



Molina Healthcare to Continue Illinois Expansion Through Acquisition of Loyola Physician Partners' Medicaid Program in Cook County

October 9, 2015

LONG BEACH, Calif.--(BUSINESS WIRE)--Oct. 9, 2015-- Molina Healthcare, Inc. (NYSE: MOH) and Loyola Physician Partners, LLC, (Loyola) jointly announced today that Molina Healthcare of Illinois, Inc., a wholly owned subsidiary of Molina Healthcare, Inc., has entered into a definitive agreement to acquire certain assets relating to Loyola Physician Partners' Medicaid business in the State of Illinois. As a part of the transaction, Molina Healthcare of Illinois will receive the right to transition Loyola's Medicaid members in Cook County and assume certain assets related to the operation of the Medicaid business. Molina Healthcare of Illinois will fund the transaction with available cash on hand. Subject to regulatory approvals and the satisfaction of other conditions, the closing of the transaction is expected to occur in the first quarter of 2016.

Loyola, through the Accountable Care Entity Loyola Family Care, provides a medical home for approximately 20,000 members in the Medicaid Family Health program in Cook County. Solely owned by the Loyola University Health System (LUHS), Loyola's provider network includes Loyola University Medical Center, Gottlieb Memorial Hospital, LUHS employed physicians, affiliated physicians, Pillars, Proviso Township Mental Health Commission, and Catholic Charities of the Archdiocese of Chicago.

"Agreements such as this are positive not only from a spending point of view but also to promote quality care," said Felicia Norwood, Director of the Illinois Department of Healthcare and Family Services. "The department strongly supports fiscally sustainable approaches to provide care for our state's vulnerable citizens."

"We look forward to further expanding our services into the Chicago area and welcoming Loyola's members to the Molina Healthcare family," said Cathy Harvey, president of Molina Healthcare of Illinois. "We are committed to working with Loyola's extensive provider network to ensure that our new members receive the highest level of care possible. This agreement with Loyola builds upon our existing operations within the state to further reinforce our commitment to the Medicaid program in Illinois."

"Loyola Physician Partners is pleased to have Molina's expertise in managing Medicare and Medicaid programs and long-standing commitment to underserved communities to ensure a quality healthcare experience for our members," said Keith Veselik, MD, medical director, Loyola Physician Partners. "Loyola Physician Partners will continue to provide the members with a primary care medical home, specialty care, and care coordination. The strengths of both organizations will be combined to enhance the experience of our shared members."

About Molina Healthcare of Illinois, Inc.

Molina Healthcare of Illinois currently operates Medicaid and Medicare health plans with total membership of approximately 101,000 as of June 2015. Additionally, Molina Healthcare of Illinois participates in the Medicare-Medicaid Alignment Initiative (MMAI) in the central part of the state. MMAI is designed for those eligible for both Medicare and Medicaid and is a joint effort between the Illinois Department of Healthcare and Family Services and the federal Centers for Medicare and Medicaid Services.

About Molina Healthcare, Inc.

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 and in the Commonwealth of Puerto Rico, Molina serves approximately 3.4 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 molinahealthcare.com.

About Loyola Physician Partners, LLC.

Loyola Physician Partners is a limited liability company with more than 1,000 participants. Together we form a network that includes a major academic medical center, community hospitals, home health, inpatient rehab, skilled nursing facilities, and community agencies. More information about Loyola Physician Partners is available at loyolamedicine.org/familycare or contact Lauren Borrowdale at 708-216-2494 or lauren.borrowdale@luhs.org.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This press release contains "forward-looking statements" regarding the proposed transaction between Loyola Physician Partners, LLC and Molina Healthcare of Illinois, Inc. All forward-looking statements are based on current expectations that are subject to numerous risk factors that could cause actual results to differ materially. Such risk factors include, without limitation, risks related to: the satisfaction or waiver of closing conditions for the transaction, successfully transitioning and integrating Loyola's members into Molina's Illinois health plan, attrition in membership pending the completion of and following the transition, maintaining provider relations, accurately estimating incurred but not reported medical costs with respect to this new population, and the possibility that the transaction will not be completed on a timely basis or at all. Additional information regarding the risk factors to which Molina Healthcare is subject is provided in greater detail in its periodic reports and filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K. These reports can be accessed under the investor relations tab of Molina Healthcare's website or on the SEC's website at sec.gov. Given these risks and uncertainties, Molina Healthcare can give no assurances that its forward-looking statements will prove to be accurate, or that any other results or events projected or contemplated by our forward-looking statements will in fact occur, and Molina Healthcare cautions investors not to place undue reliance on these statements. All forward-looking statements in this release represent Molina Healthcare's judgment as of the date hereof, and Molina Healthcare disclaims any obligation to update any forward-looking statements to conform the statement to actual results or changes in our expectations that occur after the date of this release.

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