

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>KOONTZ LILLIS ANN</u>  (Last) (First) (Middle) <u>2277 FAIR OAKS BLVD, STE 440</u>  (Street) <u>SACRAMENTO CA 95825</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>MOLINA HEALTHCARE INC [ MOH ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP, Health Plan Operations</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>06/30/2006</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person  <input type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								21,731 <sup>(1)</sup>	D	
Common Stock	06/30/2006		A <sup>(2)</sup>		271	A	\$38.05	22,002	D	

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Stock Options (Right to Buy)	\$25.33							02/10/2005 <sup>(3)</sup>	02/10/2014	Common Stock	15,000	15,000	D	
Stock Options (Right to Buy)	\$44.29							07/01/2006 <sup>(4)</sup>	07/01/2015	Common Stock	5,000	5,000	D	
Stock Option (Right to Buy)	\$28.66							02/02/2007 <sup>(5)</sup>	02/02/2016	Common Stock	15,000	15,000	D	

**Explanation of Responses:**

- 16,667 of the shares are unvested, with 8,333 shares vesting on 9/13/2006 and 8,334 shares vesting on 9/13/2007. In addition, 3,500 of the shares are subject to a restriction on transfer until August 2, 2007.
- The shares were acquired under the Molina Healthcare, Inc. 2002 Employee Stock Purchase Plan.
- The options vest in one-third increments on each of 2/10/2005, 2/10/2006, and 2/10/2007.
- The options vest in one-third increments on each of 7/1/2006, 7/1/2007, and 7/1/2008.
- The options vest in one-third increments on each of 2/2/2007, 2/2/2008, and 2/2/2009.

Lillis Ann Koontz, by Jeff D. Barlow, Attorney-in-Fact. 07/05/2006

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.