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

FORM 8-K

Current Report

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 16, 2023 (May 15, 2023)

MOLINA HEALTHCARE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-31719**	**13-4204626**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

200 Oceangate, Suite 100, Long Beach, California 90802
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (562) 435-3666

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.001 Par Value	MOH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section13(a) of the Exchange Act. ☐

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective as of May 15, 2023, Jim Woys and Mark Keim were each promoted to the position of senior executive vice president of Molina Healthcare, Inc. (the "Company"). Mr. Woys assumed the role of the Company's chief operating officer, and Mr. Keim will continue as the Company's chief financial officer with expanded operational and growth-related responsibilities.

Biographical and other information about Messrs. Woys and Keim required by Item 5.02(c) of Form 8-K is included in the Company's proxy statement on Schedule 14A for its 2023 annual stockholders' meeting filed with the Securities and Exchange Commission on March 20, 2023, and such information is hereby incorporated by reference into this Item 5.02. There were no changes to the compensation of Messrs. Woys and Keim incidental to their promotions.

A copy of the press release announcing the promotions of Messrs. Woys and Keim is included as Exhibit 99.1 to this report. The information in the website cited in the press release is not part of this report.

Item 7.01. Regulation FD Disclosure.

On May 15, 2023, the Company presented and webcast certain slides as part of the Company's presentation at its Investor Day Conference, a copy of which slides is included as Exhibit 99.2 to this report. The Company's presentation included forward looking statements regarding, without limitation, the Company's growth strategy and long-term outlook, the realization of embedded earnings, the achievement of future premium targets, the expected sustaining of the Company's profit margins, future RFPs, the Company's mergers and acquisitions pipeline, future Medicaid rates and carve-ins, the Company's 2023 guidance, Medicaid redeterminations or reverifications, and the Company's general business plans. Listeners and readers are cautioned not to place undue reliance on any of the Company's forward-looking statements, as forward-looking statements are not guarantees of future performance and the Company's actual results may differ materially due to numerous known and unknown risks and uncertainties. Those risks and uncertainties include, but are not limited to, the risk factors identified in the section titled "Risk Factors" in the Company's 2022 Annual Report on Form 10-K.

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. The information contained in such websites is not part of this report.

Note: The information in Item 7.01 of this Form 8-K and the exhibits attached hereto shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 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, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	**Description**
99.1	Press release of Molina Healthcare, Inc. issued May 16, 2023 announcing promotion of two senior executives
99.2	Slide presentation given at the Investor Day Conference of Molina Healthcare, Inc. on May 15, 2023
104	Cover page information from Molina Healthcare, Inc.'s Current Report on Form 8-K filed on May 16, 2023 formatted in iXBRL (Inline Extensible Business Reporting Language)

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: May 16, 2023	By:	/s/ Jeff D. Barlow
		Jeff D. Barlow, Chief Legal Officer and Secretary

Molina Healthcare Announces Promotions of Two Senior Executives

LONG BEACH, Calif.--(BUSINESS WIRE)--May 16, 2023--Molina Healthcare, Inc. (NYSE: MOH) ("Molina") today announced that Jim Woys and Mark Keim have each been promoted to the position of senior executive vice president, effective May 15th. With this promotion, Woys also assumes the role of chief operating officer. Keim will continue as chief financial officer with expanded operational and growth-related responsibilities.

Woys has served as Molina's executive vice president – health plan services, since May 2018. Keim had served as Molina's executive vice president – transformation, since January 2018, and became chief financial officer in February 2021.

"Jim and Mark have been instrumental leaders of Molina's growth and performance over the past five years," said Joe Zubretsky, president and chief executive officer of Molina. "I look forward to working with them and our deep and talented leadership team to drive the next wave of value creation for all of our stakeholders."

About Molina Healthcare

Molina Healthcare, Inc., a FORTUNE 500 company (currently ranked 125), provides managed healthcare services under the Medicaid and Medicare programs and through the state insurance marketplaces. Molina Healthcare served approximately 5.3 million members as of March 31, 2023, located across 19 states. For more information about Molina Healthcare, please visit molinahealthcare.com.

Contacts

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Media Contact: Caroline Zubieta, Caroline.Zubieta@molinahealthcare.com, 562-951-1588

MOLINA HEALTHCARE

Investor Day 2023
Sustaining Profitable Growth: The Next Wave

May 15, 2023

Topic	Speaker
Welcome and Introduction	Joe Krocheski
Sustaining Profitable Growth	Joe Zubretsky
Compelling Financial Profile	Mark Keim
Executive Q&A	Joe Zubretsky Mark Keim

Cautionary Statement

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

This presentation and the accompanying oral remarks include forward-looking statements regarding, without limitation, the Company's growth strategy and long-term outlook, the realization of embedded earnings, the achievement of our future premium targets, the sustaining of our profit margins, future RFPs, our M&A and acquisitions pipeline, future Medicaid rates and carve-ins, our 2023 guidance, Medicaid redeterminations or reverifications, and the Company's general business plans. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward looking statements contained in the Private Securities Litigation Reform Act of 1995. Readers and listeners are cautioned not to place undue reliance on any forward-looking statements as forward-looking statements are not guarantees of future performance, and the Company's actual results may differ materially due to numerous known and unknown risks and uncertainties. Those risks and uncertainties are discussed under Item 1A in the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, and also in the Company's quarterly reports, current reports, and other reports and filings with the Securities and Exchange Commission, or SEC. 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. All forward looking statements in this presentation represent management's judgment as of May 15, 2023, and, except as otherwise required by law, the Company disclaims any obligation to update any forward-looking statements to conform the statement to actual results or changes in its expectations..

MOLINA HEALTHCARE

Sustaining Profitable Growth

Joe Zubretsky
President and Chief Executive Officer

Our Historical Performance

Our trailing three-year performance has exceeded our long-term targets

What We Said We Would Do	What We Delivered 2020 to 2023G
– 13% - 15% premium revenue growth, driven by:	– 20% Premium revenue CAGR
– Organic growth in our current footprint	– $4B of growth in current footprint
– Strategic initiatives	– $3B realized new RFP wins
– Accretive acquisitions	– $7B realized from acquisitions
– 4% - 5% Adjusted pre-tax margins	– 4.5% average adjusted pre-tax margin
– 15% - 18% EPS growth	– 24% Adjusted EPS CAGR

Our Performance Outlook

Continued execution of growth strategy with updated premium revenue target of $46 billion in 2026 while sustaining margin profile

What We Will Do – The Next 3 Years	How We Will Do It
– 13% - 15% premium revenue growth, driven by: – Organic growth in our current footprint – Strategic initiatives – Accretive acquisitions – 4% - 5% Adjusted pre-tax margins – 15% - 18% EPS growth	– Maintain our balanced approach to growth – Realize $4.5B of premium from recent RFP wins – Harvest $4.50 of new store embedded EPS – Sustain our industry leading margin profile – Execute the Molina Playbook

Sustaining Profitable Growth

- Our Value Creating Franchise
- Retrospective
- Current Environment
- The Growth Model
- Performance Excellence
- Our Performance Outlook

Our Value Creating Franchise

Franchise

Leading pure-play, government-sponsored managed care franchise with depth, breadth and scale

FORTUNE 500

125
Ranking

$32B
Premium Revenue 2023G

5.1M
Members YE 2023

22
States 2024

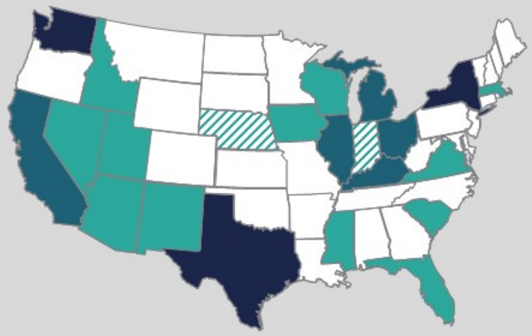
3
Products

Medicaid, Medicare and Marketplace

Balanced Portfolio

Increasingly geographically diversified portfolio of complementary product segments, with Medicaid as the flagship

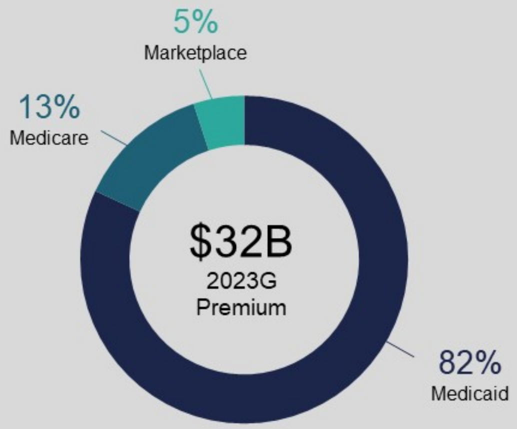
Well Diversified 22 State Portfolio



Percent of Total Premium Revenue

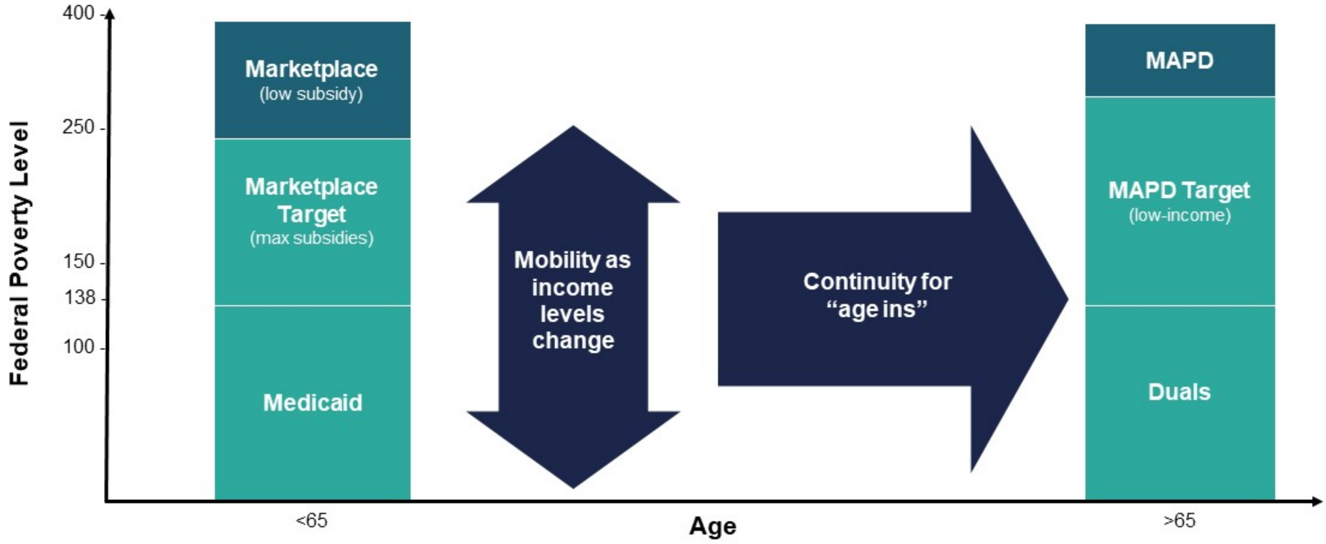
5% or less | 6-10% | >10% | 2024 Start

Synergistic Medicare and Marketplace Segments Complement Medicaid



Portfolio Synergies

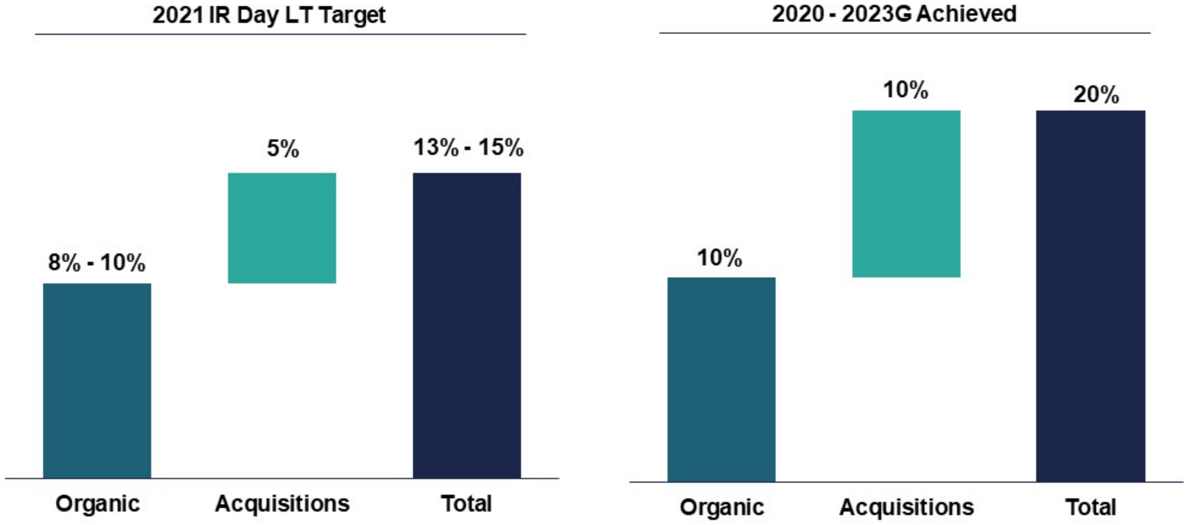
Synergistic product segments provide member continuity and leverage common capabilities



Retrospective

Premium Revenue Growth

Our trailing three-year growth has exceeded our long-term targets



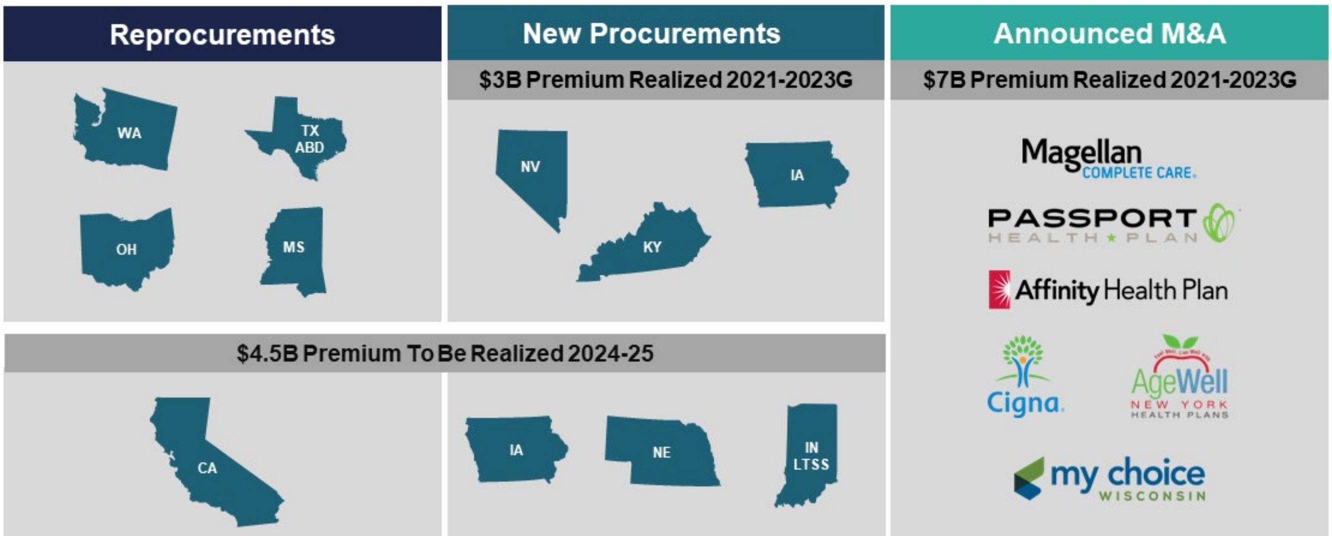
Organic Premium Revenue Growth

We have delivered total organic growth at the high end of our long-term target

	2021 IR Day LT Target	2020 - 2023G Achieved
Medicaid	8% - 10%	12%
Medicare	11% - 13%	12%
Marketplace	5% - 8%	2%
Weighted Total	**8% - 10%**	**10%**

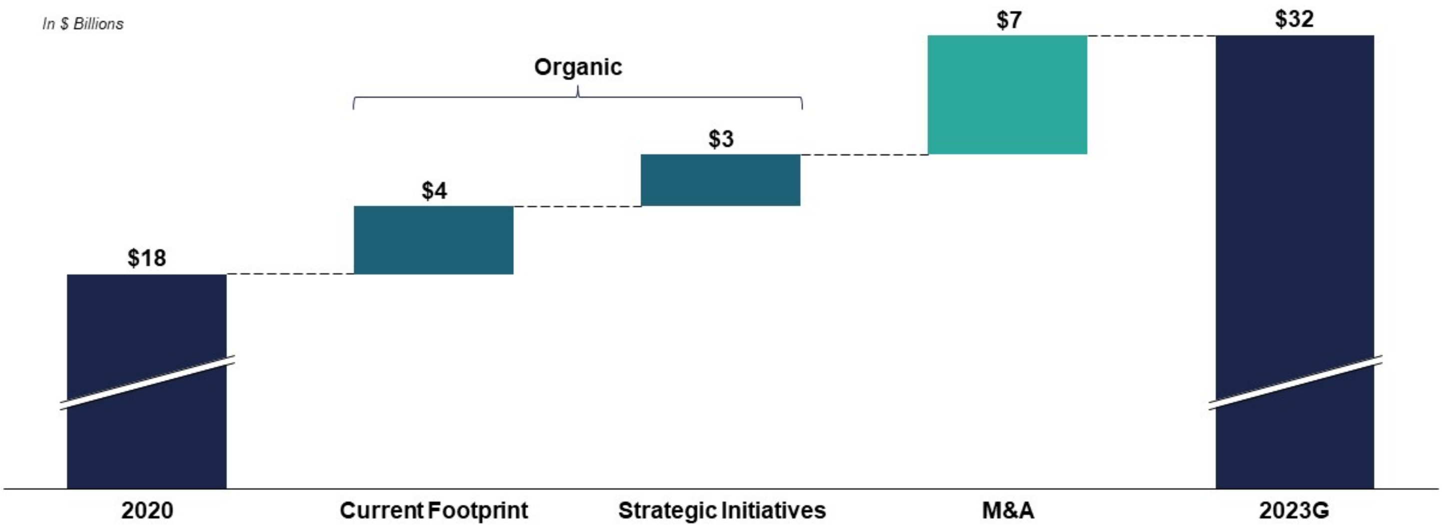
Molina Wins

Proven success retaining existing contracts and delivering new store growth with RFP wins and accretive acquisitions



Premium Revenue Growth

20% trailing 3-year CAGR was well balanced between organic growth and M&A



Adjusted EPS Growth

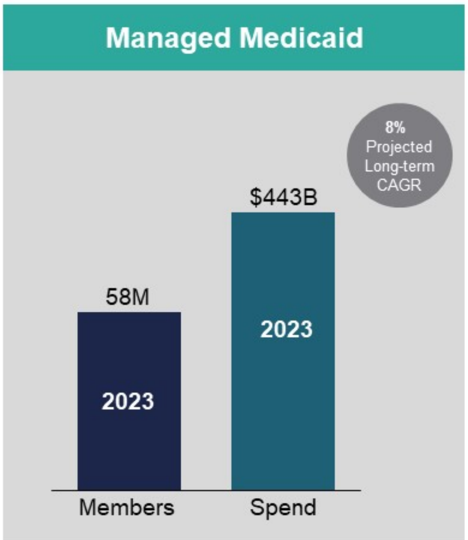
Trailing 24% EPS CAGR driven by current footprint and realization of new store embedded earnings

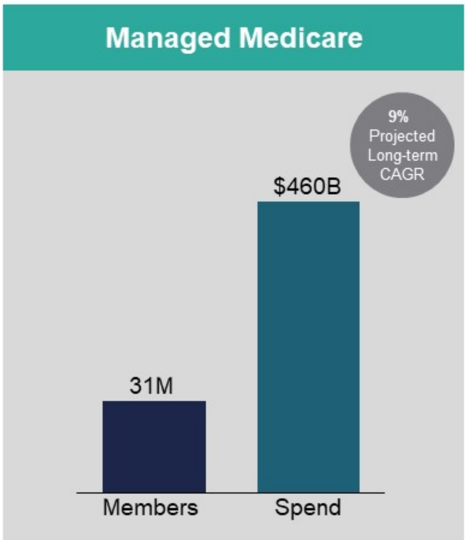
	2020	2021	2022	2023G
New Store Realized		($1.00)	($1.50)	($1.00)
New Store Additions		$1.00	$4.00	$0.50
Ending Balance	$2.50	$2.50	$5.00	$4.50

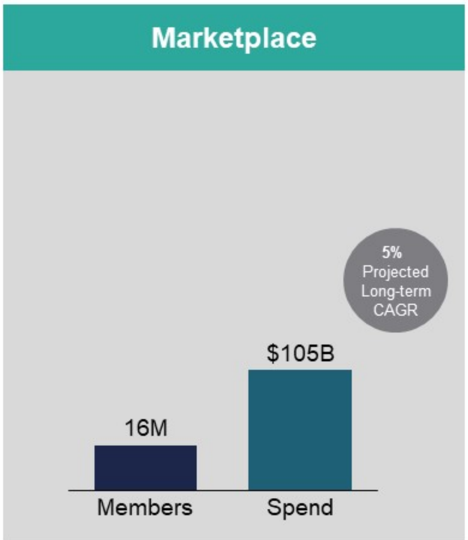
Current Environment

Government Managed Care Market

Our addressable markets exceed $1 trillion in annual spend with attractive and durable growth







Sources: CBO, CMS and NHE

Molina Market Share Opportunity

Large enough for scale and relevance yet with significant local market share growth opportunity in all segments

	Medicaid	Medicare	Marketplace
National Market Share	~6% #4 Nationally	~3% #7 Nationally	~2% Top 15 Nationally
Average State Market Share: Molina	~10%	~4%	~3%
Average State Market Share: Top Competitors	~10% - 25%	~10% - 30%	~5% - 20%

Sources: Health Management Associates, State-reported data, CMS and Decision Resources Group

Political and Regulatory Environment

The political and regulatory environment strongly favors the social safety net of government-sponsored healthcare

State Level	
Governors Legislatures Medicaid and Insurance Regulators	**Medicaid** – Commitment to continuity of coverage during redetermination – Continuing penetration of managed care through carve-ins and expansion
	Medicare – Recent rate and program changes don’t materially alter long-term growth – Bipartisan program support insulates from drastic change
Federal Level	
White House Congress HHS and CMS	**Marketplace** – “Family glitch” fix and extension of enhanced subsidies – Rules to help transition redetermined Medicaid members to Marketplace

The Growth Model

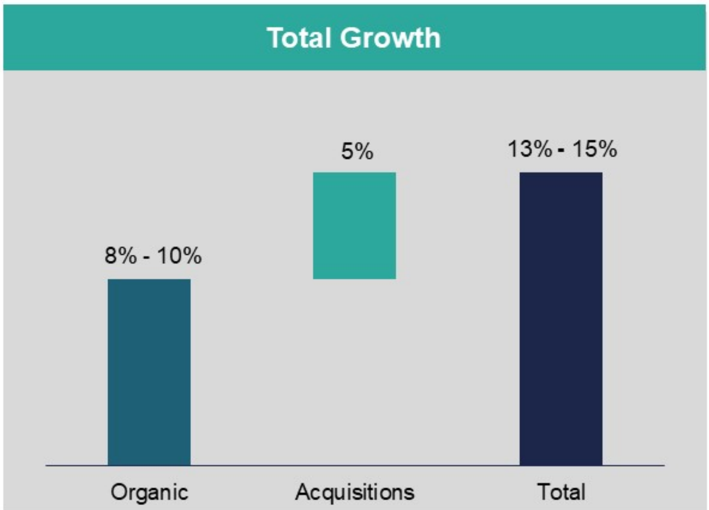
Medicaid / Medicare / Marketplace / Accretive M&A

Long-Term Premium Revenue Growth - Unchanged

Strong organic growth opportunities complemented by a disciplined acquisition strategy

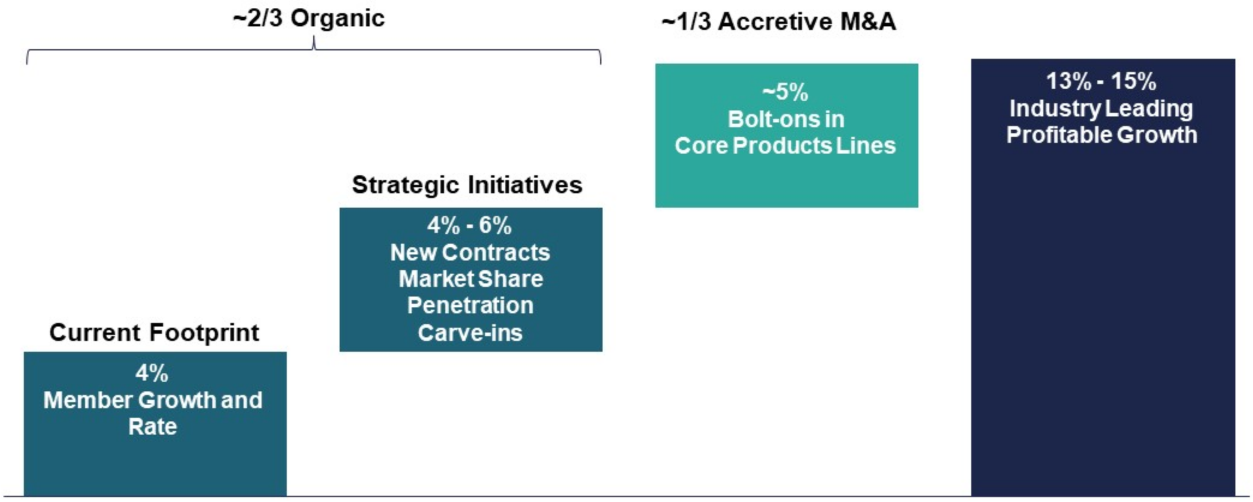
Organic Growth

Medicaid	8% - 10%
Medicare	11% - 13%
Marketplace	5% with Optionality
Weighted Total	**8% - 10%**



The Growth Model

Our growth model is well balanced between organic drivers and accretive M&A

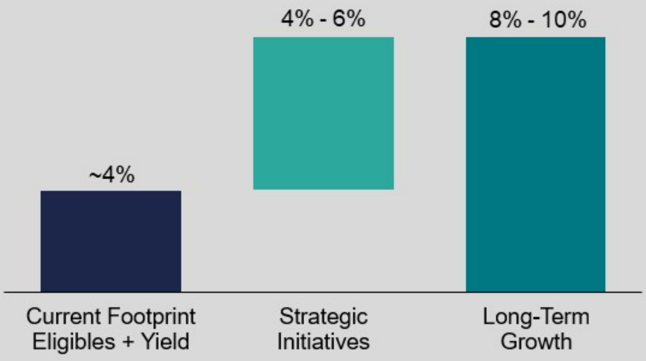


Medicaid

Medicaid Long-Term Organic Growth

Long-term organic growth rate of 8% - 10% driven by current footprint and strategic initiatives

Organic Premium Revenue Opportunity

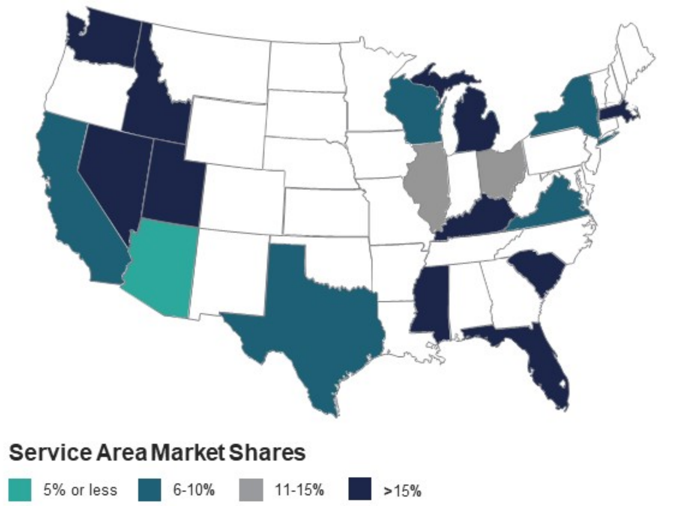


Strategic Initiatives

1. Increase market share
2. Win new RFP States
3. Pursue LTSS carve-in and expansion opportunities

Increase Market Share

Focus on fundamental operating tactics to drive significant market share opportunity



Actions

- Engage providers to drive membership loyalty
- Improve quality scores to drive auto assignment
- Increase voluntary enrollment through community presence and awareness
- Maximize retention in redetermination
- Retain existing contracts

1% Increase in Service Area Market Share → **~$2B** 2026 Revenue Opportunity

Win New RFP States

New State procurement opportunities total ~$60 billion in annual premium revenue by 2026

Contract Inception Year		Annual Contract Value
2024	AZ LTSS, GA, NH, NM, FL	**~$30B**
2025	TX STAR Kids, IN ABD, PA, KS, CO, RI	**~$20B**
2026	HI, NC, OR	**~$10B**

Sizing the New State RFP Opportunity

Significant RFP opportunities and proven track record provide confidence in additional revenue growth from new State contracts

	Outlook	Since 2021 IR Day
2026 total premium revenue RFP opportunity	~$60B	
Pursue subset of opportunities	~40%	~30%
Projected competitive win rate	~50%	~92%
Projected market share	~20%	~30%
2026 Molina premium revenue opportunity	~$2.5B	

Molina’s Winning RFP Formula

Our RFP success is built on execution of proven strategy and track record of operational excellence

Target Selection Criteria	Winning Formula
1 Size and duration of contract	1 Effective ground game that starts two years before RFP
2 Strength of incumbents	2 Strong proposal writing team
3 Number of awardees	3 Demonstrated track record of program success and leading capabilities
4 Access to high-quality low-cost network	4 Experienced implementation team
5 Rational rate environment	

Pursue LTSS Carve-in and Expansion Opportunities

Numerous LTSS carve-in opportunities and potential expansion as States leverage managed care efficiency

~$26B in Opportunities

LTSS Carve-In Opportunities

Expansion Opportunities

Actions

- Pursue announced carve-in programs
- Leverage Molina's leading LTSS capabilities and growing platform
- Advocate for expansion and additional carve-in programs

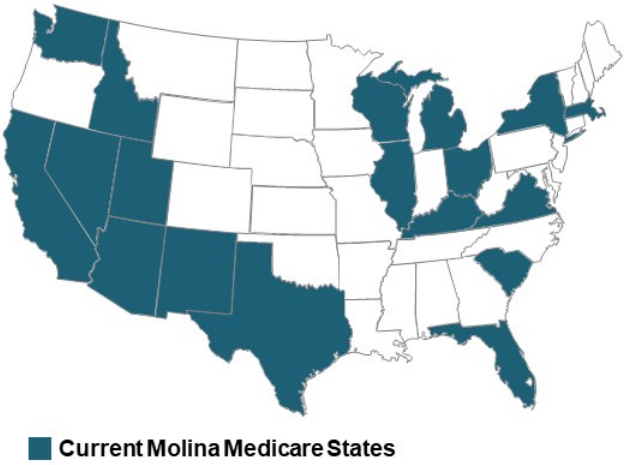
~8% Service Area Market Share → **~$2B** 2026 Revenue Opportunity

Sources: CMS and Company estimates

Medicare

Molina Medicare Product Portfolio

Several products within our growing Medicare segment serve high acuity, low-income populations

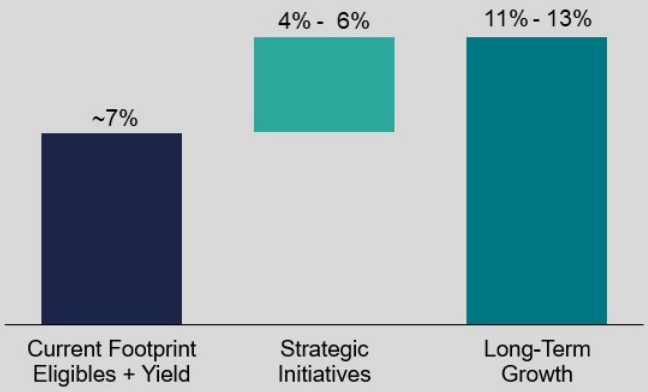


Product	States	2023G Members (K)	2023G Premium (B)	'20-23G Premium CAGR
MMP	5	64	$2.1	6%
HIDE/FIDE	8	41	$1.1	54%
D-SNP	9	42	$0.7	18%
Low Income MAPD	17	28	$0.3	94%
Total	18	175	$4.2	19%

Medicare Long-Term Growth

Long-term organic growth rate of 11% - 13% driven by current footprint and strategic initiatives

Organic Premium Revenue Opportunity

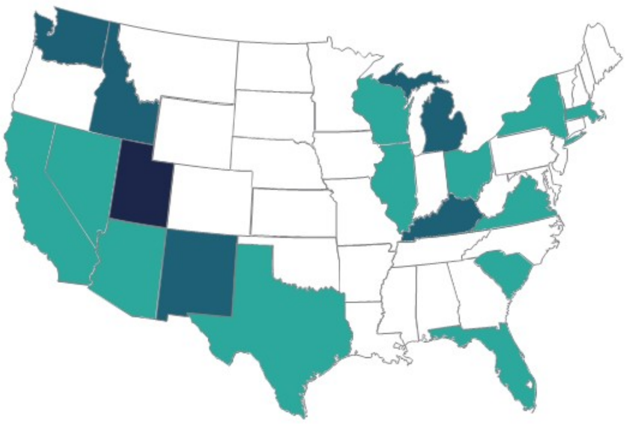


Strategic Initiatives

1. Increase D-SNP and low income MAPD market share
2. Increase HIDE / FIDE share and penetration of Medicaid footprint
3. Maximize MMP conversion into HIDE/FIDE

Increase D-SNP and Low-Income MAPD Market Shares

Execution of fundamental operating tactics drives significant market share opportunity



D-SNP and MAPD Service Area Market Share

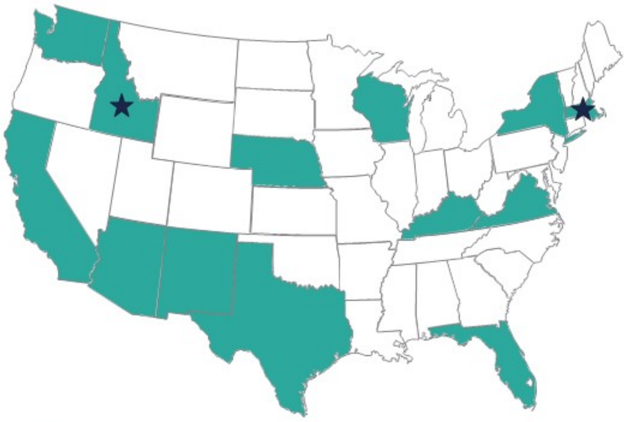
Actions

- Capture age-ins
- Expand direct sales channels
- Deepen targeted broker relationships
- Strengthen key provider relationships
- Improve retention through member engagement

1% Increase in Service Area Market Share → **~$1B** 2026 Revenue Opportunity

Increase HIDE / FIDE Share and Penetration of Medicaid Footprint

Penetrating remaining footprint and increasing share in current Molina States provides meaningful growth lever



■ Current Molina States with HIDE or FIDE Programs
★ Current Molina HIDE or FIDE States with scale

Actions

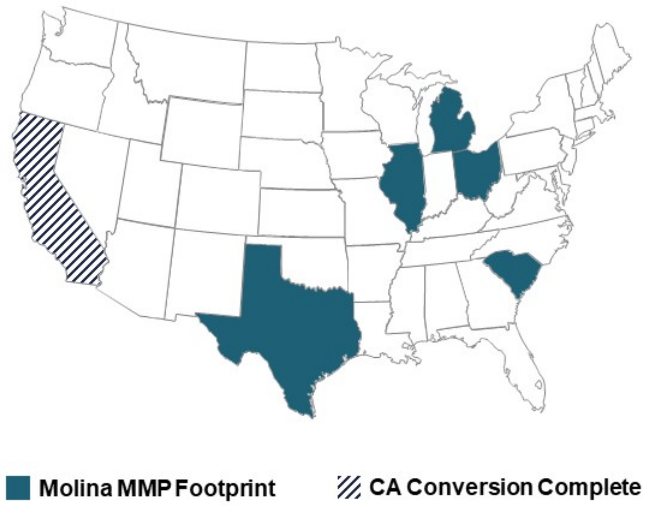
- Targeted introduction of HIDE / FIDE in Medicaid footprint
- Expand direct sales channels
- Deepen targeted broker relationships
- Develop key provider relationships

1%
Market Share

~$1B
2026 Revenue Opportunity

Maximize MMP Conversion into HIDE / FIDE

We will transition MMP members to HIDE or FIDE products in remaining MMP States by 2026



Market Dynamics

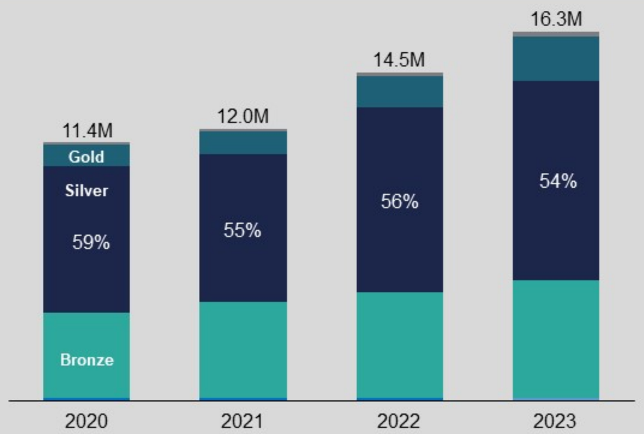
- CMS sunsetting MMP demonstrations by 2026
- Existing MMP members to be transitioned to alternative integrated HIDE / FIDE products
- Molina partnering with States to seamlessly transition members to these integrated Molina products

Marketplace

Strong Market Growth

Several market dynamics are driving continued growth

Market Growth



Market Dynamics

- Enhanced subsidies were extended through 2025
- Year-round Special Enrollment Period under 150% FPL was made permanent
- The “Family glitch” was fixed, expanding access
- Member transitions from Medicaid as redetermination resumes

Source: CMS, Urban Institute and HHS

Marketplace Risk Pool

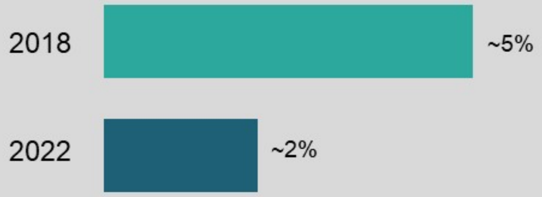
Significant challenges to the stability of the Marketplace risk pool in recent years led to our reallocation of capital to attractive Medicaid and Medicare segments

Regulatory Changes	Changes that impacted who could enroll and when were often made after pricing was filed
Competitor Rotation	New players entered with aggressive pricing strategies, then exited after incurring significant losses
Membership Churn	Membership churn increased due to multiple regulatory changes, creating pricing and risk adjustment challenges

Marketplace Option Value

Continued Marketplace presence within Medicaid footprint provides option value for significant revenue growth once risk pools have stabilized

Molina Market Shares



Return to 2018 Market Share → **~$2.5B** Revenue Opportunity

Strategic Initiatives

1. Focus on highly subsidized population
2. Maintain presence in Medicaid footprint
3. Prioritize margin discipline
4. Exercise option upon market stabilization

Accretive M&A

Our M&A Platform

M&A is a key element of our long-term premium growth outlook

1. Ample excess cash flow internally funds acquisitions
2. We buy long-dated revenue streams
3. M&A generally as accretive as new procurement economics
4. Previously announced purchase prices are highly capital efficient
5. Underperforming properties yield “sweat equity” accretion
6. Expert integration teams ensure accretion targets are achieved

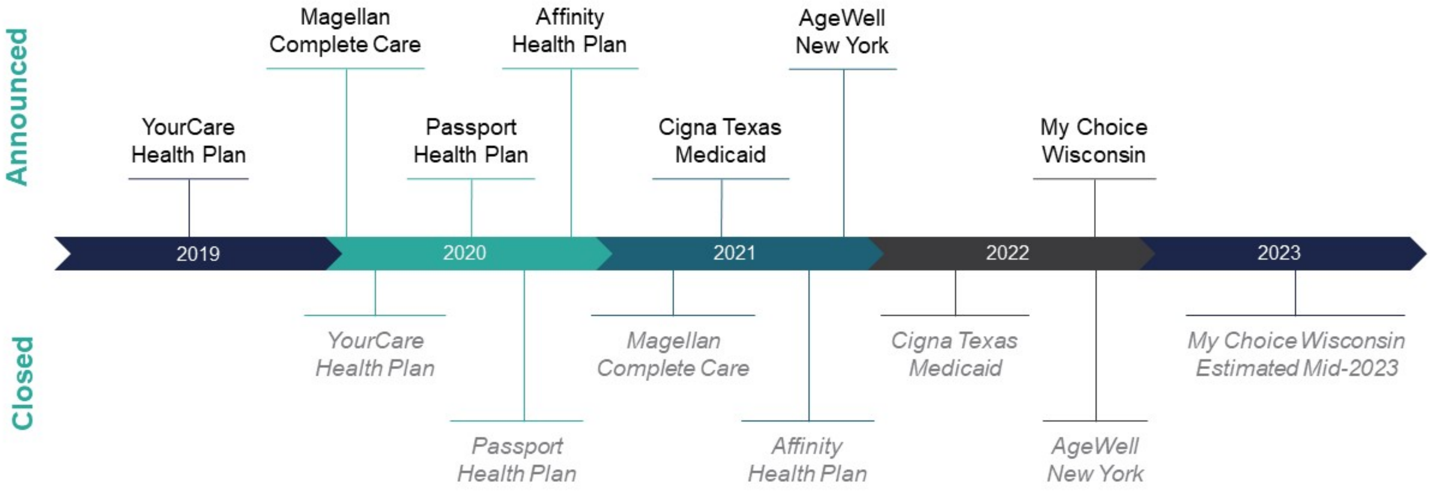
Acquisition Pipeline

Acquisition pipeline remains robust with many remaining opportunities

1. Numerous acquisition opportunities remain
2. Turnarounds provide attractive economics
3. Capitated risk, not services or vertical integration
4. 2026 revenue target assumes additional ~$4.5 billion of acquired revenue

M&A Track Record

Seven transactions sequenced for manageable integration



Performance Excellence

Performance Excellence – The What

We commit to excellent performance across many dimensions

1. Maintain target segment MCRs
2. Drive G&A ratio below 7%
3. Target 4% - 5% enterprise pretax margins
4. Deliver high-quality healthcare and member experience
5. Maintain pristine compliance

Performance Excellence – The How

Molina achieves and sustains growth and margins while providing quality healthcare

1. Focus on the Fundamentals of Managed Care
2. Deliver Value Added Products and Services
3. Execute the Molina Playbook
4. Build Industry-Leading Team and Winning Culture

Performance Excellence - Execution

Proven leadership team and execution of Molina Playbook drive sustainable value creation

The Roster

Larry Anderson	Human Resources
Deb Bacon	Medicare & Marketplace
Jeff Barlow	Legal
Jason Dees	Medical Affairs
Amir Desai	Information Technology
Carolyn Ingram	Marketing
Mark Keim	Finance and Strategy
Ron Kurtz	Chief of Staff
Dave Reynolds	Regional Health Plans
Marc Russo	Medicaid Health Plans
Suzette Valentine	Integration and Innovation
Jim Woys	Health Plan Services
Joe Zubretsky	President & CEO

The Playbook

Our Performance Outlook

Our Performance Outlook

Continued execution of growth strategy with updated premium revenue target of $46 billion in 2026 while sustaining margin profile

What We Will Do – The Next 3 Years	How We Will Do It
– 13% - 15% premium revenue growth, driven by: – Organic growth in our current footprint – Strategic initiatives – Accretive acquisitions – 4% - 5% Adjusted pre-tax margins – 15% - 18% EPS growth	– Maintain our balanced approach to growth – Realize $4.5B of premium from recent RFP wins – Harvest $4.50 of new store embedded EPS – Sustain our industry leading margin profile – Execute the Molina Playbook

Compelling Financial Profile

Mark Keim
Chief Financial Officer

Compelling Financial Profile

- Long-Term Margin Targets
- Strong Capital Foundation and Discipline
- 2023 Guidance and Revenue Outlook
- Value Creation Model

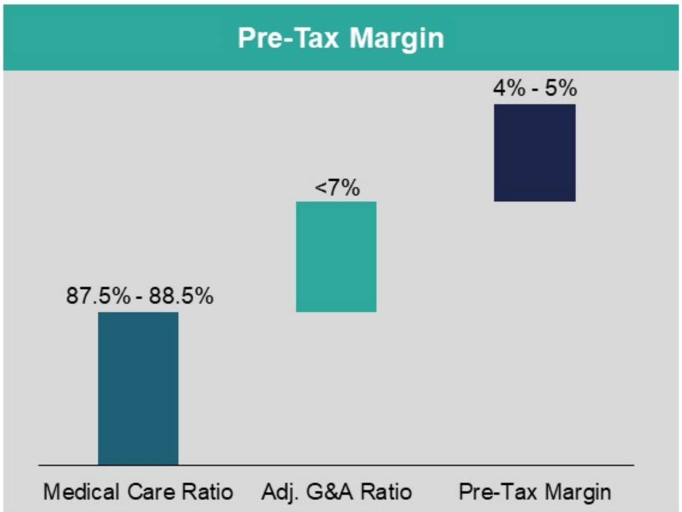
Long-Term Margin Targets

Long-Term Margin Targets

We will grow premium at 13% - 15% and maintain our current margin profile

Medical Care Ratio

Medicaid	88% - 89%
Medicare	87% - 88%
Marketplace	78% - 80%
Weighted Total At current portfolio mix	**87.5% - 88.5%**



Medicaid Rate Environment

Core rates are expected to remain actuarially sound with many COVID-era risk sharing corridors now expired

Core Rates	– Prospective rate setting, consistent with pre-pandemic methodology – Rates reflect “actuarially sound” trend projection – Expect off-cycle rate adjustments if redetermination shifts trend
Medical Cost Mechanisms	– COVID-era corridors eliminated in all but three States – Remaining COVID-era corridors constrain current EPS by ~$2.00 – Continuation of legacy minimum MLRs and experience rebate mechanisms

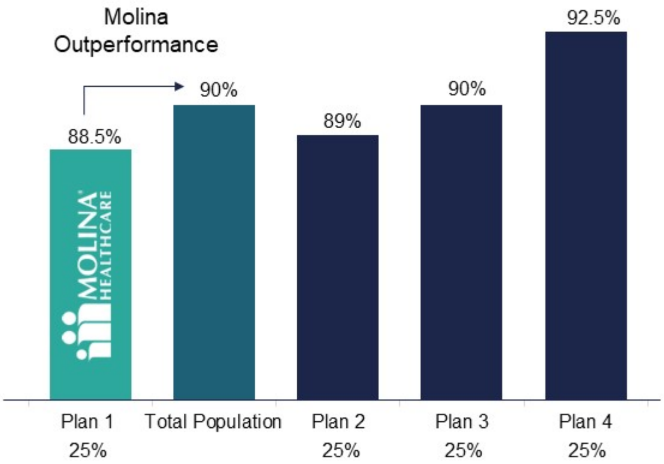
Medicaid Margin Sustainability

Rate setting on total market population allows Molina to continually drive MLR outperformance

Market Risk Pool

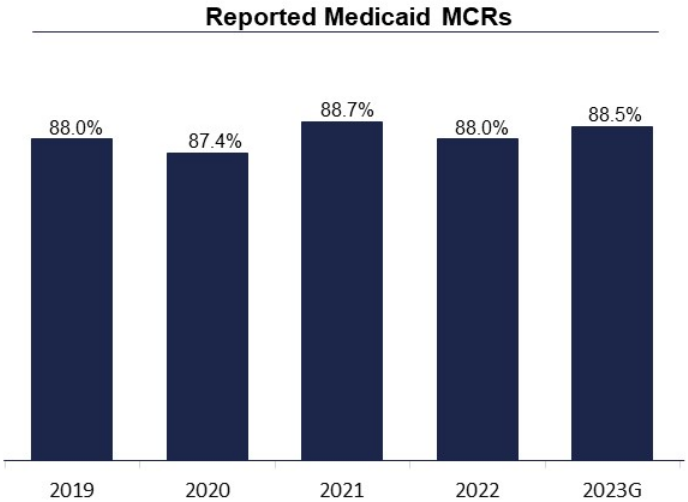
- Cost trend included in rates as CMS requires rate setting to be actuarially sound
- State actuarial processes set rates on total program population, not individual MCO's
- Molina's sustainable, best in class margins driven by continually outperforming total State populations
- All plans must satisfy quality requirements

Example Market MLRs



Redetermination Trend Impact

Numerous factors are expected to mitigate potential trend impact from redetermination



MCR Drivers

- Cohort analysis indicates minimal exposure
- Mix effect of lower PMPM members disenrolling reduces impact
- Gradual disenrollment dilutes any potential 2023 impact ahead of normal rate cycle adjustments
- Experience rebates and minimum MLRs serve as a buffer
- Off-cycle and normal course rate adjustments address any cost trends for 2024

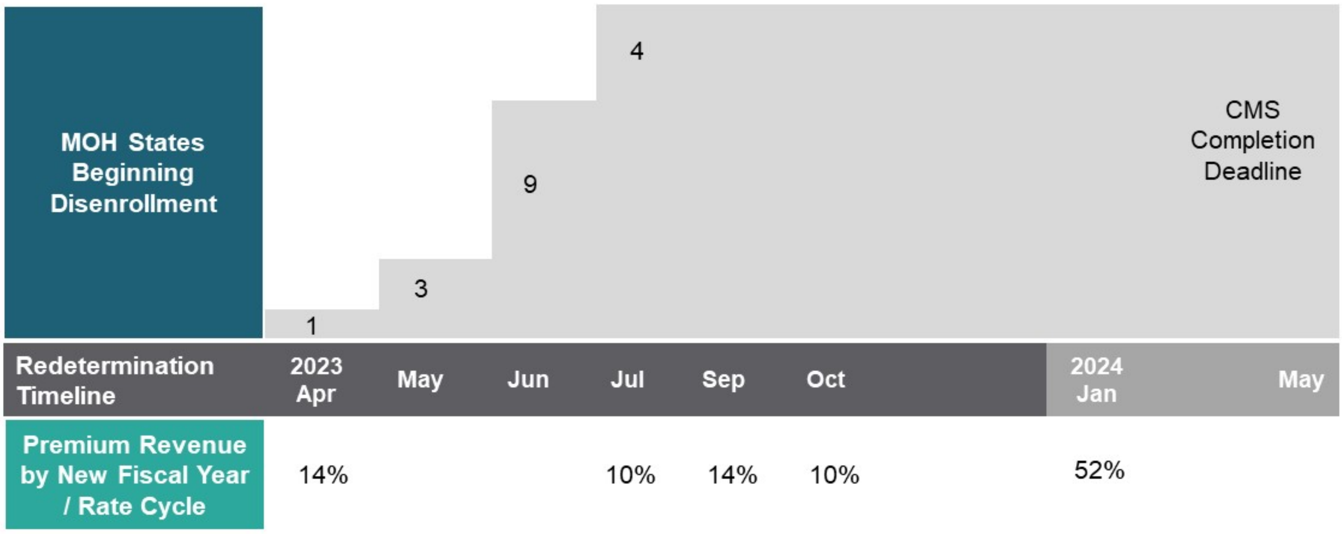
Redetermination Cohort Analysis

Cohort analysis indicates minimal exposure in Expansion and TANF / CHIP

	ABD	Expansion	TANF / CHIP
Members with greater than 1-year duration	Unchanged	Up Slightly	Up Slightly
Members with less than 25% MCR	Up Slightly	Up Slightly	Unchanged
Members with coordination of benefits	Unchanged	Up Slightly	Up Slightly
Potential Trend Impact	Negligible	Minimal	Minimal
Medicaid Revenue Mix	40%	30%	30%

Disenrollment Timing and Rate Cycle

Mid-year disenrollments come in advance of rate cycles, providing ample time for data-driven rate setting



Medical Cost Management

Numerous capabilities drive medical cost efficiencies with focus on high-acuity populations

Operating Focus

- State-of-the-art medical economics platform
- Utilization management
- High-acuity care management
- Centers of Excellence for BH, Rx and LTSS
- Core technology, automation and quality
- Value based contracting

G&A Expense Management

Continued expense management and operating leverage drive lower G&A ratio while building capabilities for continued outperformance

Expense Management +

- Automation and process redesign
- Digitization
- Centralization to Center of Excellence
- Transparency and discipline
- Outsourcing commodity services

Leveraging the Base -

Building Capabilities

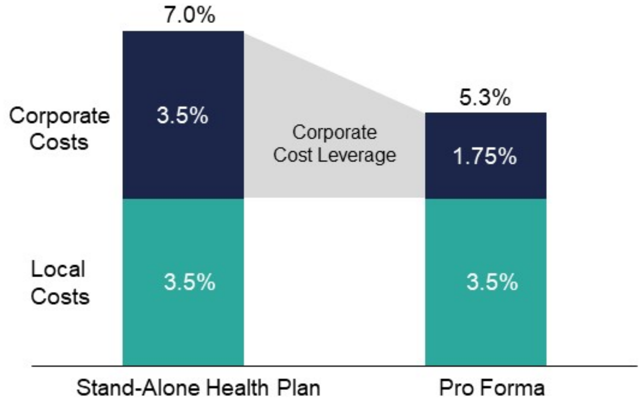
- Member and provider experience
- New business development
- M&A integration
- Medical economics and data analytics
- Population health

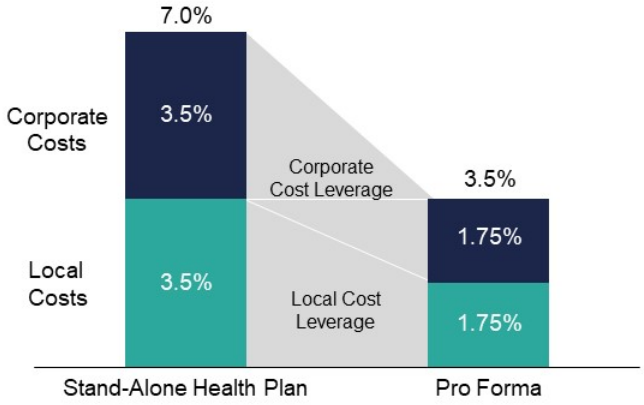
G&A Leverage Geography

New States leverage corporate cost structure while significant growth in legacy States doubles the operating leverage through corporate and local cost structures

New State Growth	Legacy State Growth

Example G&A Ratios





2023 Guidance and Revenue Outlook

2023 Guidance and 2024 Building Blocks

Adjusted EPS of at least $20.25 forms solid jump off for next year. 2024 EPS building blocks include current footprint, New Store growth, absence of implementation costs and redetermination

Affirming Guidance	
Premium Revenue	$32B
Total Revenue	$33B
Adjusted EPS	At least $20.25
MCR %	87.8%
G&A %	7.1%
Pre-tax Margin %	4.8%

Embedded Earnings Power	
New Store Growth	
New Contract Wins (CA, IA, NE, IN)	>$4.00
Acquisitions (AgeWell & My Choice WI)	$0.50
Total New Store Growth	>$4.50
New Store Implementation Costs	$0.75
Redetermination	($0.65)
COVID-Era Corridors	~$2.00

Medicaid Redetermination

We expect 2023 premium revenue impact of ~$0.5 billion and an additional ~$1.1 billion in 2024

Timing

Redeterminations restarted in February, with first terminations effective April. States share timelines

Duration

CMS requires States to complete by May 2024

Eligibility

Precedent and cohort analysis suggest retention of many members gained through pause in redetermination

800,000
Members gained organically since beginning of pandemic

12 months

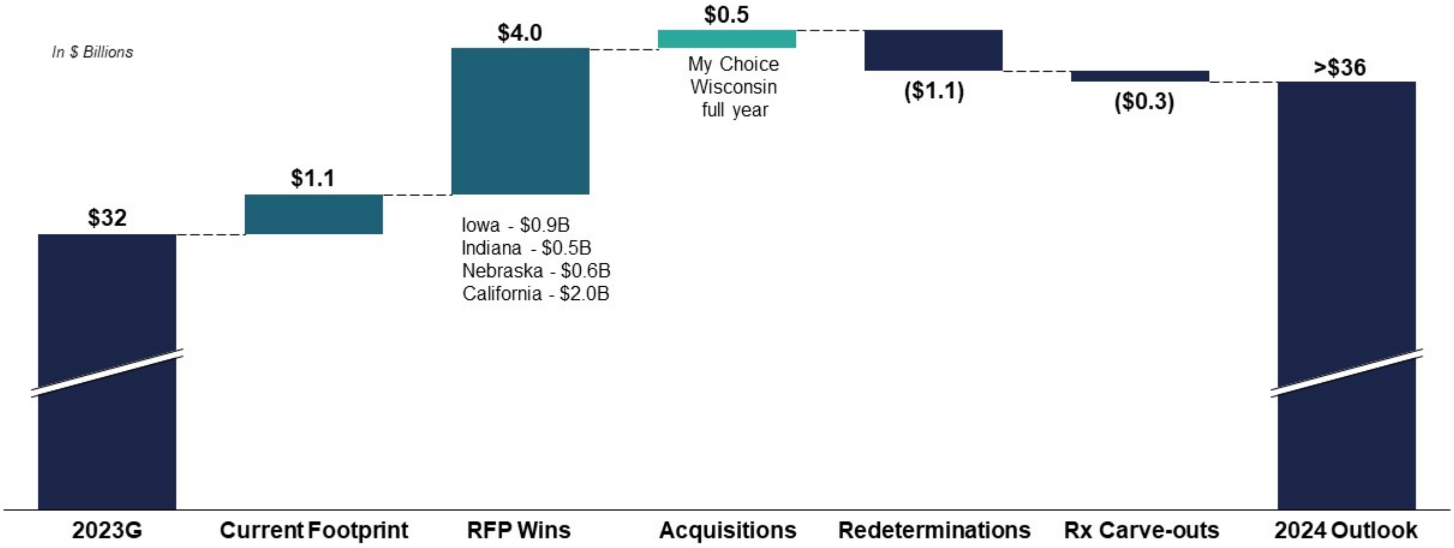
400,000
Estimated 50% of members retained

FY 2022		FY 2023	FY 2024
~$3.5B	→	~$3B	~$1.9B

Implied Premium Revenue

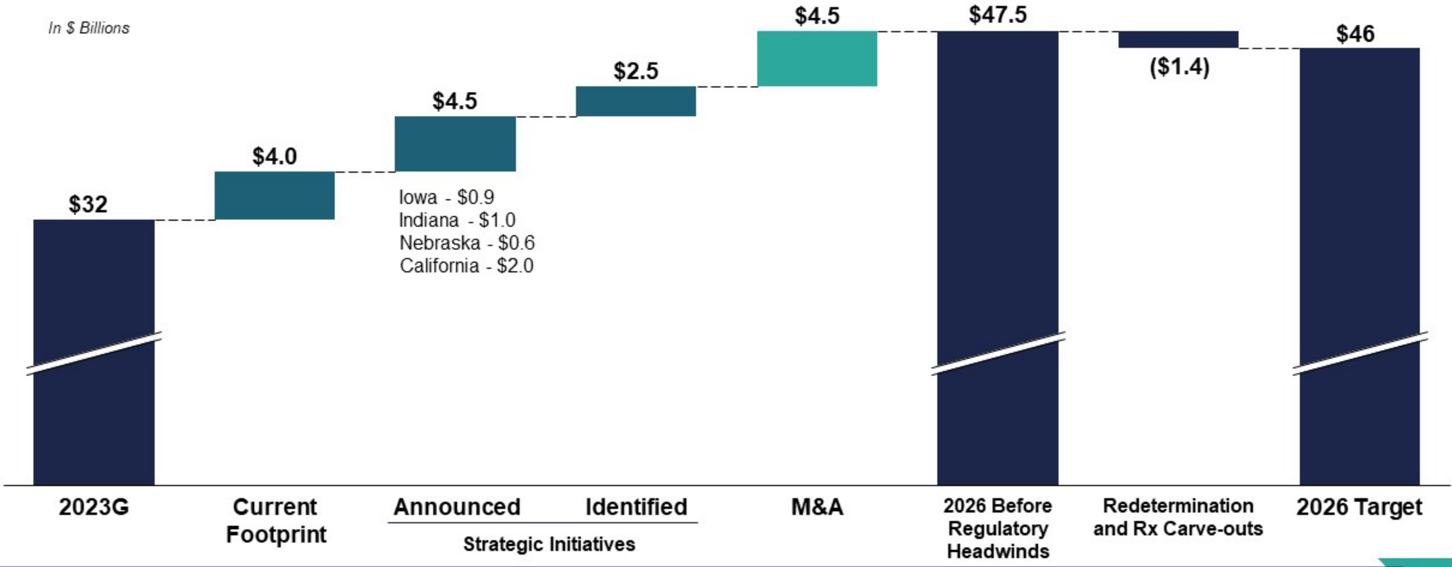
Initial 2024 Premium Revenue Outlook

Known building blocks provide line of sight to 13% premium revenue growth in 2024 before additional strategic initiatives



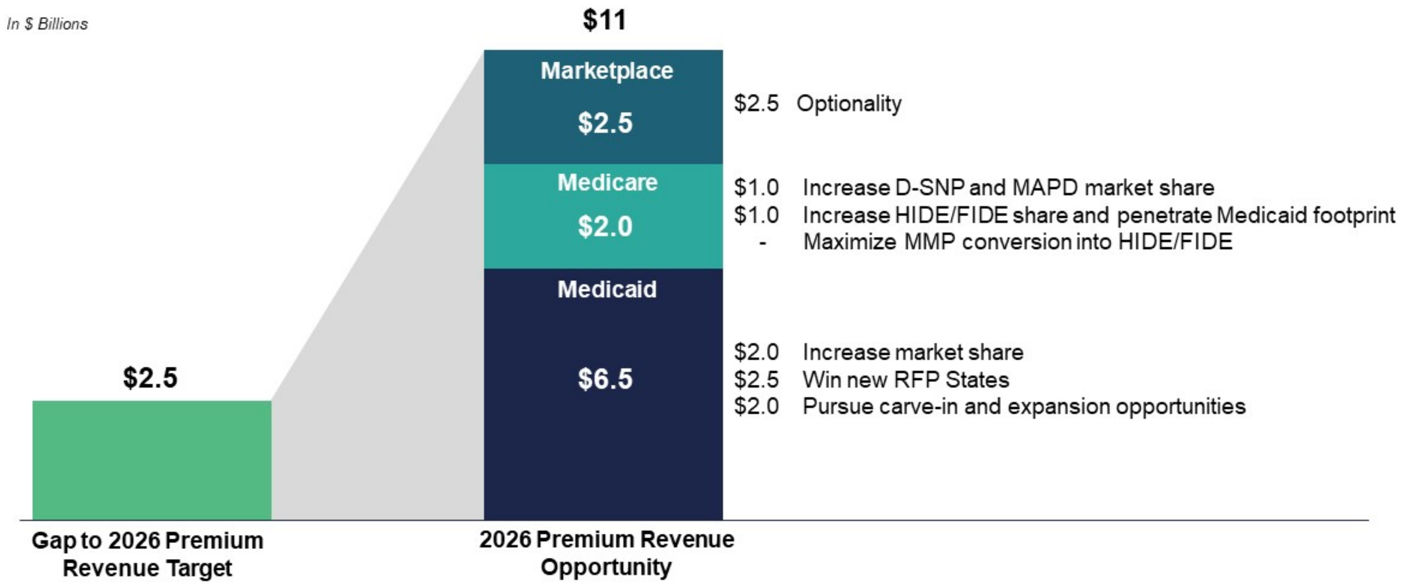
2026 Premium Revenue Target

Premium revenue target drives 14% CAGR before absorbing regulatory headwinds with high visibility to significant portion of revenue drivers



2026 Strategic Initiative Opportunity

Targeted 2026 premium revenue requires execution of less than 25% of identified strategic initiatives



Strong Capital Foundation and Discipline

Strong Capital Foundation

Strong balance sheet provides foundation for stability and growth

1Q23 Credit Stats	
Net Debt to EBITDA Ratio	1.5x
Net Debt / Capitalization	~39%
Revolver Capacity	$1B

Reserve Strength	
Reserves at 3/31/23	$3.8B
Days in Claims Payable	48 Days

Acquisition Capacity	
2023 Parent Company Cash	~$500M
Debt Capacity	~$2.0B
Total Deployable Capital	~$2.5B

Recurring Parent Cash Flow	
2023 Dividends to Parent	>$800M
Dividend to Net Income Conversion	80% - 100%

Capital Deployment Discipline

Capital is deployed to highest return opportunities

		EPS Accretion	Long-Term Target Capital Allocation
Re-invest in Business	– Organic growth is the highest priority – Most efficient use of capital to grow – All lines of business are high growth	✓✓✓	25%
Accretive Acquisitions	– Robust pipeline – Disciplined approach – Strategic fit and operational synergies	✓✓	50%
Return to Shareholders	– Share repurchases	✓	25%

Value Creation Model

Long-Term Premium Revenue Growth - Unchanged

Strong organic growth opportunities complemented by a disciplined acquisition strategy

Organic Growth

Medicaid	8% - 10%
Medicare	11% - 13%
Marketplace	5% with Optionality
Weighted Total	**8% - 10%**

Long-Term EPS Growth

Strong revenue and earnings growth off 2023 outlook, enhanced by operating leverage and share repurchases

Premium Revenue Growth	**13% - 15%**
Hedge to Margins / Operating Leverage	**0% - 1%**
Net Income Growth	**13% - 16%**
Share Repurchases	**~2%**
EPS Growth	**15% - 18%**

Value Creation Model

Highly efficient capital generation and deployment model creates significant value

Organic	Acquisitions	Enterprise
– Strong market growth trends – Numerous strategic initiatives – Capitalized at <10% of revenue – Low volatility	– Numerous pipeline opportunities – Announced acquisitions at attractive valuations, averaging 22% of revenue – Turnaround opportunities drive strong EPS accretion	– Cost structure yields significant operating leverage – High conversion of net income to cash flow – Attractive capital redeployment opportunities
8% - 10% revenue growth ~60% levered ROE	~5% revenue growth ~20% levered ROE	13% - 15% revenue growth 15% - 18% EPS growth

Investment Thesis

Strong growth, sustained margins and disciplined capital management form the core of shareholder return

- Pure play government sponsored healthcare
- Attractive margins and operating leverage
- Legacy and new market opportunities
- High return capital deployment
- Double digit revenue growth
- Proven management team

Executive Q&A

Reconciliation of Non-GAAP Financial Measures

Adjustments represent additions and deductions to GAAP net income as indicated in the table below, which include the non-cash impact of amortization of acquired intangible assets, acquisition-related expenses, and the impact of certain expenses and other items that management believes are not indicative of longer-term business trends and operations. Managements opinions on business trends and operations can change, so the adjustments included in the table will not be consistent from period to period.

	2020	2021	2022	2023G (1)
Net income per diluted share	$ 11.23	$ 11.25	$ 13.55	$ 19.02
Adjustments:				
Amortization of intangible assets	0.26	0.83	1.32	1.55
Acquisition-related expenses	0.37	1.59	0.83	0.08
Impairment (2)	-	-	3.56	-
Loss on debt repayment	0.26	0.43	-	-
Marketplace risk corridor judgment	(2.14)	-	-	-
Other (3)	0.51	0.16	-	-
Subtotal, adjustments	(0.74)	3.01	5.71	1.63
Income tax effect	0.18	(0.72)	(1.34)	(0.40)
Adjustments, net of tax	(0.56)	2.29	4.37	1.23
Adjusted net income per diluted share	$ 10.67	$ 13.54	$ 17.92	$ 20.25

(1) 2023 Guidance updated on April 26, 2023
(2) Resulting from the Company's plan to reduce its leased real estate footprint
(3) 2020 includes charitable contribution, premium deficiency reserves, and restructuring costs. 2021 includes change in premium deficiency reserves, loss on sale of property, and restructuring costs. 2022 includes gain on lease termination and disposal of fixed assets