
**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): February 11, 2016

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

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

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))
-
-

Item 7.01. Regulation FD Disclosure.

On February 11, 2016, the Company issued a press release providing its fiscal year 2016 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 11, 2016, 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, or at 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:

Exhibit No.	Description
99.1	Press release of Molina Healthcare, Inc. issued February 11, 2016.
99.2	Slide presentation given at the Investor Day Conference of Molina Healthcare, Inc. on February 11, 2016.

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 11, 2016

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

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release of Molina Healthcare, Inc. issued February 11, 2016.
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News Release
Contact:

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

**MOLINA HEALTHCARE PROVIDES FISCAL YEAR 2016
 OUTLOOK AND GUIDANCE**

LONG BEACH, California (February 11, 2016) – Molina Healthcare, Inc. (NYSE:MOH) today announced that it is providing its outlook and guidance for fiscal year 2016.

The following table presents the Company's outlook for fiscal year 2016: ⁽¹⁾

Premium Revenue	\$ 15.7B
Health Insurer Fee Revenue ⁽²⁾	\$ 335M
Premium Tax Revenue	\$ 450M
Service Revenue	\$ 550M
Investment and Other Income	\$ 40M
Total Revenue	\$ 17.0B
Total Medical Care Costs	\$ 13.8B
<i>Medical Care Ratio</i> ⁽³⁾	88.2%
Total Cost of Service Revenue	\$ 490M
General & Administrative Expenses	\$ 1.4B
<i>G&A Ratio</i> ⁽⁴⁾	8.0%
Premium Tax Expense	\$ 450M
Health Insurer Fee Expense	\$ 220M
Depreciation & Amortization	\$ 140M
Interest and Other Expense	\$ 100M
Income Before Income Taxes	\$ 460M
EBITDA ⁽⁵⁾	\$ 720M
<i>Effective Tax Rate</i>	56%
<i>After Tax Margin</i>	1.2%
Diluted Shares	58M
Diluted EPS	\$ 3.50
Adjusted net income per share ⁽⁵⁾	\$ 3.86

- (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 2016.
 (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) See reconciliation of non-GAAP financial measure on next page.

-MORE-

The Company uses two non-GAAP financial measures as supplemental metrics in evaluating its financial performance, making financing and business decisions, and forecasting and planning for future periods. For these reasons, management believes such measures are useful supplemental measures to investors in comparing the Company's performance to the performance of other public companies in the health care industry. These non-GAAP financial measures should be considered as supplements to, and not as substitutes for or superior to, GAAP measures.

The first of these non-GAAP measures is earnings before interest, taxes, depreciation and amortization (EBITDA). The following table reconciles net income, which the Company believes to be the most comparable GAAP measure, to EBITDA:(1)

	2016 Outlook
Net income	\$202M
Adjustments:	
Depreciation, and amortization of intangible assets and capitalized software	\$161M
Interest expense	\$100M
Income tax expense	\$257M
EBITDA	<u>\$720M</u>

The second of these non-GAAP measures is adjusted net income (including adjusted net income per diluted share). The Company believes that this non-GAAP financial measure helps investors better understand the impact that acquisitions have on our earnings, exclusive of non-cash charges. Effective as of January 1, 2016, the Company will no longer exclude amortization of convertible notes and lease financing obligations from its presentation of adjusted net income (and adjusted net income per share). The Company made this change because various capital transactions that it completed in 2015 reduced the Company's relative reliance on convertible notes and lease financing as sources of capital. The Company believes that this change will enhance the comparability of this non-GAAP measure with the corresponding non-GAAP measure used by the Company's competitors. The following table reconciles net income, which the Company believes to be the most comparable GAAP measure, to adjusted net income:(1) (2)

	2016 Outlook	
	Dollars	Per Share
Net income	\$202M	\$ 3.50
Adjustments, net of tax:		
Amortization of intangible assets	21M	0.36
Adjusted net income	<u>\$223M</u>	<u>\$ 3.86</u>

(1) All amounts are estimates and subject to change.

(2) Computation assumes 58 million diluted weighted average shares outstanding.

2016 Business Outlook and Investor Meeting

As has been the Company's past practice, it will discuss its 2016 business outlook and strategy at its Investor Day Conference webcast and presentation to be held on February 11, 2016, 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, which will be 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 molinahealthcare.com.

-MORE-

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 and in the Commonwealth of Puerto Rico, Molina currently serves approximately 3.5 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.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: *This earnings release contains “forward-looking statements” regarding the Company’s outlook and financial guidance for fiscal year 2016. Actual results could differ materially from the 2016 financial guidance due to numerous known and unknown risks and uncertainties. Those known risks and uncertainties include, but are not limited, to the following:*

- *uncertainties and evolving market and provider economics associated with the implementation of the Affordable Care Act, the Medicaid expansion, the insurance marketplaces, the effect of various implementing regulations, and uncertainties regarding the Medicare-Medicaid dual eligible demonstration programs in California, Illinois, Michigan, Ohio, South Carolina, and Texas;*
- *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, premium stabilization programs, profit sharing arrangements, and conflicting interpretations thereof;*
- *the interpretation and implementation of at-risk premium 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, including the successful resolution of the Puerto Rico debt crisis and the payment of all amounts due under our Medicaid contract;*
- *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 the rate increases we expect and project for 2016, or to maintain existing benefit packages or membership eligibility thresholds or criteria, including the resolution of the Illinois budget impasse and continued payment of our Illinois health plan;*
- *the accurate estimation of incurred but not reported or paid medical costs across our health plans;*
- *retroactive adjustments to premium revenue or accounting estimates which require adjustment based upon subsequent developments;*
- *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;*
- *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 resolution of litigation, arbitration, or administrative proceedings;*
- *the relatively small number of states in which we operate health plans;*
- *the effect on our Los Angeles County subcontract of Centene’s acquisition of Health Net;*
- *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;*
- *newly emergent viruses or widespread epidemics, including the Zika virus, and associated public alarm;*
- *changes in general economic conditions, including unemployment rates;*
- *the sufficiency of our funds, on hand to pay the amounts due upon conversion of our outstanding notes;*
- *increasing competition and consolidation in the Medicaid industry;*

and numerous other risks, including those discussed under Item 1A in the Company's annual report on Form 10-K, as well as the risk factors and cautionary statements in the Company's other 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 sec.gov. Given these risks and uncertainties, we can give no assurances that the Company's 2016 projections or other 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 11, 2016, 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-



2016A
Investor Day

February 11, 2016 / 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 financial outlook and business expectations for 2016; expected rate changes in 2016; the integration of, and the achievement of expected revenues from our acquisitions; growth in our marketplace membership, including provider economics and risk adjustment estimates associated with the marketplaces; care integration and care management; expected RFP opportunities and the success of our responses; our growth and acquisition strategy; 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 from those projected in each forward-looking statement. 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 on Form 10-Q, in our current reports on Form 8-K, and in our other filings with the Securities and Exchange Commission and available for viewing on our website at sec.gov. Except to the extent 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, MLTSS and Duals	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-2:10pm	Marketplace FAQ	Joseph White, Chief Accounting Officer
2:15pm-3:00pm	2016 Outlook	John Molina, Chief Financial Officer; Joseph White, Chief Accounting Officer
3:00pm-3:30pm	Q&A	
3:30pm	End of Program	



Your Extended Family.

2016A

Investor Day

Business Overview

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

February 11, 2016 / New York, New York

Our mission

To provide quality health care to people receiving government assistance



Our values

We strive to be an exemplary organization. These are our values:



We sustain our mission by being profitable.

We are one Molina.

Medicaid Product Portfolio

Sticking with our knitting

Health Plans



Risk-based health plan outsourcing for Medicaid and other government programs.

Medicaid Health Information Management



Medicaid non-risk fee based fiscal agent services, business process outsourcing, and care and utilization management.

Direct Delivery Primary Care



Company owned and operated primary care community clinics.

Medical Services Behavioral Health

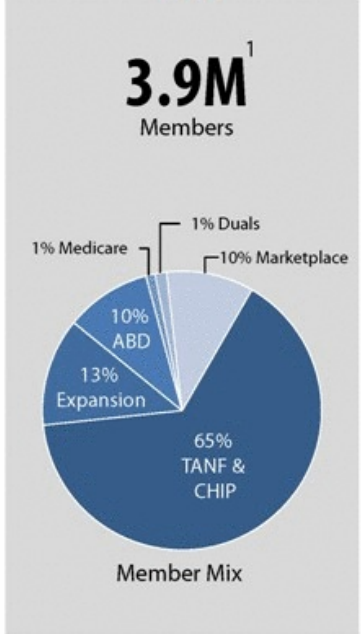
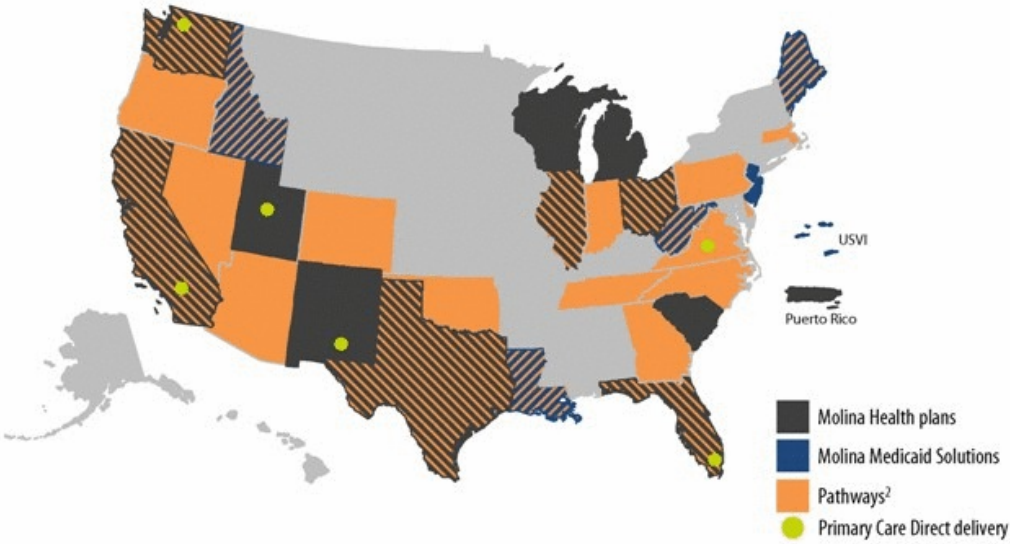


Provider network of outcome based behavioral/mental health and social services.



Our footprint today

Health plan footprint includes 4 of 5 largest Medicaid markets



1. Total enrollment relates to estimated membership as of January, 2016.
2. Pathways was previously known as Providence Human Services and was acquired from The Providence Services Corporation in a transaction that closed on November 1, 2015.
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2015 was a year of great accomplishments

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



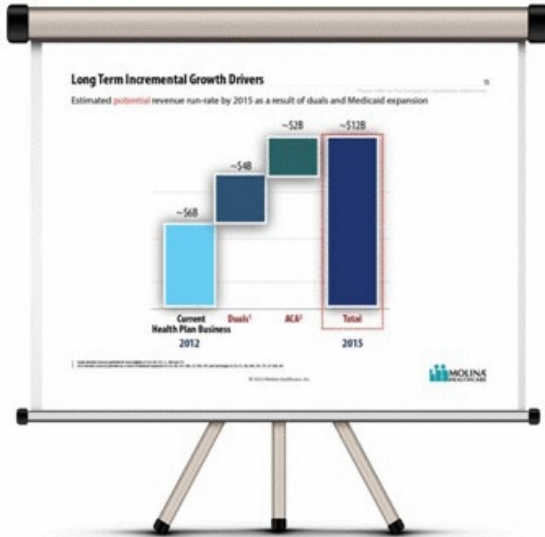
2015 highlights

- 46% revenue growth
- 35% enrollment growth
- 67% Net income margin growth

Managing for the long run

Solid multi-year execution leads to a record year

Investor Day 2012B Revenue Goals



Investor Day 2016A Revenue Results

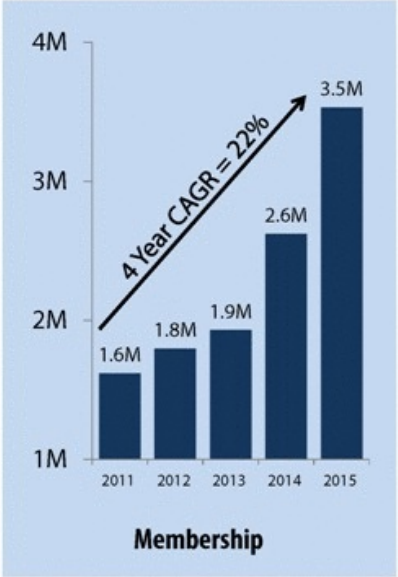
Total revenue for 2015:

\$14.1B



We continue to make progress

Earnings are catching up with growth



We manage our day-to-day business to long term goals

Strategic priorities

Expand our reach

- Organic growth in existing markets and RFPs
- In-market acquisitions
- Transition of members and benefits from FFS to managed care
- Capability-based provider acquisitions

Strive for operational excellence

- Improve care coordination
- Quality & accreditation
- Customer service
- Administrative cost control



Leverage the core business

- Strengthen operational performance
- Leverage group scale and competence

Maintain a diverse and flexible capital structure to support future growth

Staying focused on our mission has been – and will continue to be – vital to our success.

Our strategy positions us well to respond to major trends



1. Long Term Care Services are a managed care opportunity
2. States continue to expand Medicaid
3. Home and Community Based Service (HCBS) costs continue to increase
4. Integration of medical and behavioral health
5. Social determinants of health

How will we continue to grow?



Organic growth in existing markets
and RFPs

In-market acquisitions

Marketplace

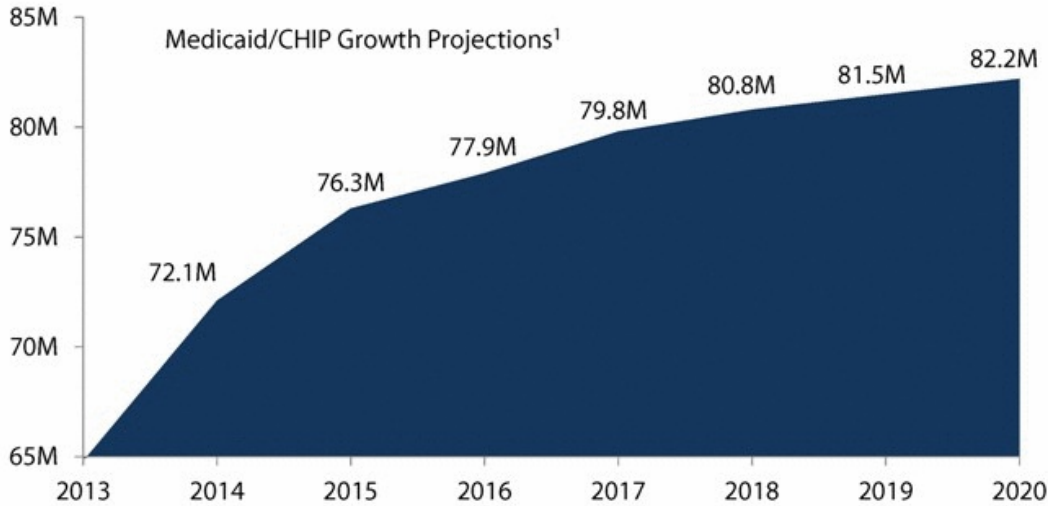
Transition of members and benefits
from FFS to managed care

Capability-based provider
acquisitions



Medicaid growth

Steady organic growth is expected to continue over the next five years.



1. CMS, Office of the Actuary, National Health Expenditure Projections 2014 - 2024, Table 17 Health Insurance Enrollment and Enrollment Growth Rates <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html>

Historic Enrollment Growth

January 2016
3.9M
members

December 2014
2.6M
members

Executing on our strategy: RFPs

Michigan



- Successful re-procurement
- Won all 9 regions bid on¹
- Expands current geographic footprint by 18 counties
- HealthPlus and HAP Midwest acquisitions add an additional 150K members
- Contract became January 1, 2016

Awarded contracts will serve more than 1.7M beneficiaries across the state

Washington

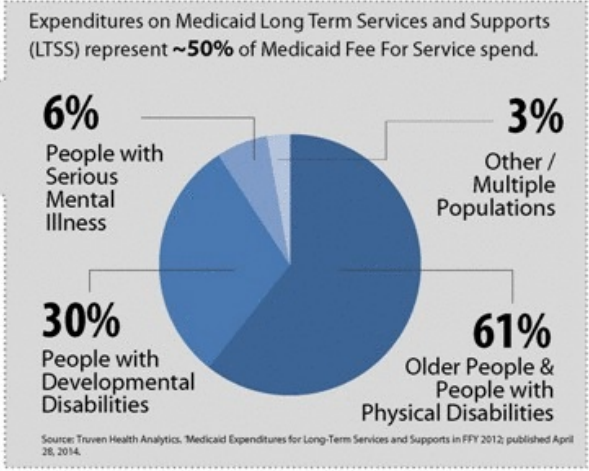
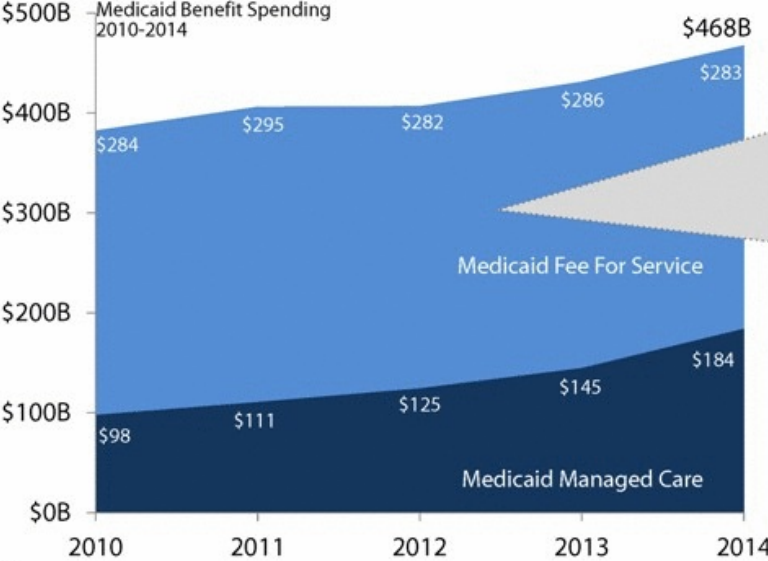


- Successful re-procurement for one region
- Combines physical health and behavioral health services into one contract
- CUP acquisition in SW region adds an additional 55K members
- New Medicaid contract will become effective April 1, 2016

One of two awardees in the region that will serve more than 120,000 beneficiaries

¹.Molina did not bid on Region 1 in Michigan

60% of Medicaid spending is still in fee for service



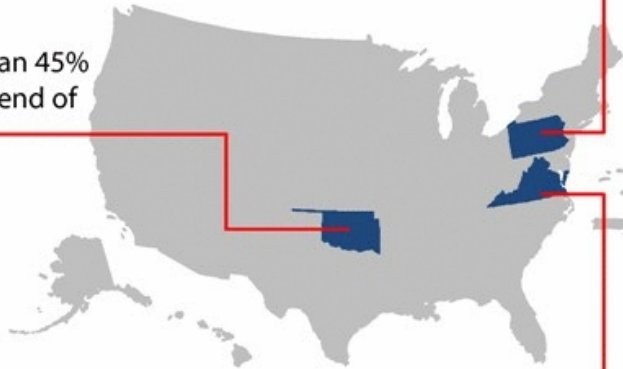
Sources:
 1. 2011 - 2014 March Medicaid and CHIP Program Statistics MACStats
 2. MACStats: Medicaid and CHIP Data Book, December 2015
 Note: Total spend includes FFS plus managed care and premium assistance only and excludes Medicare premiums and coinsurance and collections.
 © 2016 MOLINA HEALTHCARE, INC.

Upcoming RFP opportunities in 2016



Oklahoma: ABD

- 170K eligibles
- Encompass more than 45% of total Medicaid spend of \$2.4 billion



Pennsylvania: MLTSS

- 340k eligibles statewide, 130k utilizing MLTSS
- \$5.0 billion spent annually on LTSS

Virginia: MLTSS

- 120K eligibles
- \$2.1 billion of annual Medicaid spend



Acquisition strategy

How do the pieces fit together?

New Managed Care State	Existing Managed Care State	Provider / Capability
Rationale		
Diversification – revenue, risk, contracts	Fortify competitive position	Enhance provider alignment
Administrative cost leverage – long term	Administrative leverage – short term	Medical cost improvement – medium term
Criteria		
Competitive provider environment	Competitive provider environment	Increased member care oversight / management
Sizeable Medicaid population	Attractive price	Complementary to Molina care model
Favorable regulatory environment	Favorable regulatory environment	Difficult /expensive / time to develop internally
		Valuable talent

Executing on our growth strategy: acquisitions

9 acquisitions announced in 2015



In-market acquisitions expected to add approximately \$1.5 billion in total revenue in 2016

Note: Estimated revenue based on annualized Company estimates. Please refer to the Company's cautionary statement.

Diagnoses of behavioral and mental health conditions are increasing

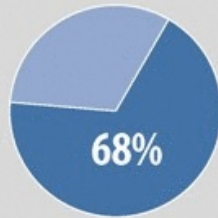


Mental and substance use disorders are expected to **surpass all physical diseases** as a major cause of worldwide disability by 2020

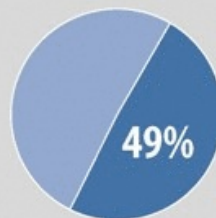


2X

Prevalence of mental illness among the **Medicaid population** is twice that of the general population



68% of adults with mental illness also have at least **1 chronic physical illness.**



49% of Medicaid enrollees with disabilities **have a psychiatric illness.**

2X-3X



Treatment of chronic physical health issues for patients with behavioral health needs is 2 to 3 times more expensive than patients with physical health only needs.

Source: *Annals of Internal Medicine*; Crowley RA, Kirschner N, for the Health and Public Policy Committee of the American College of Physicians. The Integration of Care for Mental Health, Substance Abuse, and Other Behavioral Health Conditions into Primary Care: Executive Summary of an American College of Physicians Position Paper. *Ann Intern Med*. 2015;163:298-299. doi:10.7326/M15-0510.

Introducing Pathways

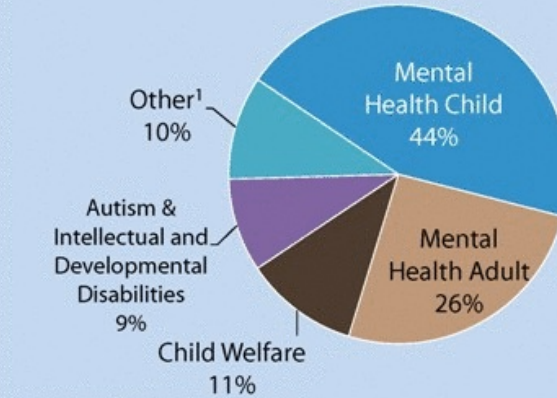
A capability-based provider acquisition



For more information,
visit Pathways.com



Pathways provides a growing number of behavioral health programs and social services to **Medicaid** beneficiaries throughout the nation.



1. Other includes Educational, Probational, and Substance Abuse

Medicaid and social services on the horizon

Social service needs inhibit many lower income individuals from getting better or maintaining good health.



CMS has announced a 5-year, \$157M program to pilot projects to better link Medicare and Medicaid patients to social services

- Housing
- Food insecurity
- Utilities
- Interpersonal safety
- Transportation

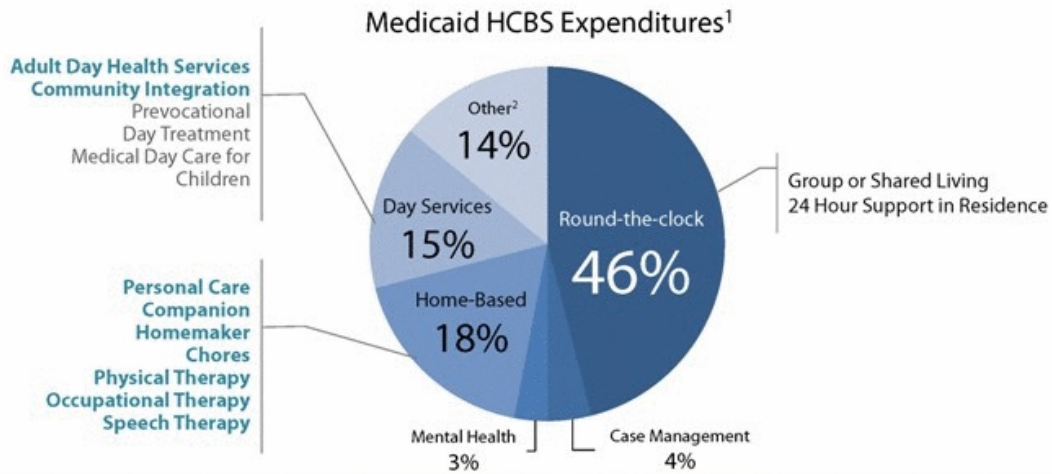
Social health issues become a more significant driver of health care costs as care complexity increases

Sources:

1. Kaiser Health News Feeds Funding Effort To Tie Medical Services To Social Needs, Julie Rovner, January 5, 2016; <http://khn.org/news/feeds-funding-effort-to-tie-medical-services-to-social-needs>
2. New England Journal of Medicine: Accountable Health Communities — Addressing Social Needs through Medicare and Medicaid; Dawn E. Alley, Ph.D., Chisara N. Asomugha, M.D., Patrick H. Conway, M.D., and Darshak M. Sanghavi, M.D.; January 5, 2016 DOI: 10.1056/NEJMp1512532; <http://www.nejm.org/doi/full/10.1056/NEJMp1512532>

Home and Community Based Services (HCBS)

Behavioral and mental health services are significant drivers of cost



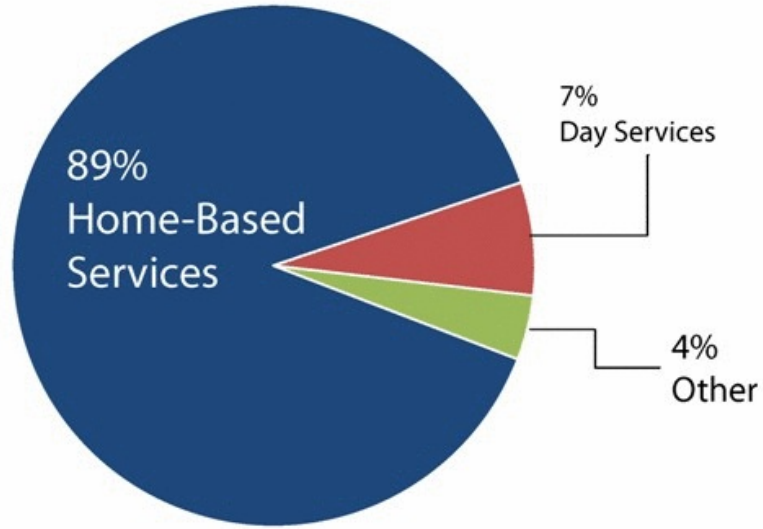
Medicaid HCBS total spend in 2013: \$75B³

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
 3. Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2013. Truven, Health Analytics June 30, 2015

Molina HCBS service detail



Molina 2015 HCBS% Spend





Marketplace

Penalty for lack of coverage in 2016 is 2.5% of yearly household income or \$695 per adult
Please refer to the Company's cautionary statement



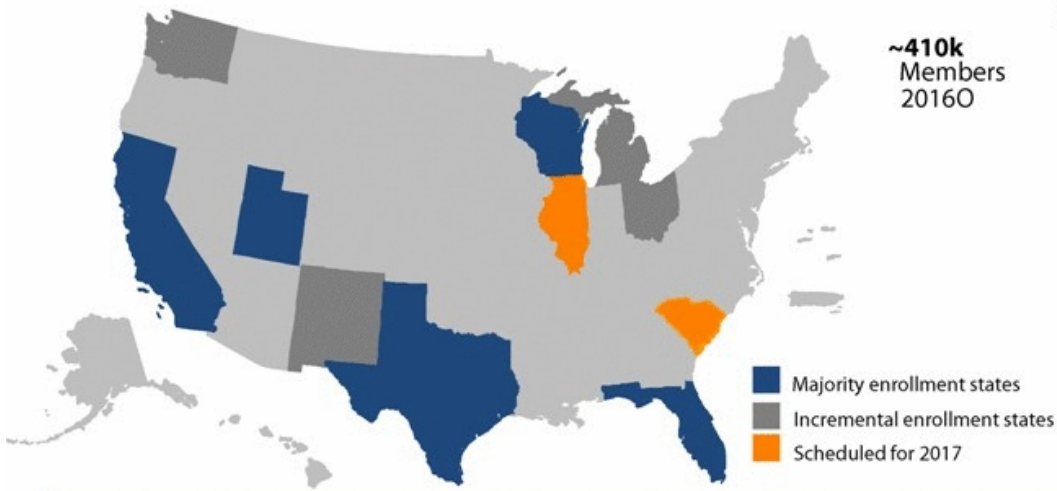
- Leverages existing Medicaid network
- Continuity for Medicaid members
- One platinum plan, limited gold
- Low MCR not sustainable in the long term



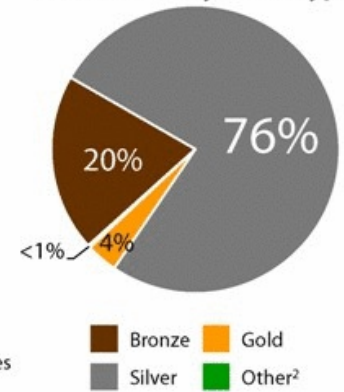
90% of Molina Marketplace members receive government subsidies

Marketplace

Focused on providing continuity to Medicaid members and extending services to the Medicaid ineligible low-income



Molina's Current Membership Distribution By Metal Type



More than 60% of members in non-expansion states would have qualified for Medicaid³

¹ Based on internal Company documents through January. Totals do not tie to Company filings
² Platinum and Catastrophic products are only offered in California, as required by the state
³ Based on internal Company estimates of current members selecting Silver 100, Silver 150 and Bronze plans Florida, Texas, Wisconsin and Utah.

One of a kind

Adding capabilities that can impact social determinants of health care

Focused on people receiving government assistance

Scalable administrative infrastructure

Consistent Medicaid national brand

Experienced management team

Mission driven culture





Your Extended Family.

2016A Investor Day

MLTSS and Duals

Terry Bayer, Chief Operating Officer

February 11, 2016 / New York, New York



True Molina Story

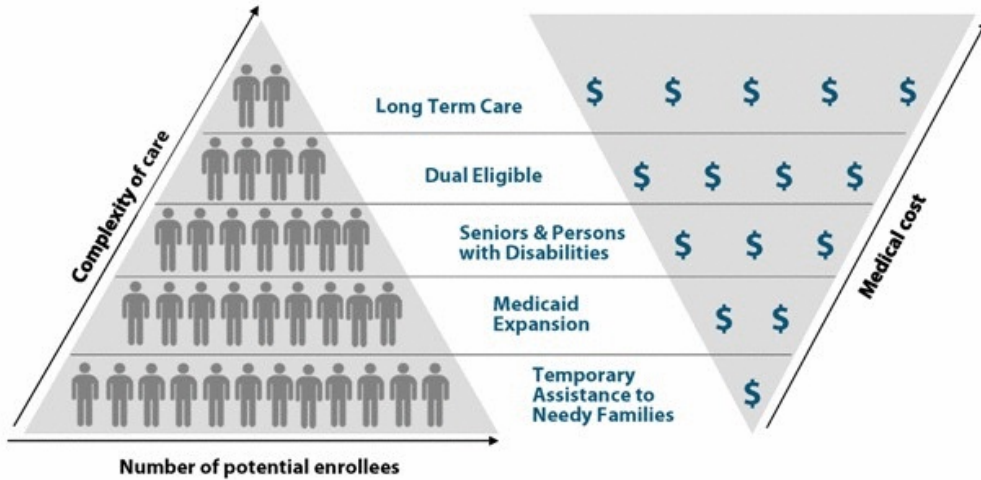
Vickie



https://www.youtube.com/watch?v=oPFB0Sxq_IA

Increasing complexity drives higher spend

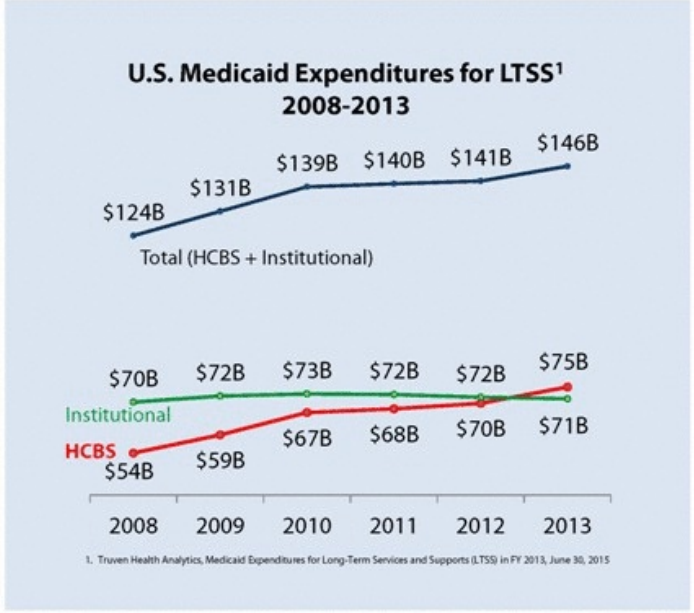
Complex members continue to transition into managed care



What are Managed Long Term Services and Supports?

MLTSS

Enables an individual to remain in their home or a community based setting, provides services and addresses barriers to social determinants of health. Provides long term care (residential) when needed.



Long Term Services and Supports

Continuum of care management model



Many paths to MLTSS integration



DSNP+MLTSS



MMP



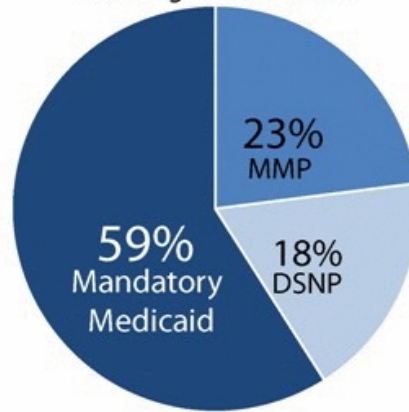
MLTSS

California		✓	✓
Florida	✓		✓
Illinois		✓	
Michigan		✓	
New Mexico	✓		✓
Ohio	✓	✓	
South Carolina		✓	
Texas	✓	✓	✓

Long Term Services & Supports (LTSS) opportunity



Composition of Members Utilizing LTSS Services



5% of total members / 20% of fee for service cost in 4Q2015

MLTSS opportunities

How will we impact quality and cost?



- Return to the community
- Remain at home
- Shorter stay
- Avoid unnecessary ED visits
- Reduce hospital admissions
- Reduce fraud, waste, and abuse

MLTSS Intervention point

Nursing home



- Comprehensive health assessment
- Integrated care
- More frequent provider visits
- Multi-disciplinary team

MLTSS intervention point

In home care



- Provide support for Activities of Daily Living (ADLs)
- Meals
- Transportation
- Caregivers
- Multi-disciplinary team

MLTSS intervention point

Homeless



- Community connectors outreach
- Transportation
- Substance abuse
- Behavioral health

Shift from inpatient care to home-based outpatient care



Member Experience



Care Management



Community Presence

Nursing home to community transition



Notes: Images for illustrative purposes only. Not actual patients.

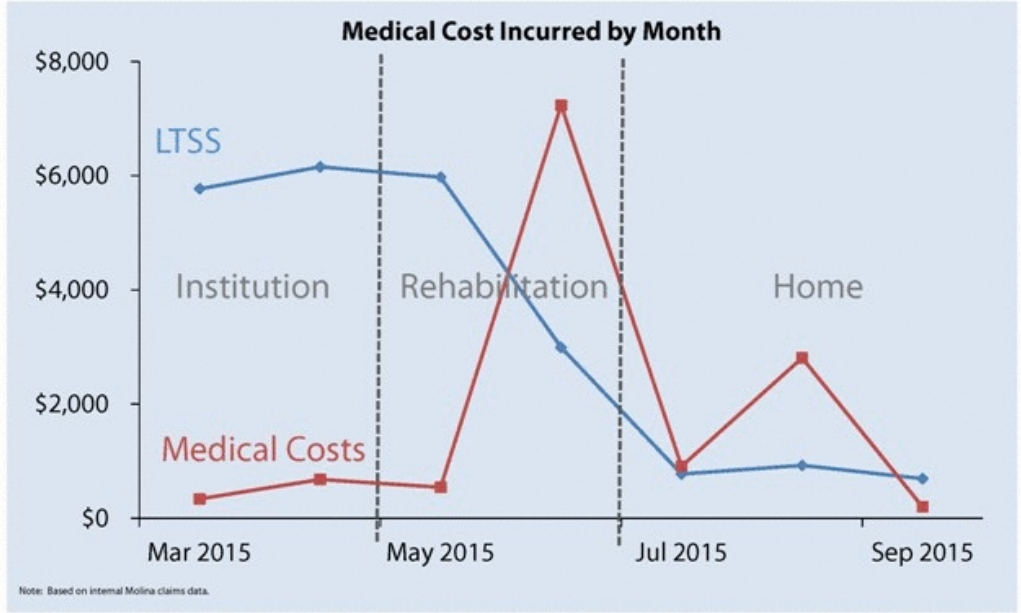
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- Diagnosed with diabetes; cancer in remission
- Nursing home resident
- Transitioned home
- Continues to improve

Nursing home to community transition



Note: Not actual patient.



Nursing home to community transition



Notes: Images for illustrative purposes only. Not actual patients.

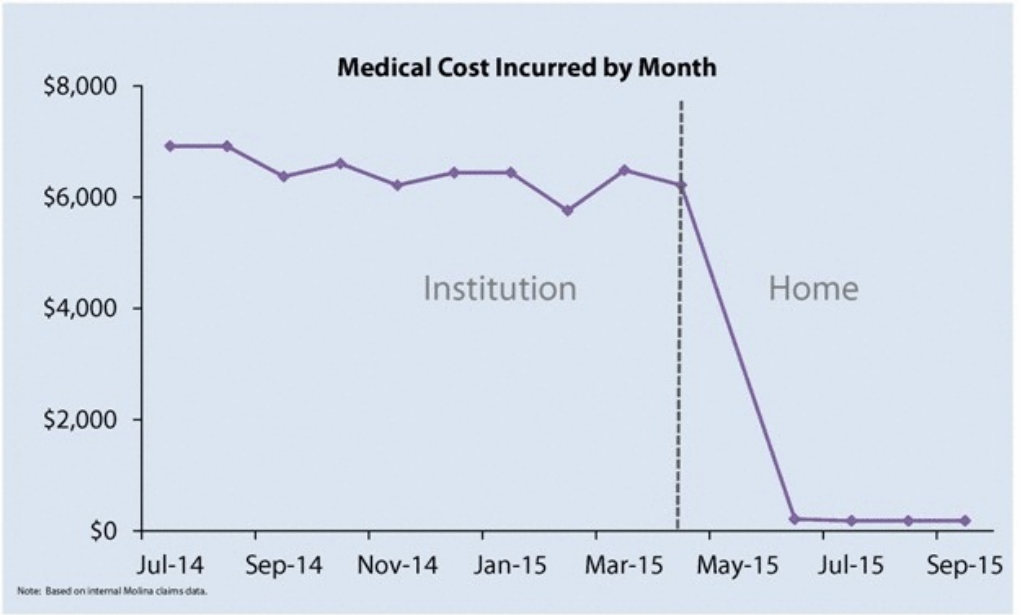
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- Diagnosed with diabetes; bi-polar; depression
- Nursing home resident for long-term care
- Continues coverage with Molina for Medicaid funded services
- Transitioned home
- Continues to improve

Nursing home to community transition



Note: Not actual patient.



Q&A





Your Extended Family.

2016A

Investor Day

Marketplace FAQ

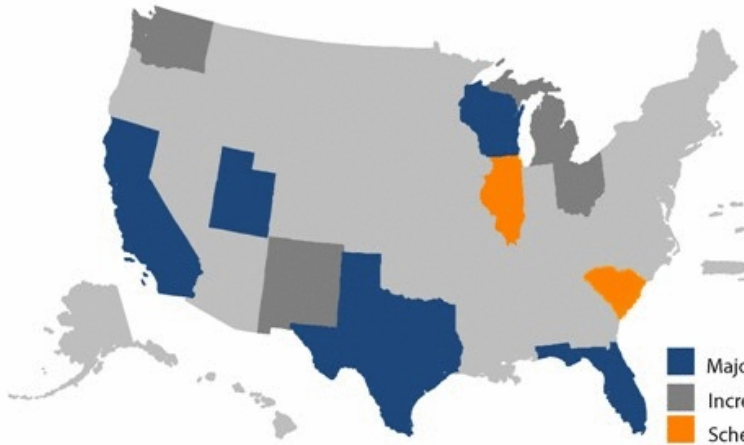
Joseph White, Chief Accounting Officer

February 11, 2016 / New York, New York



Marketplace

Penalty for lack of coverage in 2016 is 2.5% of yearly household income or \$695 per adult
Please refer to the Company's cautionary statement



- Leverages existing Medicaid network
- Continuity for Medicaid members
- One platinum plan, limited gold
- Low MCR not sustainable in the long term



90% of Molina Marketplace members receive government subsidies

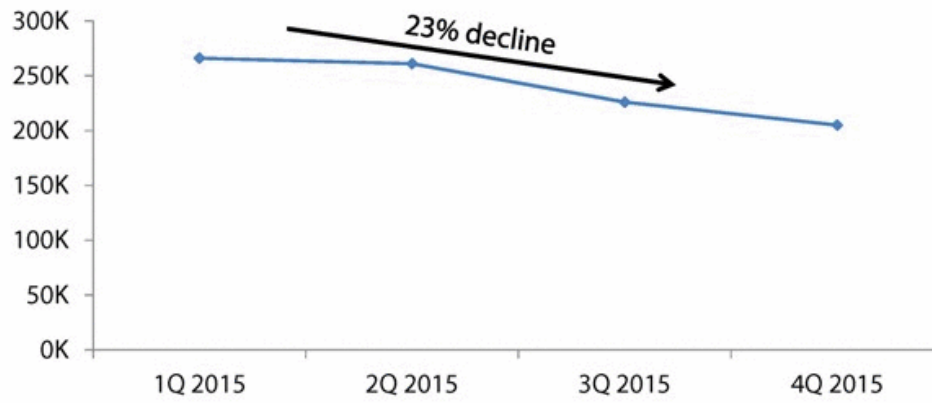
¹ Based on internal Company estimates.

Marketplace attrition

Please refer to the Company's cautionary statement



2015 Consolidated Enrollment by Quarter



We expect similar membership attrition to continue in 2016

Marketplace special enrollment

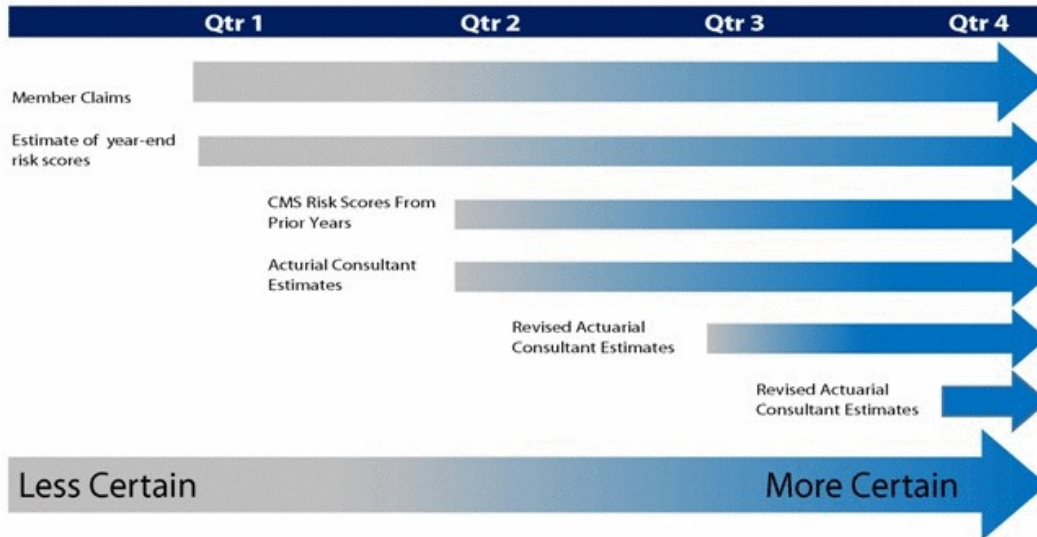
In 2015, members added during the special enrollment period generated disproportionate costs



Special enrollment allowed within 60 days of specific events only:

- Childbirth / adoption
- Marriage
- Loss of coverage
- Changes in income that affect qualified coverage
- Other

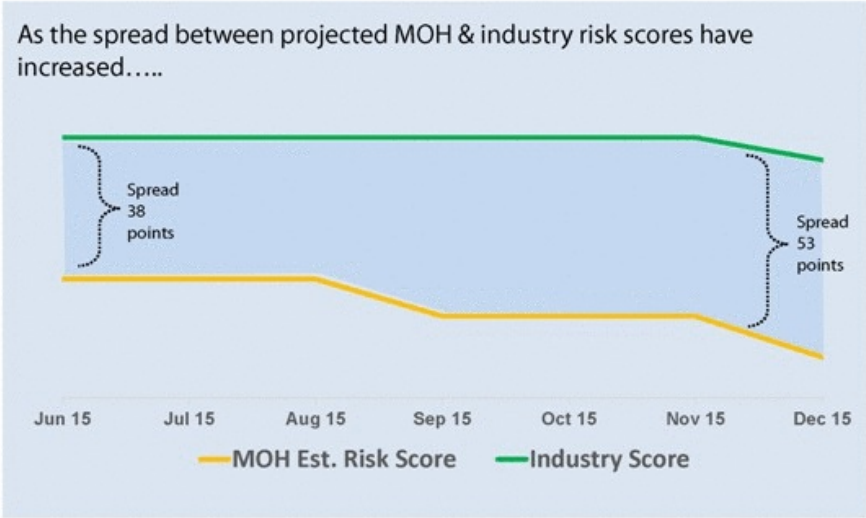
Marketplace risk adjustment



Note: Among Molina markets, state wide assessment of risk scores from independent sources is only available in CA, FL, OH, WA, WI

Marketplace risk adjustment

Projected risk scores below the industry average imply a risk transfer payable.





Your Extended Family.

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Investor Day

2016 Outlook

John Molina, Chief Financial Officer

February 11, 2016 / 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 financial outlook and business expectations for 2016; expected rate changes in 2016; the integration of, and the achievement of expected revenues from our acquisitions; growth in our marketplace membership, including provider economics and risk adjustment estimates associated with the marketplaces; care integration and care management; expected RFP opportunities and the success of our responses; our growth and acquisition strategy; 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 from those projected in each forward-looking statement. 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 on Form 10-Q, in our current reports on Form 8-K, and in our other filings with the Securities and Exchange Commission and available for viewing on our website at sec.gov. Except to the extent 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.

Key drivers in 2016

Please refer to the Company's cautionary statement



- Initial integration of Pathways
- Growth in Marketplace membership
- Focus on the care integration and care management opportunity
- Added interest expense from 5 3/8% notes
- Integration of acquisitions
 - Will increase revenue by \$1.5 billion
 - Increases amortization expense for 2016



Comparison 2015 actual and 2016 outlook

Please refer to the Company's cautionary statement

	2015 Actual	2016 Outlook	Percentage Change
Premium Revenue	\$13.1B	\$15.7B	20%
Health Insurer Fee revenue	\$264M	\$335M	27%
Premium Tax Revenue	\$393M	\$450M	15%
Service Revenue	\$252M	\$550M	118%
Investment and Other Income	\$23M	\$40M	74%
Total Revenue	\$14.1B	\$17.0B	21%
Total Medical Care Cost	\$11.7B	\$13.8B	18%
<i>Medical Care Ratio¹</i>	89.0%	88.2%	(0.8%)
Total Cost of Service Revenue	\$193M	\$490M	154%
General & Administrative Expenses	\$1.1B	\$1.4B	27%
<i>G&A Ratio²</i>	8.2%	8.0%	(0.2%)
Premium Tax Expense	\$393M	\$450M	15%
Health Insurer Fee Expense	\$157M	\$220M	40%
Depreciation & Amortization	\$104M	\$140M	35%
Interest and Other Expense	\$65M	\$100M	54%
Income Before Taxes	\$322M	\$460M	43%
EBITDA³	\$509M	\$720M	41%
<i>Effective Tax Rate</i>	55.5%	56%	0.5%
<i>After Tax Margin</i>	1.0%	1.2%	0.2%
Diluted Shares	55.6M	58M	4%
Diluted EPS	\$2.57	\$3.50	36%
Adjusted EPS^{3, 4}	\$2.77	\$3.86	39%

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. See following reconciliations of GAAP financial measures to non-GAAP financial measures

4. Adjusted EPS for 2015 calculated in a manner consistent with 2016 Outlook

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Adjusted net income¹

2016 Adjusted net income per diluted share will only add back amortization of intangibles
Please refer to the Company's cautionary statement

	2015 Actual ²	2016 Outlook
Net Income	\$143M	\$202M
<i>Adjustments, net of tax:</i>		
Amortization of intangible assets	\$11M	\$21M
Adjusted income from continuing operations	\$154M	\$223M
Weighted average shares outstanding, diluted	55.6M	58M
Net income per diluted share	\$2.57	\$3.50
Amortization of intangible assets	\$0.20	\$0.36
Adjusted net income per diluted share	\$2.77	\$3.86

We will no longer include amortization related to our senior convertible notes

1. This table reconciles net income, which we believe is the most comparable GAAP measure, to adjusted net income

2. 2015 is calculated using the new 2016 methodology for comparative purposes

Note: The Company believes that these non-GAAP financial measures (adjusted net income and adjusted net income per share) help investors better understand the impact that acquisitions have on our earnings, exclusive of non-cash charges.

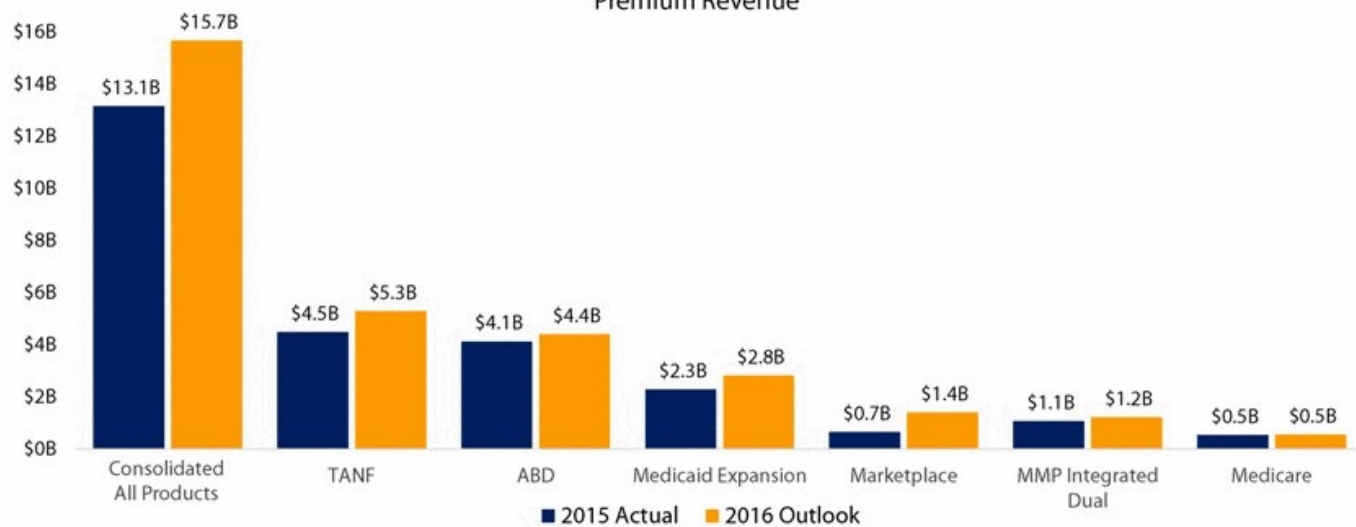
Effective January 1, 2016, the Company will no longer exclude amortization of convertible notes and lease financing obligations from its presentation of adjusted net income and adjusted net income per share. The Company made this change because various capital transactions that it completed in 2015 reduced the Company's relative reliance on convertible notes and lease financing as sources of capital. The Company believes that this change will enhance the comparability of these non-GAAP measures with the corresponding non-GAAP measures used by the Company's competitors.



Revenue by line of business

Please refer to the Company's cautionary statement

Premium Revenue



Note: Totals may not add due to rounding.

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Acquisition revenue contribution

Please refer to the Company's cautionary statement

Acquisitions	Effective Date	2016 Revenue Contribution
Preferred	Aug 2015	\$50M
HealthPlus	Sep 2015	\$200M
Pathways	Nov 2015	\$360M
Integral	Nov 2015	\$295M
Mycare	Jan 2016	\$120M
Loyola	Jan 2016	\$45M
CUP	Jan 2016	\$180M
HAP	Jan 2016	\$200M
Better Health ¹	2Q 2016	\$50M
Total Acquisitions		\$1.5B

1. Better Health revenue contribution includes 9 months of revenue for 2016. Annualized estimated revenue contribution is \$65 million



Medicaid rate change outlook

Please refer to the Company's cautionary statement

State	2016 Outlook Known ¹		2016 Outlook Estimated	
	Effective Date	Rate Change	Effective Date	Rate Change
California	Jul-15	2%	Jul-16	1%
Florida	Sept-15	5%	Sept-16	4%
Illinois	Jan-16	NA	Jan-16	0%
Michigan	Jan-16	(0.5)%	Oct -16	1%
New Mexico	Jan-16	2%	NA	NA
Ohio	Jan-16	(1%)	NA	NA
Puerto Rico	Apr-16	NA	Apr-16	0%
South Carolina	Jul-15	(2.5%) ²	NA	NA
Texas	Sept-15	2%	Sept-16	1%
Utah	Jan-16	0.5%	NA	NA
Washington	Jan-16	8%	NA	NA
Wisconsin	Jan-16	2%	NA	NA

Note: Medicaid includes TANF, CHIP and ABD.

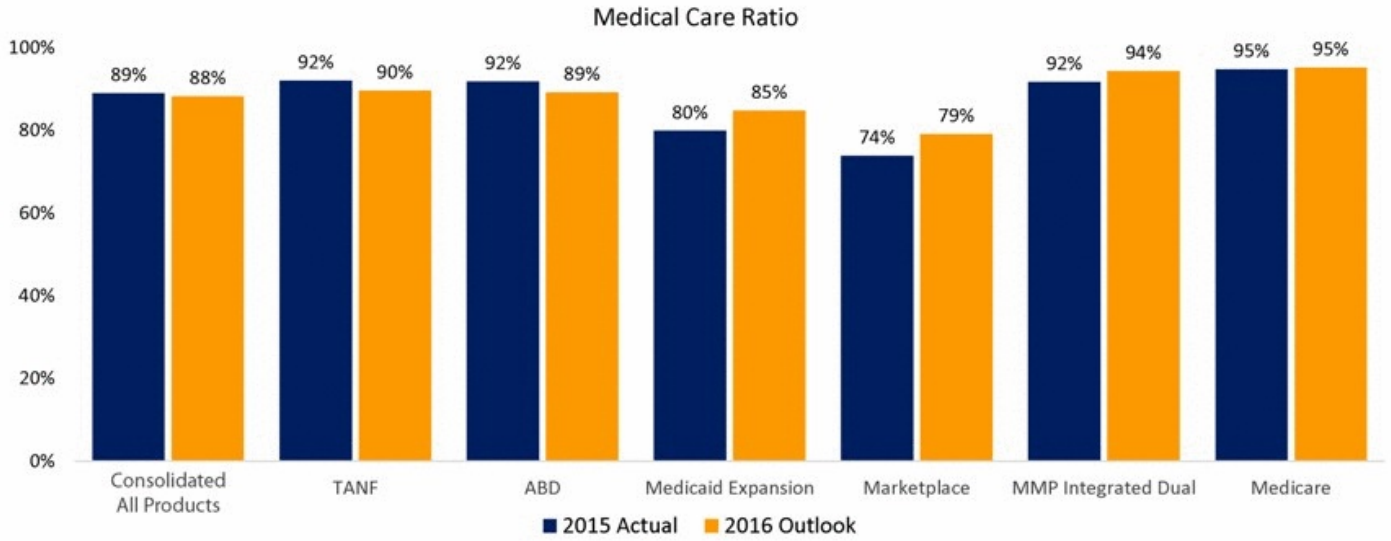
1. Outlook Known denotes rate changes for TANF, CHIP, ABD, and excludes changes related to risk adjustment

2. South Carolina Outlook excludes retroactive risk adjustment. With risk adjustment, rate decrease would have been (6%)

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Medical care ratio by line of business

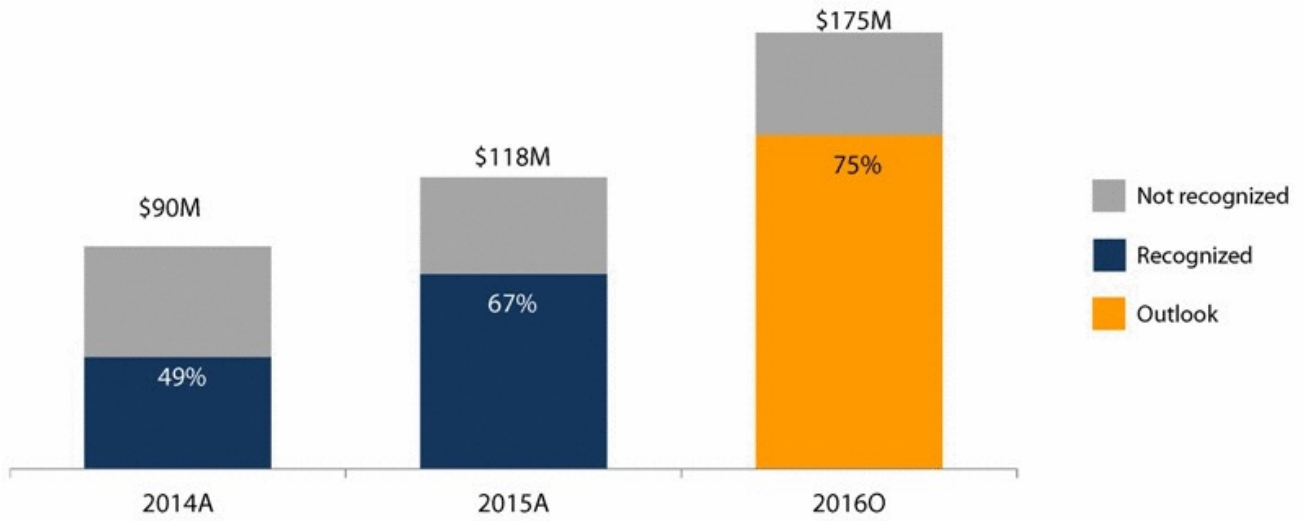
Please refer to the Company's cautionary statement



Quality revenue outlook

Please refer to the Company's cautionary statement

Historical and current outlook – 2016 assumptions

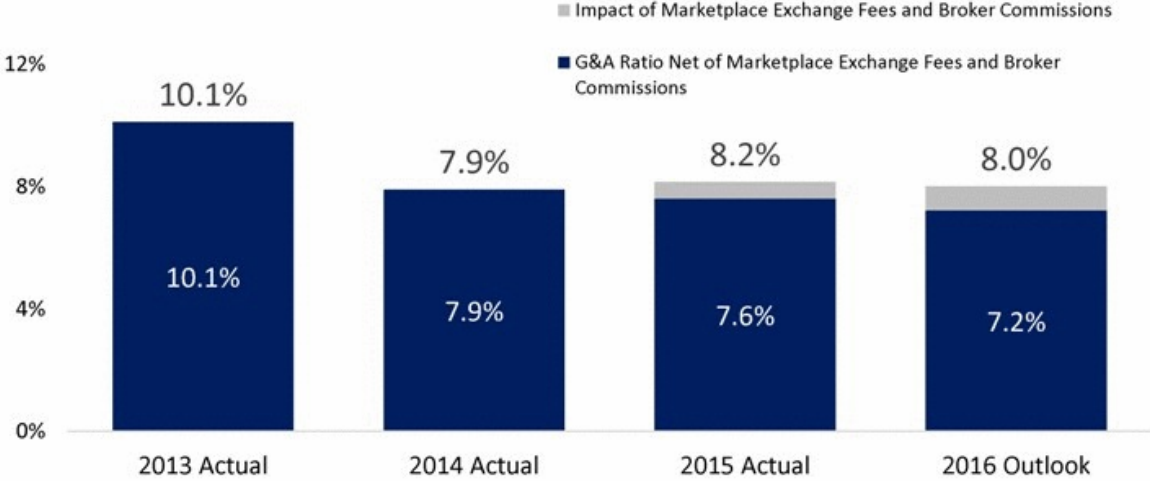


Totals indicate quality revenue available to be earned for the years specified.
 Earned amounts include amounts recognized in the year indicated – whether related to prior or current year
 "A" denotes actual; "O" denotes outlook.
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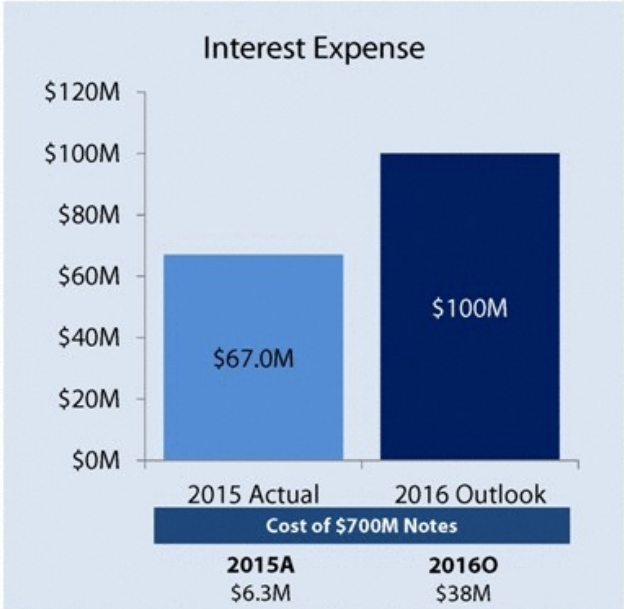
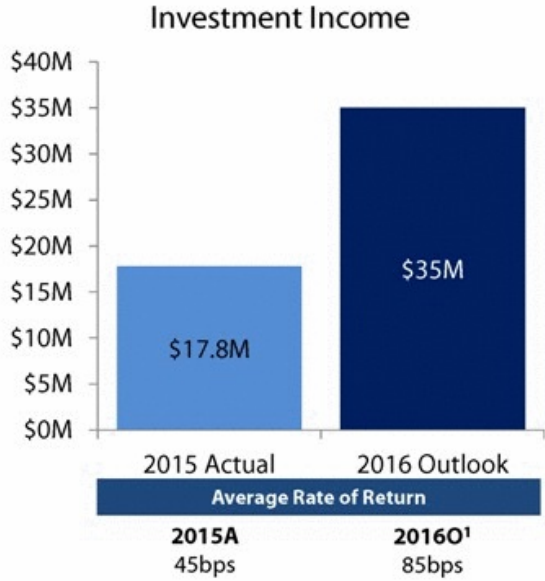
G&A ratio – marketplace impact

Exchange fees and broker commissions
Please refer to the Company's cautionary statement



Investment income & interest expense outlook

Please refer to the Company's cautionary statement



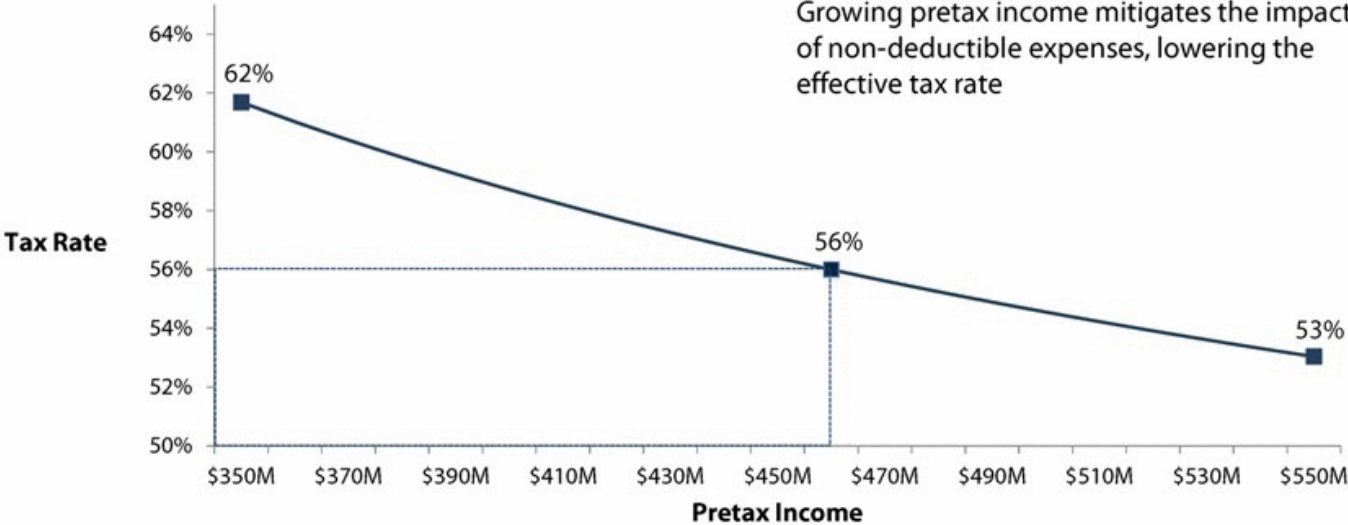
¹. Outlook assumes a 3Q16 Federal rate increase at 100% probability and a 4Q16 rate increase at 75% probability. In 2016, 70% of increased investment return is due to higher invested balances, 30% is due to higher rates of return.



Effective tax rate

ETR sensitivity to pretax income¹
Please refer to the Company's cautionary statement

Growing pretax income mitigates the impact of non-deductible expenses, lowering the effective tax rate

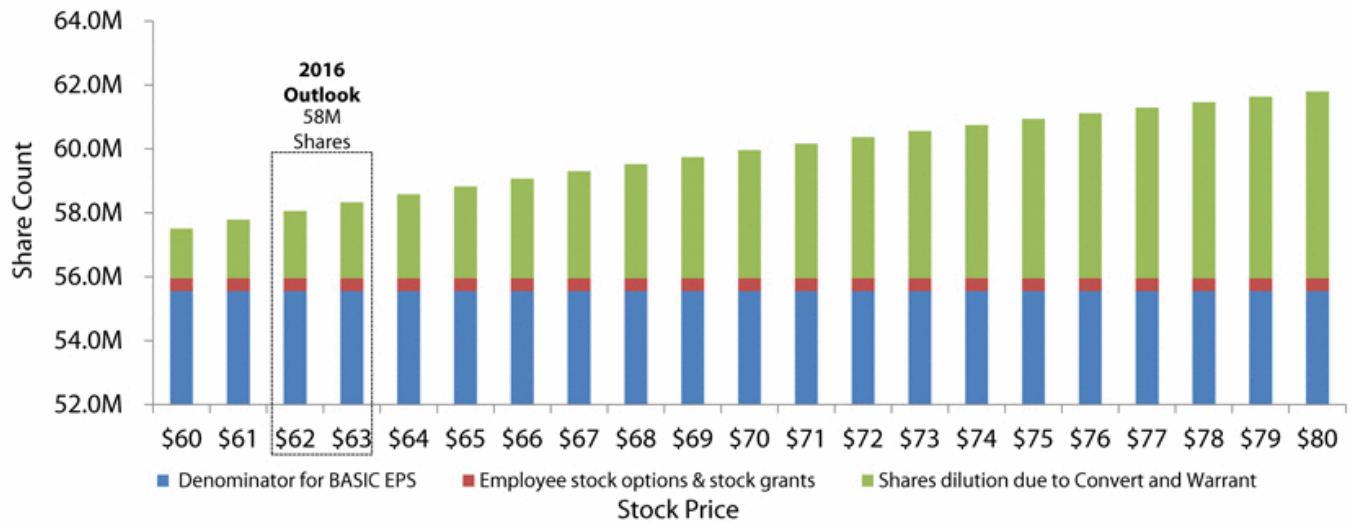


1. ETR includes estimated 2016 non deductible expenses

Share count sensitivity

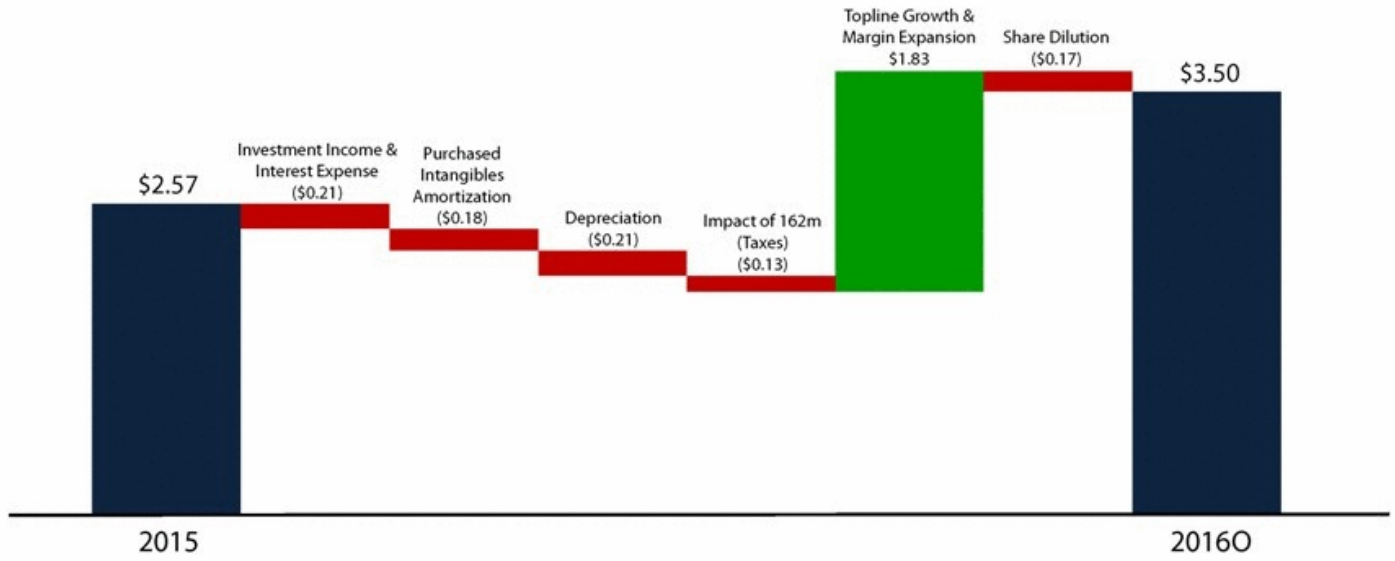
Each one dollar increase in our stock price increases our share count for calculation of EPS by approximately 0.2 million shares

Please refer to the Company's cautionary statement



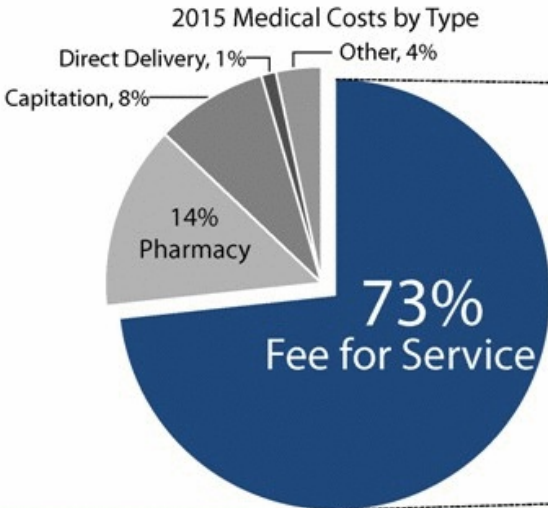
EPS bridge

Please refer to the Company's cautionary statement

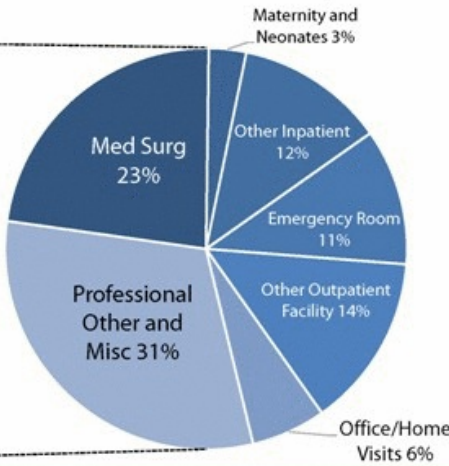


Medical care costs by cost type

The majority of our margin improvement will come from fee for services costs
 Please refer to the Company's cautionary statement



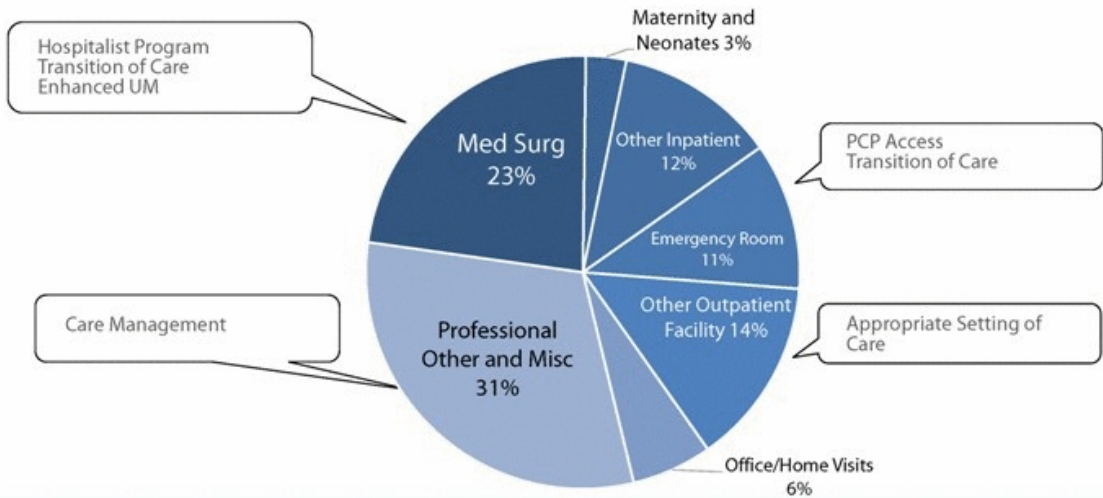
Fee for Service Cost Components



FY 2015 total medical cost spend = \$11.7B

The care management opportunity

Different interventions target different types of costs
Please refer to the Company's cautionary statement

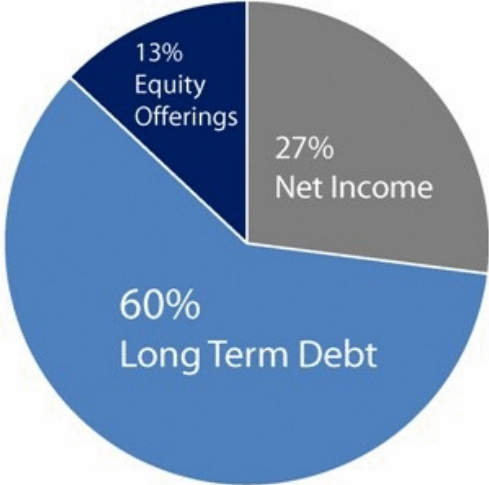


Fee For Service Spend \$8.6B FY2015

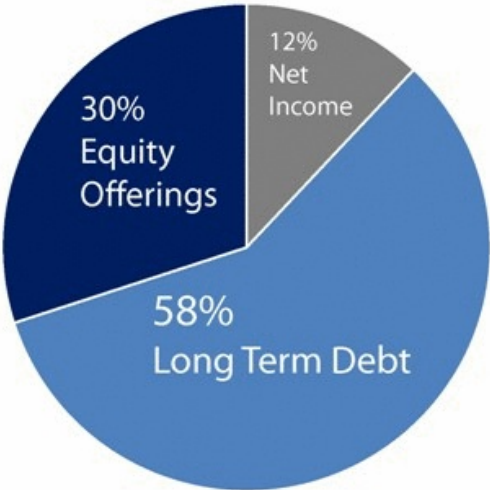
Sources of capital

Historical average versus 2015

2006 – 2014 Average



2015



Capital deployment

Historical average versus 2015

2006 – 2014 Average



2015



Pathways opportunity

Please refer to the Company's cautionary statement



For more information,
visit Pathways.com



- Expansion of services
- Molina margin capture
- Care coordination
- RFP capture

Q&A



Supplemental





EBITDA¹

Please refer to the Company's cautionary statement

	2015 Actual	2016 Outlook
Net Income	\$143M	\$202M
Adjustments		
Depreciation, and amortization of intangible assets and capitalized software	\$120M	\$161M
Interest Expense	\$67M	\$100M
Income Tax Expense	\$179M	\$257M
EBITDA	\$509M	\$720M

The Company believes that this non-GAAP financial measure (EBITDA) will help investors to better measure its ability to pay financial obligations that cannot be deferred or avoided as they become due.

¹ This table reconciles net income, which we believe is the most comparable GAAP measure, to EBITDA.
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Medicaid expansion rate change outlook

Please refer to the Company's cautionary statement

State	Expansion Rate Outlook	
	Effective Date	Rate Change
California	Jan-16	(13%)
Michigan	Jan-16	3%
New Mexico	Jan-16	(8%)
Ohio	Jan-16	(7%)
Washington	Jan-16	5%
Wisconsin	Jan-16	1 %