waivers (including Nursing Home Diversion program)
- Management of LTC services in least restrictive setting
- Stand-alone LTC program
- Strong coordination with acute benefits required

### Florida LTC Service Area

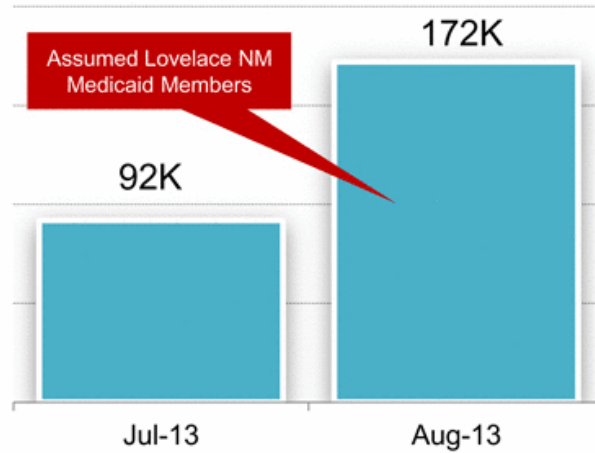




Effective August 1, 2013, Molina assumed Lovelace Community Health Plan's contract for the Medicaid Salud! Program in New Mexico.

**Consideration:  
\$54 million**

## Molina Healthcare of New Mexico Historical Enrollment Growth Jul 2013-Aug 2013



**Molina is currently the largest Medicaid operator in New Mexico**



Member transfer has an anticipated effective date of December 1, 2013.<sup>1</sup> There are 136K SCS members eligible for transfer to Molina.

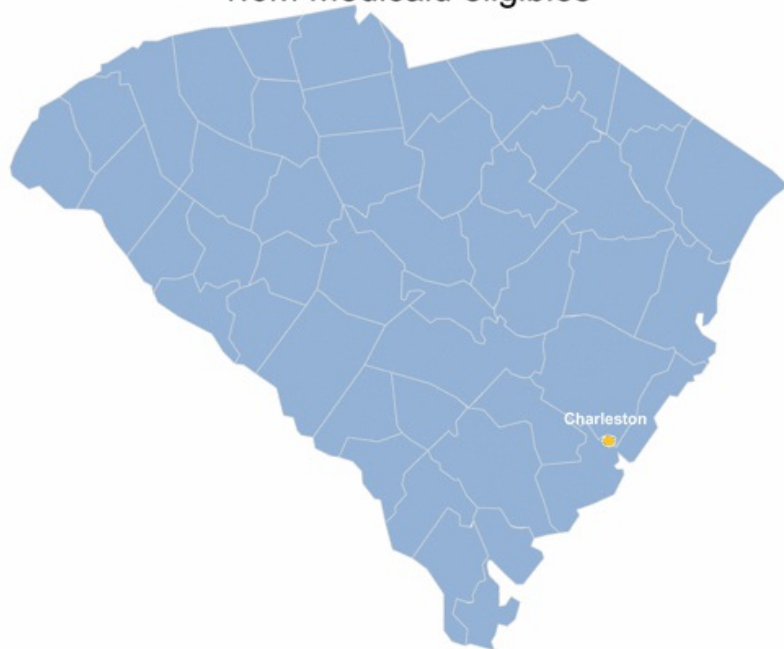
**Consideration:  
\$59 million**

1. Contingent on the state's granting Molina a HMO license and a full-risk Medicaid managed care contract, and the state's conversion of the Medical Homes Network program to a full-risk Medicaid managed care program.

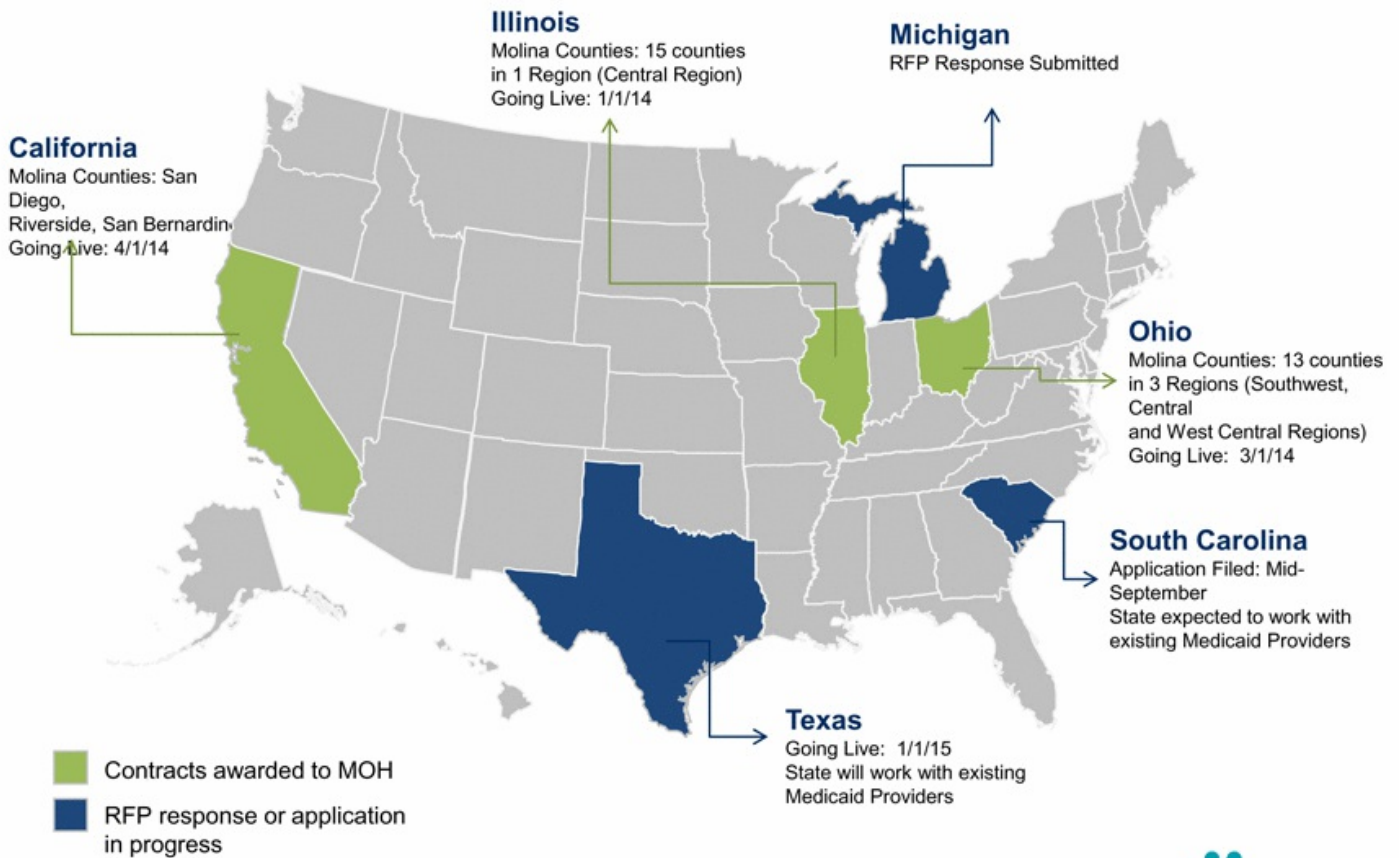
Molina has acquired the assets of a South Carolina Medicaid plan, South Carolina Solutions (SCS), from Community Health Solutions of America.

### Molina Statewide Service Area

1.6M Medicaid eligibles

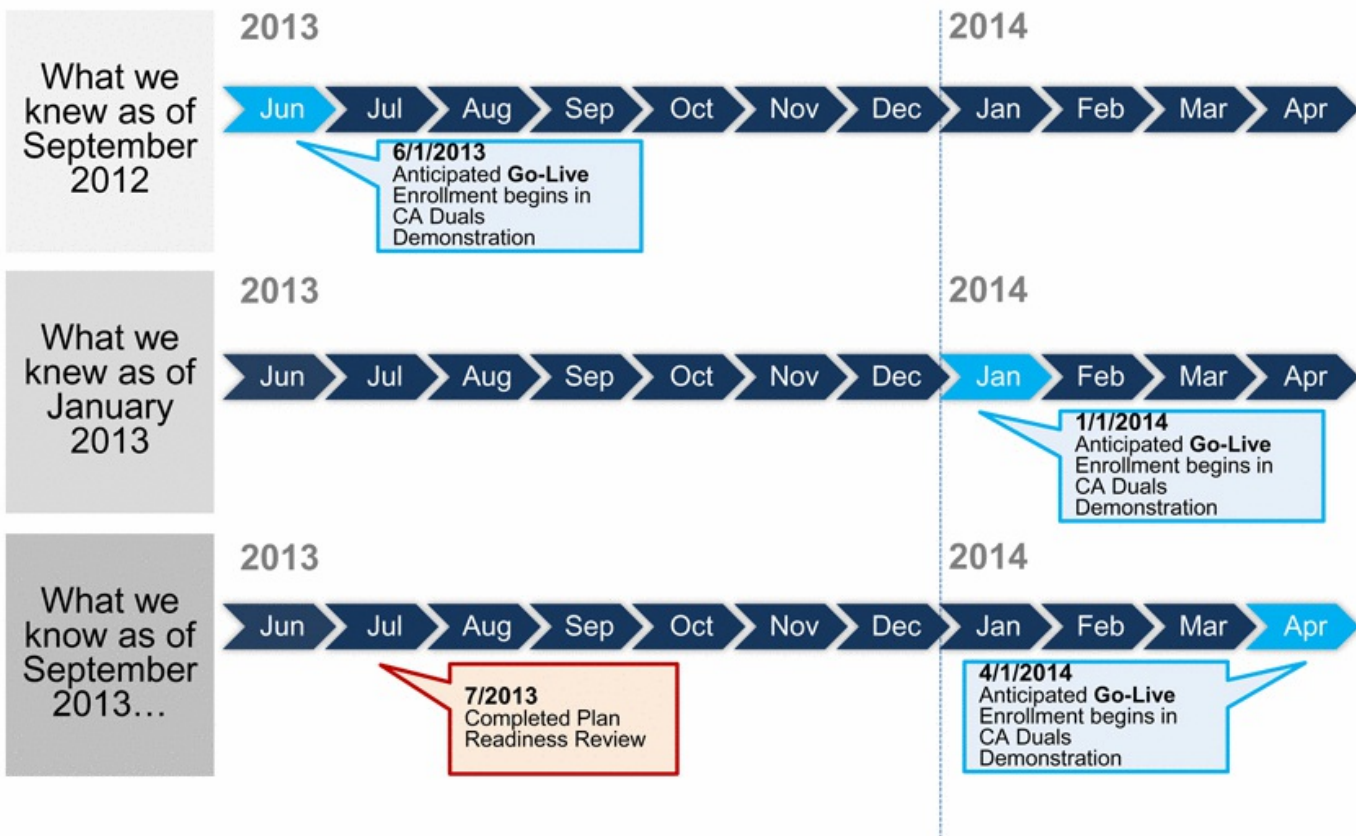


## Dual Eligible

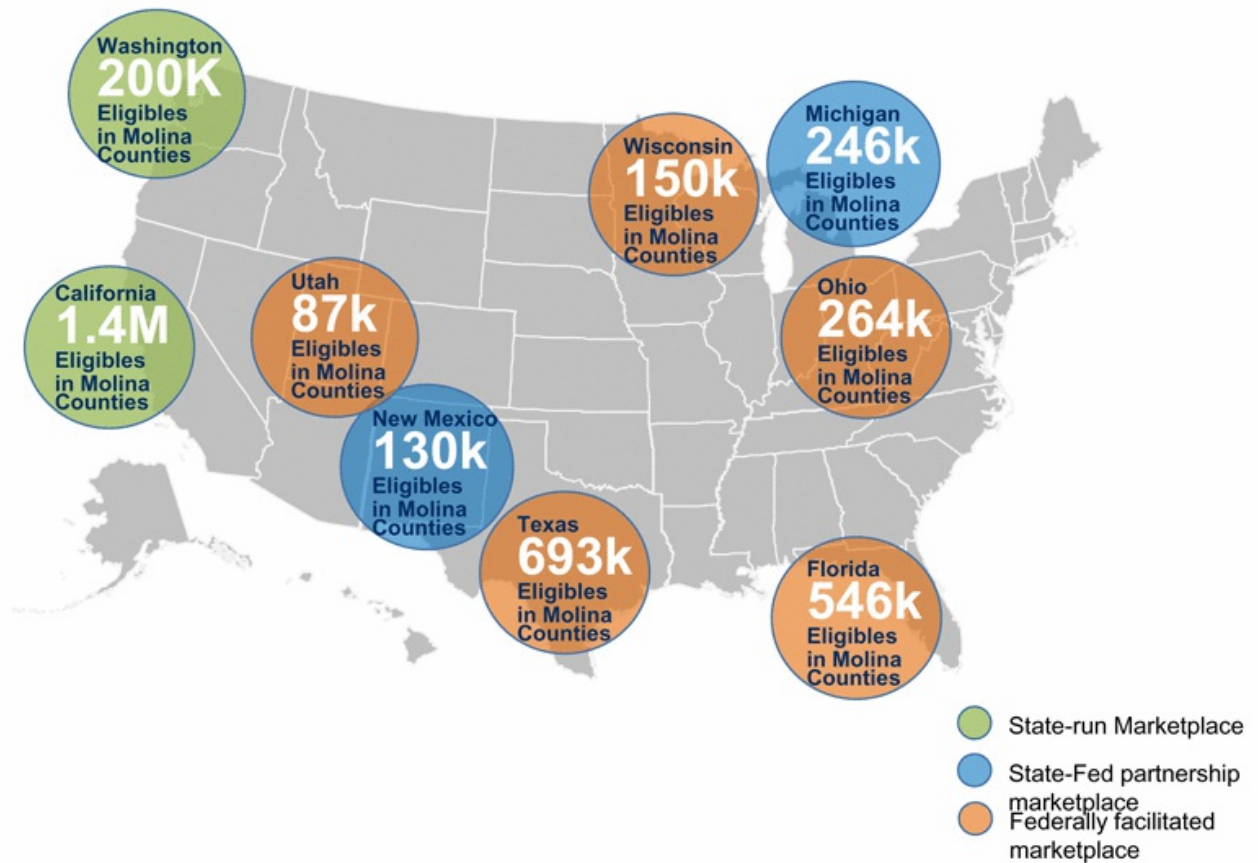


# California Duals Implementation Timeline

A moving target











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# Affordable Care Act (ACA) Health Insurer Fee

**Joseph White**  
Chief Accounting Officer  
September 19, 2013  
New York, New York

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# ACA Insurer Fee

Please refer to the Company's cautionary statements.

Section 9010 of the Patient Protection and Affordable Care Act (ACA) and Section 1406 of the Reconciliation Act impose an annual fee on the health insurance industry starting in 2014.

- Allocated based upon plan's relative share of premiums in prior year ("data year")
- **Full liability is incurred on January 1<sup>st</sup> of the fee year**
- Oliver Wyman estimates the increase in premiums to cover the fee would be 1.9% to 2.3%<sup>1</sup>
- Insurers notified of liability by August 31<sup>st</sup>
- Fee payment due by September 30<sup>th</sup>

Year	Industry Fee <sup>1</sup>	Molina Fee <sup>2</sup>
2014	\$8.3B	\$100M
2015	\$11.3B	\$140M
2016	\$11.3B	\$140M
2017	\$13.9B	\$170M
2018	\$14.3B	\$170M
2019	indexed	-

Source(s):  
1. Section 9010 of the Patient Protection and Affordable Care Act (ACA)  
2. MOH estimated

Note(s):  
1. Oliver Wyman November 2012 , "Annual Tax Insurers Allocated by State"





- State Reimbursement of Fee
- Fee Not Tax Deductible
- Capital Funding Requirements
- Timing and Recognition

# Why Do We Think We're Going To Be Reimbursed?

Please refer to the Company's cautionary statements.

Reimbursement of assessments (like the ACA insurer fee) is specifically required for actuarial soundness.

## **American Academy of Actuaries:**

*"Medicaid benefit plan premium rates are "actuarially sound" if....projected premiums...provide for all reasonable, appropriate and attainable costs, including health benefits, health benefit settlement expenses, marketing and administrative expenses, any state-mandated assessments and taxes, and the cost of capital."*<sup>1</sup>

## **Milliman:**

*"Regulations issued by CMS require Medicaid managed care premiums to be actuarially sound and that states obtain an actuarial certification from a qualified actuary. While CMS does not have set criteria to determine actuarial soundness, taxes are widely recognized as a reasonable and unavoidable cost of doing business for Medicaid managed care organizations (MCOs) and are included in Medicaid managed care premiums"*<sup>2</sup>

**Milliman serves as consulting actuary to Molina state partners in FL, IL, MI, NM, UT and WA**

## **Ohio Integrated Dual Eligibles Draft Rate Memorandum (May 2013):**

*"If it is later determined that the ICDS is subject to the health insurer fee, in whole or in part, a rating adjustment will need to be made to the CY2014 component of the Medicaid rates"*<sup>3</sup>

## **Michigan Rate Development Fiscal Year 2014**

*"We have estimated that the fee (health insurance assessment fee) will range from a 0% impact to a 4% impact on the capitation rates specific to the State of Michigan Medicaid program. This impact is considered part of the actuarial certification of the rates. It is anticipated that MDCH will pay to the health plans the exact amount due for each health plan following receipt of notification of the health insurance fee. ....The allowance for the corporate income tax should be considered a portion of the health insurance assessment fee capitation rate adjustment .....for any individual health plan"*<sup>4</sup>

Note(s):

1. American Academy of Actuaries Practice Note, August 2005, "Actuarial Certification of Rates for Medicaid Managed Care Programs"
2. Milliman Research Report, April 2013, "ACA Health Insurer Fee – Estimated Impact on the U.S health insurance industry"
3. Mercer, May 10 2013, "Integrated Care Delivery System Opt-In-Rates – Calendar Years 2013 and 2014"
4. Milliman September 13, 2013, "Michigan CSHCS Capitation Rate Development"

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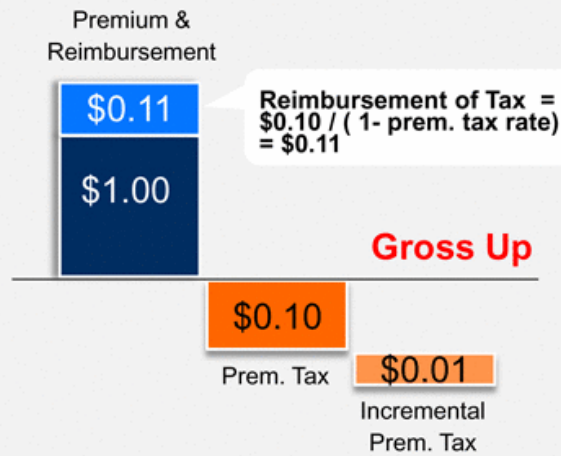
# Lack of Deductibility Requires Gross Up

Please refer to the Company's cautionary statements.

States have always reimbursed us for the **gross up** required for premium taxes.

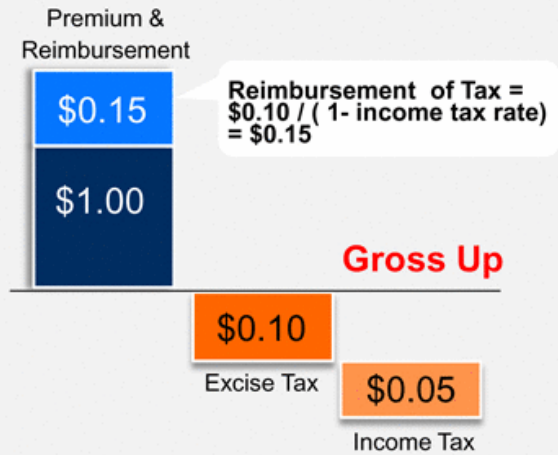
## Deductible Premium Tax

For illustrative purposes only  
assumes a 10% premium tax rate



## Non-Deductible Excise Tax

For illustrative purposes only  
assumes a 35% federal income tax rate & 10% excise tax



Premium taxes must be paid on all premium - **even the premium that reimburses us for premium taxes**

The ACA Insurer fee is an excise tax and is **non tax deductible**. Income taxes will be paid on premiums received to cover the fee



# ACA Fee & Reimbursement – Timing & Recognition (GAAP) <sup>1</sup><sub>41</sub>

Please refer to the Company's cautionary statements.

	Dec 31	Jan 1	Sep 30
<b>Reporting &amp; Recognition</b>	<b>"Non-Recognized" (Type II) Subsequent Event</b>	<b>Recognize Liability &amp; Begin Expense Recognition</b>	<b>Pay Fee</b>
<b>Description</b>	<ul style="list-style-type: none"> <li>• Disclosure only</li> </ul>	<ul style="list-style-type: none"> <li>• Full liability recognized on Jan 1 based on net premiums written in prior year</li> </ul>	<ul style="list-style-type: none"> <li>• Non cash transaction until fee paid</li> </ul>
<b>Accounting/ Disclosure</b>	<ul style="list-style-type: none"> <li>• Disclose nature of assessment &amp; estimate financial effect</li> </ul>	<ul style="list-style-type: none"> <li>• Rcrd. Current Asset Full Amount</li> <li>• Rcrd. Current Liability Full Amount</li> <li>• Rcrd. Expense (1/12 per month)</li> <li>• Rcrd. revenue (1/12) if fully reimbursed</li> </ul>	<ul style="list-style-type: none"> <li>• Decr. Liability</li> <li>• Decr. Cash</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>• Disclosure only</li> </ul>	<ul style="list-style-type: none"> <li>• No equity impact if fully reimbursed</li> <li>• No P&amp;L impact if fully reimbursed</li> </ul>	<ul style="list-style-type: none"> <li>• Asset/Liability offset</li> </ul>

Note(s):

1. Based on Accounting Standards Update (ASU) No. 2011-06: Fees Paid to the Federal Government by Health Insurers

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# ACA Fee & Reimbursement – Timing & Recognition (STAT)<sup>1</sup> 42

Please refer to the Company's cautionary statements.

	Dec 31	Jan 1	Sep 30	
Reporting & Recognition	“Non-Recognized” (Type II) Subsequent Event	Recognize Liability & Begin Expense Recognition	Begin Establishing Special Surplus Reserve for <u>Next Year Payable</u>	Pay Fee
Description	<ul style="list-style-type: none"> <li>• Disclosure only</li> </ul>	<ul style="list-style-type: none"> <li>• Full liability recognized on Jan 1 based on net premiums written in prior year</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory Net Worth Reclassification</li> </ul>	<ul style="list-style-type: none"> <li>• Non cash transaction until fee paid</li> </ul>
Accounting/ Disclosure	<ul style="list-style-type: none"> <li>• Disclose nature of assessment &amp; estimate of financial effect, including pro forma net worth impact as of Dec 31</li> </ul>	<ul style="list-style-type: none"> <li>• Rcrd. Current Asset Full Amount</li> <li>• Rcrd. Current Liability Full Amount</li> <li>• Rcrd. Expense (1/12 per month)</li> <li>• Rcrd. revenue (1/12) if fully reimbursed</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly, reclassify 1/12 of <u>next year's</u> estimated fee from Unassigned to Special Surplus</li> </ul>	<ul style="list-style-type: none"> <li>• Decr. Liability</li> <li>• Decr. Cash</li> </ul>
Impact	<ul style="list-style-type: none"> <li>• Disclosure only</li> </ul>	<ul style="list-style-type: none"> <li>• Decr. Surplus as asset is non-admitted</li> <li>• Incr. capital requirements</li> <li>• No P&amp;L impact if fully reimbursed</li> </ul>	<ul style="list-style-type: none"> <li>• Potentially reduce amount available for dividends</li> </ul>	<ul style="list-style-type: none"> <li>• Asset/Liability offset</li> </ul>

Note(s):

1. Based on SSAP 35R exposure Draft as of August 26, 2013







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# Funding Our Growth

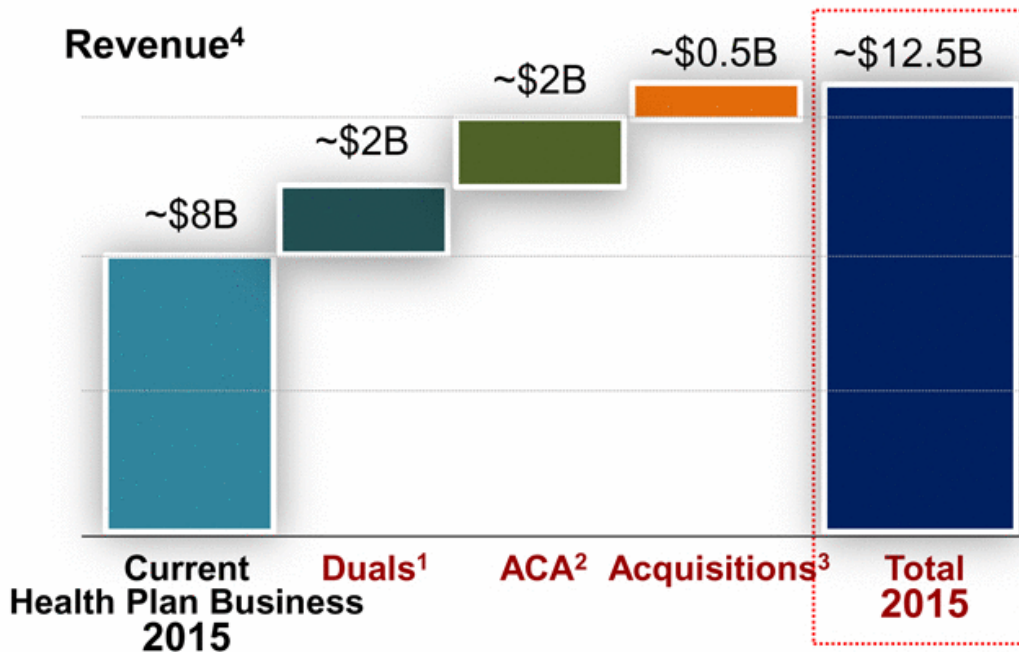
**John Molina**  
Chief Financial Officer  
September 19, 2013  
New York, New York

**MOH**  
**LISTED**  
**NYSE**

# Long Term Incremental Growth Drivers

Please refer to the Company's cautionary statements.

Estimated potential revenue run-rate by year-end 2015 associated with growth activities



1. Duals denotes revenue potential for dual eligibles in CA, MI, OH, TX, IL  
2. ACA denotes revenue potential as a result of Medicaid expansion in CA, IL, MI, NM, and WA; and Marketplace in CA, FL, MI, NM, TX, UT, WA, OH, and WI  
3. Acquisitions denote New Mexico (Lovelace), and South Carolina  
4. All amounts are estimates and subject to change



# Dual Eligibles Market Opportunity

Please refer to the Company's cautionary statements.

State	Dual Eligibles Statewide	Dual Eligibles in Molina Service Areas	Estimated Potential Enrollment <sup>1</sup>
California <sup>2</sup>	527K	122K	44K
Ohio <sup>2</sup>	115K	48K	25K
Illinois <sup>2</sup>	156K	18K	5K
Michigan <sup>2</sup>	199K	62K	10K
Texas <sup>3</sup>	214K	132K	5K
<b>Total</b>	<b>1.3M</b>	<b>382K</b>	<b>89K</b>

Annualized Potential Revenue..... \$2.0B

Source: Company estimates, figures may not add due to rounding

1. Estimated enrollment denotes Dual members before opt out for year end 2015

2. 2014 start date

3. 2015 Start date

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# Medicaid Expansion Opportunity

Please refer to the Company's cautionary statements.

State	Expansion Eligibles in Medicaid Managed Care	Molina's Estimated Enrollment
California	1M	90K
Illinois	300K	50K
Michigan	500K	40K
New Mexico	100K	40K
Washington	250K	70K
<b>Total</b>	<b>2.2M</b>	<b>290K</b>

Annualized Potential Revenue..... \$1.0B

Source: Company estimates, figures may not add due to rounding

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# Marketplace Opportunity

Please refer to the Company's cautionary statements.

State	Number of Marketplace Members in Molina Markets	Molina's Estimated Marketplace Enrollment
California	1.4M	90K
Florida	546K	20K
Michigan	246K	20K
New Mexico	130K	10K
Ohio	264K	2K
Texas	693K	30K
Utah	87K	10K
Washington	200K	25K
Wisconsin	150K	40K
<b>Total</b>	<b>3.7M</b>	<b>247K</b>

Annualized Potential Revenue..... \$1.0B

Source: Company estimates, figures may not add due to rounding

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Please refer to the Company's cautionary statements.



- Current regulatory requirements
- Future (anticipated) regulatory requirements in current and new states
- Capital demands on health plans in the event of losses
- Costs of acquisitions and other expansions
- Costs of MMS implementations in new and existing states
- Costs of infrastructure

Please refer to the Company's cautionary statements.

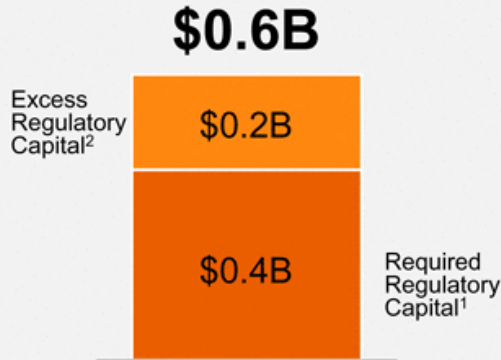


- Current excess net worth
- Parent Cash
- Issuance of securities –
  - Debt
  - Equity
  - Convertible
- Future earnings
- Alternative Financing –
  - Capital leases
  - Structured co-insurance or structured quota share

Please refer to the Company's cautionary statements.

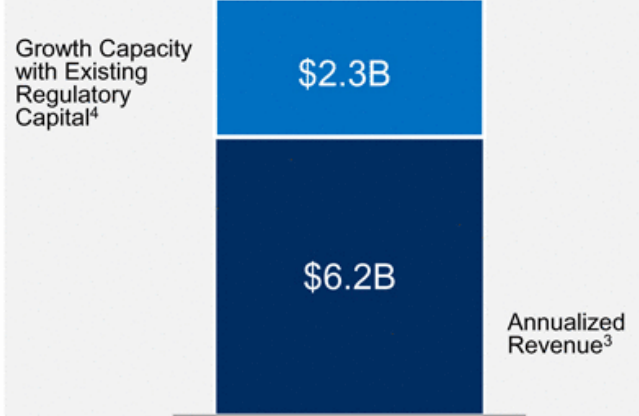
## Regulatory Capital

Regulatory capital at 6/30/13 approximately **\$0.6B**; compared to a requirement of approximately **\$0.4B**.



## Growth Capacity

After adjusting for the estimated ACA Fee; excess regulatory capital will support **\$2.3B** of additional revenue **\$8.5B**

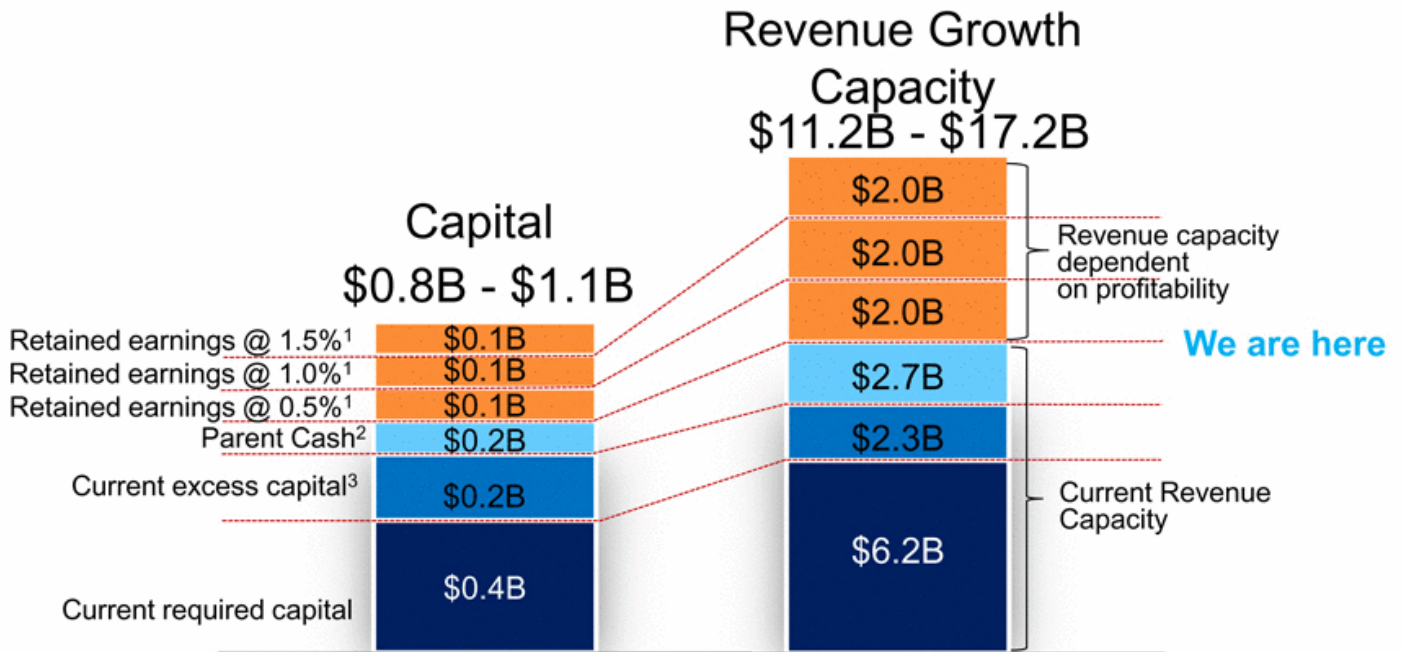


**Required minimum net worth on average is 7% of revenue**

1. Denotes required regulatory capital for 6/30/13
2. Excess regulatory capital as of 6/30/13
3. Annualized Revenue as of 6/30/13
4. Denotes growth capacity assuming existing excess regulatory capital less \$100M estimated capital required for the ACA fee

# Summary of Growth Capacity

Please refer to the Company's cautionary statements.



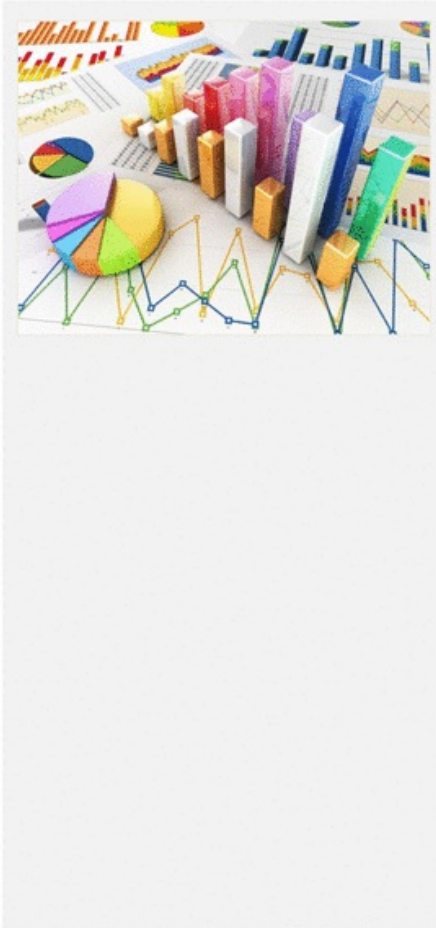
**Required minimum net worth on average is 7% of revenue**

1. Retained earnings @ % of net income margin, each 0.5% equates to \$0.1B. Anticipated \$25 billion revenue for the 30 months ended 12/31/15  
 2. Parent cash as of 6/30/13 net of \$187M for repayment of 3.75% convertible notes and \$150M for our South Carolina and New Mexico acquisitions (consideration and subsidiary funding requirements)  
 3. Current excess capital 6/30/13 net estimated capital required for ACA insurer fee



# Why We Might Want To Raise More Capital?

Please refer to the Company's cautionary statements.



- Acquisitions
- Capital expenditures
- Variability in profitability
- Timing
- New benefits
- Growth above expectations
- Desire for capital cushion



Your Extended Family.



# Adjusted Net Income Per Share

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September 19, 2013  
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# Why Use Adjusted Net Income per Share?

Please refer to the Company's cautionary statements.



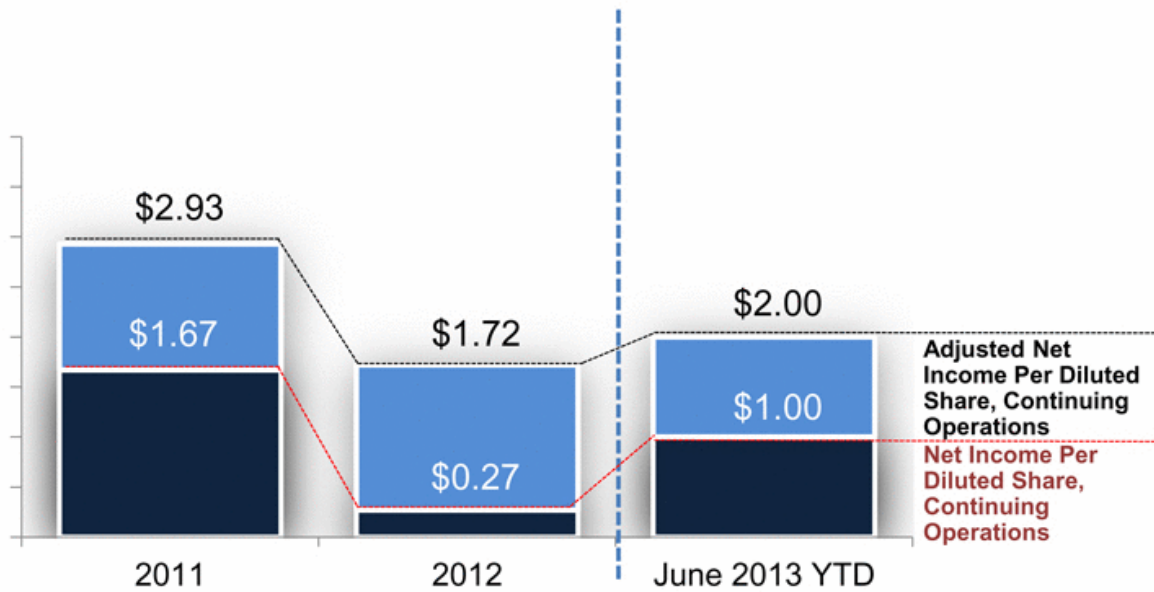
Other companies who use the same measures:

- Catamaran Corporation
- HMS Holdings Corporation
- Laboratory Corporation of America
- Team Health Holdings
- Universal American Corporation
- WellCare Health Plans

- Significant and growing non-cash expense items
  - Equity compensation
  - Convertible senior notes
  - Depreciation and amortization
- You've asked for it!
- Enhances period to period comparability

# Adjusted Net Income Per Share<sup>1</sup>

Please refer to the Company's cautionary statements.



1. Adjusted net income per diluted share, continuing operations is a non-GAAP financial measure used by management as a supplemental metric to evaluate the Company's financial performance. Management believes this non-GAAP financial measure aids in the comparison of performance between periods by removing the net-of-tax impact of depreciation, amortization, stock-based compensation, amortization of convertible senior notes, and changes in the fair value of derivatives.

# Adjusted Net Income Per Share<sup>1</sup>

Please refer to the Company's cautionary statements.

## Reconciliation of Net Income Per Diluted Share, Continuing Operations to Adjusted Net Income Per Diluted Share, Continuing Operations

	FY 2011	FY 2012	June 2013 YTD
<b>Net income per diluted share, continuing operations</b>	<b>\$1.67</b>	<b>\$0.27</b>	<b>\$1.00</b>
Depreciation and amortization of capitalized software	0.64	0.75	0.46
Stock-based compensation	0.23	0.31	0.20
Amortization of intangible assets	0.32	0.29	0.13
Amortization of convertible senior notes	0.07	0.08	0.13
Change in fair value of derivatives	-	0.02	0.08
<b>Adjusted net income per diluted share, continuing operations<sup>1</sup></b>	<b>\$2.93</b>	<b>\$1.72</b>	<b>\$2.00</b>

1. Adjusted net income per diluted share, continuing operations is a non-GAAP financial measure used by management as a supplemental metric to evaluate the Company's financial performance. Management believes this non-GAAP financial measure aids in the comparison of performance between periods by removing the net-of-tax impact of depreciation, amortization, stock-based compensation, amortization of convertible senior notes, and changes in the fair value of derivatives. This non-GAAP financial measure should not be considered as an alternative to the GAAP measure of net income per diluted share, continuing operations, nor should it be considered in isolation from that GAAP measure of financial performance.





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# Tentative CA Settlement Agreement

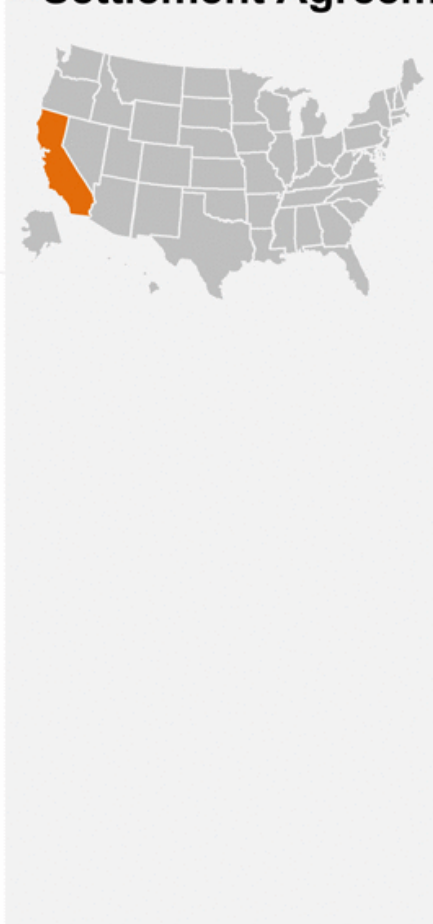
**John Molina**  
Chief Financial Officer  
September 19, 2013  
New York, New York

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## CA Department of Health Care Services (DHCS) Tentative Settlement Agreement

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Please refer to the Company's cautionary statements.



- Molina has reached a tentative settlement with DHCS, which is conditioned on final governmental approvals
- The tentative settlement includes the creation of a settlement account that will commence on January 1, 2014 and will be for four years (to December 31, 2017)
- As part of the this tentative agreement, DHCS has agreed to extend several of Molina's Medi-Cal contracts
- In addition, the tentative settlement agreement envisions that Molina will be a Medi-Cal Managed Care Plan in Imperial County
- This tentative settlement will resolve several Medi-Cal rate disputes with DHCS dating back to 2003
- Following final governmental review and approval, if obtained, we will provide an update

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Please refer to the Company's cautionary statements.



- Attractive sector growth prospects driven by government policies and economic conditions
- Focus on government-sponsored health care programs
- Proven flexible health care services portfolio (risk-based, fee-based and direct delivery)
- Diversified geographic exposure in 15 states with significant presence in high growth regions
- Scalable administrative efficiencies stemming from centralized and standardized functions
- Seasoned management team with strong track record of delivering earnings growth
- Over 30 years of experience

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