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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Individually and On Behalf of All
Others Similarly Situated,

Plaintiff,

v.

MOLINA HEALTHCARE, INC.,
JOSEPH M. ZUBRETSKY, and
MARK L. KEIM,

Defendants.

Case No.

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL**

1 Plaintiff individually and on behalf of all
2 others similarly situated, by and through his attorneys, alleges the following upon
3 information and belief, except as to those allegations concerning Plaintiff, which are
4 alleged upon personal knowledge. Plaintiff’s information and belief is based upon,
5 among other things, his counsel’s investigation, which includes without limitation:
6 (a) review and analysis of regulatory filings made by Molina Healthcare, Inc.
7 (“Molina” or the “Company”) with the United States (“U.S.”) Securities and
8 Exchange Commission (“SEC”); (b) review and analysis of press releases and media
9 reports issued by and disseminated by Molina; and (c) review of other publicly
10 available information concerning Molina.

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Molina securities between February 5, 2025 and July 23, 2025,
14 inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under
15 the Securities Exchange Act of 1934 (the “Exchange Act”).

16 2. Molina provides healthcare services to low-income individuals under the
17 Medicaid and Medicare programs and through the state insurance marketplaces.

18 3. On July 7, 2025, before the market opened, Molina issued a press release
19 announcing financial results for the second quarter of 2025 and slashing full year 2025
20 adjusted earnings per share guidance. The press release revealed the Company’s
21 second quarter 2025 adjusted earnings of approximately \$5.50 per share, which was
22 “*below its prior expectations*”¹ due to “*medical cost pressures in all three lines of*
23 *business.*” The Company announced it “expects these medical cost pressures to
24 continue into the second half of the year” and cut guidance for expected adjusted
25 earnings per share 10.2% at the midpoint, from “at least \$24.50 per share” to a “range
26 of \$21.50 to \$22.50 per share.” The press release revealed Molina was experiencing
27

28 ¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added.

1 a “short-term earnings pressure” from a “*dislocation between premium rates and*
2 *medical cost trend which has recently accelerated.*”

3 4. On this news, Molina’s stock price fell \$6.97, or 2.9%, to close at
4 \$232.61 per share on July 7, 2025, on unusually heavy trading volume.

5 5. Then, on July 23, 2025, after the market closed, Molina issued a press
6 release reporting its financial results for the second quarter ended June 30, 2025 and
7 further slashing the Company’s full-year 2025 earnings guidance. The press release
8 revealed, in part, that the Company’s “GAAP net income was \$4.75 per diluted share
9 for the second quarter of 2025, a decrease of 8% year over year;” and it “*now expects*
10 *its full year 2025 adjusted earnings to be no less than \$19.00 per diluted share.*”

11 This represented another 13.6% cut to guidance of earnings per share at the midpoint,
12 from the cut to guidance announced less than two weeks earlier. The Company also
13 cut its guidance for its full year 2025 GAAP net income 27% to \$912 million. The
14 Company attributed its results a full year outlook to a “challenging medical cost trend
15 environment,” including mere “*utilization of behavioral health, pharmacy, and*
16 *inpatient and outpatient services.*” The Company alleged its guidance cut also
17 reflected “new information gained in the quarterly closing process.”

18 6. On this news, Molina’s stock price fell \$32.03, or 16.84%, to close at
19 \$158.22 per share on July 24, 2025, on unusually heavy trading volume.

20 7. Throughout the Class Period, Defendants made materially false and/or
21 misleading statements, as well as failed to disclose material adverse facts about the
22 Company’s business, operations, and prospects. Specifically, Defendants failed to
23 disclose to investors: (1) material, adverse facts concerning the Company’s “medical
24 cost trend assumptions;” (2) that Molina was experiencing a “dislocation between
25 premium rates and medical cost trend;” (3) that Molina’s near term growth was
26 dependent on a lack of “utilization of behavioral health, pharmacy, and inpatient and
27 outpatient services;” (4) as a result of the foregoing, Molina’s financial guidance for
28 fiscal year 2025 was substantially likely to be cut; and (5) that, as a result of the

1 foregoing, Defendants' positive statements about the Company's business,
2 operations, and prospects were materially misleading and/or lacked a reasonable
3 basis.

4 8. As a result of Defendants' wrongful acts and omissions, and the
5 precipitous decline in the market value of the Company's securities, Plaintiff and
6 other Class members have suffered significant losses and damages.

7 **JURISDICTION AND VENUE**

8 9. The claims asserted herein arise under Sections 10(b) and 20(a) of the
9 Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated
10 thereunder by the SEC (17 C.F.R. § 240.10b-5).

11 10. This Court has jurisdiction over the subject matter of this action pursuant
12 to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

13 11. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b)
14 and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in
15 furtherance of the alleged fraud or the effects of the fraud have occurred in this
16 Judicial District. Many of the acts charged herein, including the dissemination of
17 materially false and/or misleading information, occurred in substantial part in this
18 Judicial District. In addition, the Company's principal executive offices are in this
19 District.

20 12. In connection with the acts, transactions, and conduct alleged herein,
21 Defendants directly and indirectly used the means and instrumentalities of interstate
22 commerce, including the United States mail, interstate telephone communications,
23 and the facilities of a national securities exchange.

24 **PARTIES**

25 13. Plaintiff as set forth in the accompanying
26 certification, incorporated by reference herein, purchased Molina securities during the
27 Class Period, and suffered damages as a result of the federal securities law violations
28 and false and/or misleading statements and/or material omissions alleged herein.

Materially False and Misleading
Statements Issued During the Class Period

19. The Class Period begins on February 5, 2025. On that day, the Company issued a press release reporting its financial results for the fourth quarter and year ended December 31, 2024 and the Company’s full-year 2025 revenue and earnings guidance. The press release touted the Company’s financial results and purported full year revenue guidance as follows in relevant part:

**Molina Healthcare Reports Fourth Quarter and Year-End 2024
Financial Results**

Introduces Full Year 2025 Revenue and Earnings Guidance

Long Beach, Calif, February 5, 2025 – Molina Healthcare, Inc. (NYSE: MOH) (the “Company”) today reported fourth quarter 2024 GAAP earnings per diluted share of \$4.44 and adjusted earnings per diluted share of \$5.05. The Company also reported full year 2024 GAAP earnings per diluted share of \$20.42 and adjusted earnings per diluted share of \$22.65. Financial results are summarized below:

	Three months ended		Year ended	
	December 31,		December 31,	
	2024	2023	2024	2023
<i>(In millions, except per-share results)</i>				
Premium Revenue	\$9,983	\$8,362	\$38,627	\$32,529
Total Revenue	\$10,499	\$9,048	\$40,650	\$34,072
GAAP:				
Net Income	\$251	\$216	\$1,179	\$1,091
EPS – Diluted	\$4.44	\$3.70	\$20.42	\$18.77
Medical Care Ratio (MCR)	90.2 %	89.1 %	89.1 %	88.1 %
G&A Ratio	6.3 %	7.1 %	6.7 %	7.2 %
After-tax Margin	2.4 %	2.4 %	2.9 %	3.2 %
Adjusted:				
Net Income	\$286	\$255	\$1,308	\$1,213
EPS – Diluted	\$5.05	\$4.38	\$22.65	\$20.88
G&A Ratio	6.3 %	7.0 %	6.7 %	7.2 %
After-tax Margin	2.7 %	2.8 %	3.2 %	3.6 %

See the Reconciliation of Unaudited Non-GAAP Financial Measures at the end of this release.

Full Year Highlights

- As of December 31, 2024, the Company served approximately 5.5 million members.
- Premium revenue was approximately \$38.6 billion for the full year 2024, an increase of 19% year over year.
- GAAP net income was \$20.42 per diluted share for the full year 2024, an increase of 9% year over year.

1 •Adjusted net income was \$22.65 per diluted share for the full year 2024,
2 an increase of 8% year over year.

3 •*The Company issued its full year 2025 earnings guidance with*
4 *expected premium revenue of approximately \$42 billion and adjusted*
5 *earnings of at least \$24.50 per diluted share, which includes*
6 *approximately \$1.00 per diluted share of implementation costs for*
7 *recent*

8 Medicaid and Medicare Duals contract wins scheduled to commence in
9 2026 and yields approximately 13% growth over 2024.

10 •New store embedded earnings is now at \$7.75 per diluted share and
11 reflects recent Medicaid and Medicare Duals contract wins.

12 “I am very pleased our 2024 revenue growth exceeded our long-term
13 targets and we produced consolidated pre-tax margins within our long-
14 term target range,” said Joseph Zubretsky, President and Chief Executive
15 Officer. “Our earnings growth profile is solid heading into 2025, and we
16 continue to execute on the long-term growth opportunities within all of
17 our businesses. We remain confident in our ability to achieve our long-
18 term financial targets.”

19 * * *

20 **Medical Care Ratio (MCR)**

21 •The consolidated MCR for the full year 2024 was 89.1% and reflects
22 continued focus on managing medical costs and a well-balanced
23 portfolio of businesses.

24 •The Medicaid MCR for the full year 2024 was 90.3%. Within that result,
25 approximately 30 basis points were due to Medicaid “new store” plans,
26 which have continued to improve in line with the Company’s
27 expectations, and approximately 20 basis points were due to a premium
28 rate reduction retroactive to 2023. Excluding the new stores and
retroactive premium adjustment, the Medicaid MCR was approximately
89.8%, which is higher than the Company’s long-term expectations and
primarily due to the impact of redetermination-related acuity shifts and
higher utilization that occurred during the second half of 2024.

•The Medicare MCR for the full year 2024 was 89.1%, which primarily
reflects higher-than-expected utilization, partially offset by benefit
adjustments implemented for 2024.

•The Marketplace MCR for the full year 2024 was 75.4%, better than the
Company’s expectations, reflecting strong operating performance

* * *

2025 Guidance

Premium revenue for the full year is expected to be approximately \$42
billion, an increase of approximately 9% from the full year 2024.

1 *The Company expects its full year GAAP earnings per share in 2025*
2 *to be at least \$22.50 per share and its full year adjusted earnings per*
3 *share in 2025 to be at least \$24.50 per share, representing 8% growth*
4 *over the full year 2024.* This increase primarily reflects growth in the
5 Company's legacy footprint and continued realization of new store
6 embedded earnings, partially offset by approximately \$1.00 per diluted
7 share of expected implementation costs in 2025 for recent Medicaid and
8 Medicare Duals contract wins, and yields approximately 13% growth
9 over 2024.

10 Guidance metrics are summarized below:

Full Year 2025 Guidance	
Premium Revenue	\$42.0B
Total Revenue	\$44.0B
GAAP Net Income	\$1,251M
Adjusted Net Income	\$1,362M
GAAP EPS – Diluted	>\$22.50
Adjusted EPS – Diluted	>\$24.50
Diluted weighted average shares	55.6M
Year End Total Membership	5.9M
Medicaid	5.0M
Medicare	250K
Marketplace	580K
MCR	88.7%
GAAP G&A Ratio	7.2%
Adjusted G&A Ratio	7.0%
Effective Tax Rate	25.3%
GAAP After-tax Margin	2.8%
Adjusted After-tax Margin	3.1%

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17 20. On February 11, 2025, the Company submitted its annual report for the
18 fiscal year ended December 31, 2024 on a Form 10-K filed with the SEC (the “FY24
19 10-K”). The FY24 10-K affirmed the previously reported financial results, and further
20 reported the alleged results of the Company's change in medical claims and benefits
21 payable for the fiscal year, as follows, in relevant part:

	Year Ended December 31, 2024			
	Medicaid	Medicare	Marketplace	Consolidated
	(In millions)			
Medical claims and benefits payable, beginning balance	\$ 3,444	\$ 532	\$ 228	\$ 4,204
Components of medical care costs related to:				
Current year	28,211	5,000	1,892	35,103
Prior years	(611)	(61)	(3)	(675)
Total medical care costs	27,600	4,939	1,889	34,428
Payments for medical care costs related to:				
Current year	24,950	4,464	1,646	31,060
Prior years	2,258	761	220	3,239
Total paid	27,208	5,225	1,866	34,299
Acquired balances, net of post-acquisition adjustments	—	476	—	476
Change in non-risk and other provider payables	(169)	—	—	(169)
Medical claims and benefits payable, ending balance	\$ 3,667	\$ 722	\$ 251	\$ 4,640

1 Our goal is to optimize access to low-cost, high-quality care. This is
2 achieved by sound clinical policy based on current evidence-based
3 practices. Additionally, we continuously monitor utilization patterns and
4 strive to identify new opportunities to reduce costs and improve quality
5 of care. Our utilization management process serves as a bridge to identify
6 at-risk members for referral into internally developed case management
7 programs such as “Transitions of Care,” which facilitates post-discharge
8 safety and appropriate outcomes.

9 **Population Management**

10 We believe high-quality, affordable care is achieved through a variety of
11 programs tailored to our members’ emerging needs. Individuals are
12 identified for interventions, and programs are customized, based on
13 predictive analytics and our member assessment process. These tools
14 ensure that the appropriate level of services and support are provided to
15 address physical health, behavioral health, and social determinants of
16 health. This comprehensive and customized approach is designed to help
17 members achieve their goals and improve their overall quality of life.

18 **Pharmacy Management**

19 Our pharmacy programs are designed to make us a trusted partner in
20 improving member health and healthcare affordability. We strategically
21 partner with physicians and other healthcare providers who treat our
22 members. This collaboration results in drug formularies and clinical
23 initiatives that promote improved patient care. We employ full-time
24 pharmacists and pharmacy technicians who work closely with providers
25 to educate them about our formulary products, clinical programs, and the
26 importance of cost-effective care.

27 **Medical Cost Management**

28 We use various strategies to mitigate the negative effects of healthcare
cost inflation. Specifically, our health plans use coordination of care
programs for our members, product and benefit designs, hospital
inpatient management systems, sophisticated analytics, and care
management programs related to complex chronic conditions, prenatal
and premature infant care and certain other conditions. Our health plans
emphasize preventive healthcare and appropriate use of specialty and
hospital services with their contracted independent providers. There can
be no assurance, however, that our strategies to mitigate medical care
cost inflation will be successful. Competitive pressures, new healthcare
and pharmaceutical product introductions, demands from healthcare
providers and customers, applicable regulations, or other factors may
affect our ability to control medical care costs.

22. The FY24 10-K further purported to warn of risks which “*may*” or
“*could*” negatively impact the Company, including those related to demand, as
follows in relevant part:

A failure to accurately estimate incurred but not paid medical care costs may negatively impact our results of operations.

1 Because of the lag in time between when medical services are actually
2 rendered by our providers and when we receive, process, and pay a claim
3 for those medical services, we must continually estimate our medical
4 claims liability at particular points in time and establish claims reserves
5 related to such estimates. Our estimated reserves for such incurred but
6 not paid, or IBNP, medical care costs are based on numerous
7 assumptions and inputs. We estimate our medical claims liabilities using
8 actuarial methods based on historical data adjusted for claims receipt and
9 payment experience (and variations in that experience), changes in
10 membership, provider billing practices, healthcare service utilization
11 trends, cost trends, product mix, seasonality, prior authorization of
12 medical services, benefit changes, known incidence of disease, or
13 increased incidence of illness such as the flu or COVID, provider
14 contract changes, changes to Medicaid fee schedules, and the incidence
15 of high dollar or catastrophic claims. Our ability to accurately estimate
16 claims for our newer lines of business or populations is negatively
17 impacted by the more limited experience we have had with those newer
18 lines of business or populations.

19 * * *

20 ***If we fail to accurately predict and effectively manage our medical care
21 costs, our operating results could be materially and adversely affected.***

22 Our profitability depends to a significant degree on our ability to
23 accurately predict and effectively manage our medical care costs.
24 Historically, our medical care ratio, meaning our medical care costs as a
25 percentage of our premium revenue, has fluctuated substantially, and has
26 varied across our health plans. Because the premium payments we
27 receive are generally fixed in advance and we operate with a narrow
28 profit margin, relatively small changes in our medical care ratio can
create significant changes in our overall financial results. For example,
if our overall medical care ratio of 89.1% for the year ended December
31, 2024, had been one percentage point higher, or 90.1%, our net
income per diluted share for the year ended December 31, 2024 would
have been approximately \$15.18 rather than our actual net income per
diluted share of \$20.42, a difference of \$5.24.

23. On April 23, 2025, Molina issued a press release reporting its financial
results for the first quarter ended March 31, 2025 and reaffirming the Company's full-
year 2025 revenue and earnings guidance. The press release touted the Company's
financial results and purported full year revenue guidance as follows in relevant part:

Molina Healthcare Reports First Quarter 2025 Financial Results

Reaffirms Full Year 2025 Guidance

1 Long Beach, Calif, April 23, 2025 – Molina Healthcare, Inc. (NYSE:
 2 MOH) (the “Company”) today reported first quarter 2025 GAAP
 3 earnings per diluted share of \$5.45 and adjusted earnings per diluted
 4 share of \$6.08. Financial results are summarized below:

	Three months ended	
	March 31,	
	2025	2024
<i>(In millions, except per-share results)</i>		
Premium Revenue	\$10,628	\$9,504
Total Revenue	\$11,147	\$9,931
GAAP:		
Net Income	\$298	\$301
EPS – Diluted	\$5.45	\$5.17
Medical Care Ratio (MCR)	89.2 %	88.5 %
G&A Ratio	6.9 %	7.2 %
After-tax Margin	2.7 %	3.0 %
Adjusted:		
Net Income	\$333	\$334
EPS – Diluted	\$6.08	\$5.73
G&A Ratio	6.8 %	7.1 %
After-tax Margin	3.0 %	3.4 %

14 Quarter Highlights

15 •As of March 31, 2025, the Company served approximately 5.8 million
 16 members, an increase of 25,000 members compared to March 31, 2024.

17 •Premium revenue was approximately \$10.6 billion for the first quarter
 18 of 2025, an increase of 12% year over year.

19 •GAAP net income was \$5.45 per diluted share for the first quarter of
 20 2025, an increase of 5% year over year.

21 •Adjusted net income was \$6.08 per diluted share for the first quarter of
 22 2025, an increase of 6% year over year.

23 •*The Company reaffirmed its full year 2025 earnings guidance with
 24 expected premium revenue of approximately \$42 billion and adjusted
 25 earnings of at least \$24.50 per diluted share.*

26 •New store embedded earnings are now at \$8.65 per diluted share.

27 “Our first quarter results reflect our team’s disciplined approach to
 28 medical cost management in an improving rate environment,” said
 Joseph Zubretsky, President and Chief Executive Officer. “Our 2025
 earnings and growth profiles are solid, and we remain confident in our
 ability to achieve our 13% to 15% long-term adjusted EPS growth
 target.”

*

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	Three Months Ended March 31, 2025				
	Medicaid	Medicare	Marketplace	Other	Consolidated
	(In millions)				
Medical claims and benefits payable, beginning balance	\$ 3,667	\$ 722	\$ 251	\$ —	\$ 4,640
Components of medical care costs related to:					
Current year	7,495	1,352	795	23	9,665
Prior years	(156)	(56)	26	—	(186)
Total medical care costs	7,339	1,296	821	23	9,479
Payments for medical care costs related to:					
Current year	4,593	721	458	17	5,789
Prior years	2,760	623	287	14	3,684
Total paid	7,353	1,344	745	31	9,473
Acquired balances, net of post-acquisition adjustments	—	122	88	35	245
Change in non-risk and other payables	(87)	—	—	—	(87)
Medical claims and benefits payable, ending balance	\$ 3,566	\$ 796	\$ 415	\$ 27	\$ 4,804

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The favorable prior year development recognized in the three months ended March 31, 2025 was primarily attributable to reserving under moderately adverse conditions, lower than expected utilization of medical services by our members and improved operating performance, mainly in the Medicaid segment. Consequently, the ultimate costs recognized in 2025, as claims payments were processed, were lower than our estimates in 2024.

25. The above statements identified in ¶¶ 19-24 were materially false and/or misleading, and failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) material, adverse facts concerning the Company’s “medical cost trend assumptions;” (2) that Molina was experiencing a “dislocation between premium rates and medical cost trend;” (3) that Molina’s near term growth was dependent on a lack of “utilization of behavioral health, pharmacy, and inpatient and outpatient services;” (4) as a result of the foregoing, Molina’s financial guidance for fiscal year 2025 was substantially likely to be cut; and (5) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

26. On July 7, 2025, before the market opened, Molina issued a press release announcing financial results for the second quarter of 2025 and slashing full year 2025 adjusted earnings per share guidance. The press release revealed the Company’s

1 second quarter 2025 adjusted earnings of approximately \$5.50 per share, which was
2 “*below its prior expectations*” due to “*medical cost pressures in all three lines of*
3 *business.*” The Company announced it “expects these medical cost pressures to
4 continue into the second half of the year” and cut guidance for expected adjusted
5 earnings per share 10.2% at the midpoint, from “at least \$24.50 per share” to a “range
6 of \$21.50 to \$22.50 per share.” The press release revealed Molina was experiencing
7 a “short-term earnings pressure” from a “*dislocation between premium rates and*
8 *medical cost trend which has recently accelerated.*” Specifically, the press release
9 stated as follows, in relevant part:

10 **Molina Healthcare Announces Preliminary Second Quarter**
11 **Financial Results and Updates Fiscal Year 2025 Earnings Per Share**
12 **Guidance**

12 **Long Beach, Calif., July 7, 2025** – Molina Healthcare, Inc. (NYSE:
13 MOH) today announced preliminary financial results for the second
14 quarter of 2025 and updated its full year 2025 adjusted earnings per share
15 guidance. The Company’s announcement of preliminary results was
16 driven by recent market dynamics and off-cycle disclosures from others
17 in the managed health care sector.

16 The Company now expects its second quarter 2025 adjusted earnings to
17 be approximately \$5.50 per share⁽¹⁾, which is modestly below its prior
18 expectations. This preliminary result reflects medical cost pressures in
19 all three lines of business. The Company expects these medical cost
20 pressures to continue into the second half of the year. As a result, the
21 Company now expects its full year 2025 adjusted earnings to be in the
22 range of \$21.50 to \$22.50 per share⁽¹⁾, reflecting a consolidated pre-tax
23 margin of just under 4%, the low-end of its long-term guidance range.

20 “The short-term earnings pressure we are experiencing results from what
21 we believe to be a temporary dislocation between premium rates and
22 medical cost trend which has recently accelerated,” said Joseph
23 Zubretsky, President and Chief Executive Officer. “As we are still
24 performing near our long-term target ranges, nothing, including the
25 potential impacts of the budget bill, has changed our outlook for the long-
26 term performance of the business.”

24 As previously announced, the Company expects to report its full second
25 quarter results after the market closes on Wednesday, July 23, 2025, and
26 will host a conference call and webcast to discuss the earnings release on
27 Thursday, July 24, 2025, at 8:00 a.m. Eastern Time.

27 27. On this news, Molina’s stock price fell \$6.97, or 2.9%, to close at
28 \$232.61 per share on July 7, 2025, on unusually heavy trading volume.

1 Long Beach, Calif, July 23, 2025 – Molina Healthcare, Inc. (NYSE:
 2 MOH) (the “Company”) today reported second quarter 2025 GAAP
 3 earnings per diluted share of \$4.75 and adjusted earnings per diluted
 4 share of \$5.48. Financial results are summarized below:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
<i>(In millions, except per-share results)</i>				
Premium Revenue	\$10,868	\$9,446	\$21,496	\$18,950
Total Revenue	\$11,427	\$9,880	\$22,574	\$19,811
GAAP:				
Net Income	\$255	\$301	\$553	\$602
EPS – Diluted	\$4.75	\$5.17	\$10.19	\$10.33
Medical Care Ratio (MCR)	90.4 %	88.6 %	89.8 %	88.6 %
G&A Ratio	6.2 %	7.0 %	6.6 %	7.1 %
After-tax Margin	2.2 %	3.0 %	2.4 %	3.0 %
Adjusted:				
Net Income	\$294	\$341	\$627	\$675
EPS – Diluted	\$5.48	\$5.86	\$11.56	\$11.59
G&A Ratio	6.1 %	6.9 %	6.4 %	7.0 %
After-tax Margin	2.6 %	3.5 %	2.8 %	3.4 %

11 Quarter Highlights

12 •As of June 30, 2025, the Company served approximately 5.7 million
 13 members, an increase of 167,000 members compared to June 30, 2024.

14 •Premium revenue was approximately \$10.9 billion for the second
 15 quarter of 2025, an increase of 15% year over year.

16 •GAAP net income was \$4.75 per diluted share for the second quarter of
 17 2025, a decrease of 8% year over year.

18 •Adjusted net income was \$5.48 per diluted share for the second quarter
 19 of 2025, a decrease of 6% year over year.

20 •***The Company now expects its full year 2025 adjusted earnings to be
 21 no less than \$19.00 per diluted share and reaffirms its premium
 22 revenue guidance of approximately \$42 billion.***

23 •New store embedded earnings remain at \$8.65 per diluted share.

24 “Our second quarter results and revised full year outlook reflect a
 25 challenging medical cost trend environment,” said Joseph Zubretsky,
 26 President and Chief Executive Officer. “The current earnings pressure
 27 we are experiencing results from what we believe to be a temporary
 28 dislocation between premium rates and medical cost trend which has
 recently accelerated. We are still performing near our long-term target
 ranges, and nothing has changed our outlook for the long-term
 performance of the business.”

* * *

2025 Guidance

Premium revenue guidance for the full year is unchanged and expected
 to be approximately \$42 billion, an increase of approximately 9% from
 the full year 2024.

1 The Company now expects its full year 2025 GAAP earnings to be no
2 less than \$16.90 per diluted share and its full year 2025 adjusted earnings
3 to be no less than \$19.00 per diluted share. The updated guidance, which
4 is disproportionately attributed to Marketplace, reflects new information
5 gained in the quarterly closing process and implications for medical cost
6 trend assumptions for the second half of the year.

7 Guidance metrics are summarized below:

Full Year 2025 Guidance	
Premium Revenue	\$42.0B
Total Revenue	\$44.0B
GAAP Net Income	\$912M
Adjusted Net Income	\$1,028M
GAAP EPS – Diluted	≥ \$16.90
Adjusted EPS – Diluted	≥ \$19.00
Diluted weighted average shares	54.1M
MCR	90.2%
Medicaid	90.9%
Medicare	90.0%
Marketplace	85.1%
GAAP G&A Ratio	6.7%
Adjusted G&A Ratio	6.6%
Effective Tax Rate	25.3%
GAAP Pre-tax Margin	2.8%
Adjusted Pre-tax Margin	3.1%

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16 30. On this news, Molina’s stock price fell \$32.03, or 16.84%, to close at
17 \$158.22 per share on July 24, 2025, on unusually heavy trading volume.

18 **CLASS ACTION ALLEGATIONS**

19 31. Plaintiff brings this action as a class action pursuant to Federal Rule of
20 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
21 entities that purchased or otherwise acquired Molina securities between February 5,
22 2025 and July 23, 2025, inclusive, and who were damaged thereby (the “Class”).
23 Excluded from the Class are Defendants, the officers and directors of the Company,
24 at all relevant times, members of their immediate families and their legal
25 representatives, heirs, successors, or assigns, and any entity in which Defendants have
26 or had a controlling interest.

27 32. The members of the Class are so numerous that joinder of all members
28 is impracticable. Throughout the Class Period, Molina’s shares actively traded on the

1 NYSE. While the exact number of Class members is unknown to Plaintiff at this time
2 and can only be ascertained through appropriate discovery, Plaintiff believes that
3 there are at least hundreds or thousands of members in the proposed Class. Millions
4 of Molina shares were traded publicly during the Class Period on the NYSE. Record
5 owners and other members of the Class may be identified from records maintained by
6 Molina or its transfer agent and may be notified of the pendency of this action by
7 mail, using the form of notice similar to that customarily used in securities class
8 actions.

9 33. Plaintiff's claims are typical of the claims of the members of the Class
10 as all members of the Class are similarly affected by Defendants' wrongful conduct
11 in violation of federal law that is complained of herein.

12 34. Plaintiff will fairly and adequately protect the interests of the members
13 of the Class and has retained counsel competent and experienced in class and
14 securities litigation.

15 35. Common questions of law and fact exist as to all members of the Class
16 and predominate over any questions solely affecting individual members of the Class.
17 Among the questions of law and fact common to the Class are:

18 (a) whether the federal securities laws were violated by Defendants'
19 acts as alleged herein;

20 (b) whether statements made by Defendants to the investing public
21 during the Class Period omitted and/or misrepresented material facts about the
22 business, operations, and prospects of Molina; and

23 (c) to what extent the members of the Class have sustained damages
24 and the proper measure of damages.

25 36. A class action is superior to all other available methods for the fair and
26 efficient adjudication of this controversy since joinder of all members is
27 impracticable. Furthermore, as the damages suffered by individual Class members
28 may be relatively small, the expense and burden of individual litigation makes it

1 impossible for members of the Class to individually redress the wrongs done to them.
2 There will be no difficulty in the management of this action as a class action.

3 **UNDISCLOSED ADVERSE FACTS**

4 37. The market for Molina’s securities was open, well-developed and
5 efficient at all relevant times. As a result of these materially false and/or misleading
6 statements, and/or failures to disclose, Molina’s securities traded at artificially
7 inflated prices during the Class Period. Plaintiff and other members of the Class
8 purchased or otherwise acquired Molina’s securities relying upon the integrity of the
9 market price of the Company’s securities and market information relating to Molina,
10 and have been damaged thereby.

11 38. During the Class Period, Defendants materially misled the investing
12 public, thereby inflating the price of Molina’s securities, by publicly issuing false
13 and/or misleading statements and/or omitting to disclose material facts necessary to
14 make Defendants’ statements, as set forth herein, not false and/or misleading. The
15 statements and omissions were materially false and/or misleading because they failed
16 to disclose material adverse information and/or misrepresented the truth about
17 Molina’s business, operations, and prospects as alleged herein.

18 39. At all relevant times, the material misrepresentations and omissions
19 particularized in this Complaint directly or proximately caused or were a substantial
20 contributing cause of the damages sustained by Plaintiff and other members of the
21 Class. As described herein, during the Class Period, Defendants made or caused to
22 be made a series of materially false and/or misleading statements about Molina’s
23 financial well-being and prospects. These material misstatements and/or omissions
24 had the cause and effect of creating in the market an unrealistically positive
25 assessment of the Company and its financial well-being and prospects, thus causing
26 the Company’s securities to be overvalued and artificially inflated at all relevant
27 times. Defendants’ materially false and/or misleading statements during the Class
28 Period resulted in Plaintiff and other members of the Class purchasing the Company’s

1 securities at artificially inflated prices, thus causing the damages complained of herein
2 when the truth was revealed.

3 **LOSS CAUSATION**

4 40. Defendants' wrongful conduct, as alleged herein, directly and
5 proximately caused the economic loss suffered by Plaintiff and the Class.

6 41. During the Class Period, Plaintiff and the Class purchased Molina's
7 securities at artificially inflated prices and were damaged thereby. The price of the
8 Company's securities significantly declined when the misrepresentations made to the
9 market, and/or the information alleged herein to have been concealed from the market,
10 and/or the effects thereof, were revealed, causing investors' losses.

11 **SCIENTER ALLEGATIONS**

12 42. As alleged herein, Defendants acted with scienter since Defendants knew
13 that the public documents and statements issued or disseminated in the name of the
14 Company were materially false and/or misleading; knew that such statements or
15 documents would be issued or disseminated to the investing public; and knowingly
16 and substantially participated or acquiesced in the issuance or dissemination of such
17 statements or documents as primary violations of the federal securities laws. As set
18 forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt
19 of information reflecting the true facts regarding Molina, their control over, and/or
20 receipt and/or modification of Molina's allegedly materially misleading
21 misstatements and/or their associations with the Company which made them privy to
22 confidential proprietary information concerning Molina, participated in the fraudulent
23 scheme alleged herein.

24 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

25 **(FRAUD-ON-THE-MARKET DOCTRINE)**

26 43. The market for Molina's securities was open, well-developed and
27 efficient at all relevant times. As a result of the materially false and/or misleading
28 statements and/or failures to disclose, Molina's securities traded at artificially inflated

1 prices during the Class Period. On April 3, 2025 the Company's stock price closed
2 at a Class Period high of \$353.24 per share. Plaintiff and other members of the Class
3 purchased or otherwise acquired the Company's securities relying upon the integrity
4 of the market price of Molina's securities and market information relating to Molina,
5 and have been damaged thereby.

6 44. During the Class Period, the artificial inflation of Molina's shares was
7 caused by the material misrepresentations and/or omissions particularized in this
8 Complaint causing the damages sustained by Plaintiff and other members of the Class.
9 As described herein, during the Class Period, Defendants made or caused to be made
10 a series of materially false and/or misleading statements about Molina's business,
11 prospects, and operations. These material misstatements and/or omissions created an
12 unrealistically positive assessment of Molina and its business, operations, and
13 prospects, thus causing the price of the Company's securities to be artificially inflated
14 at all relevant times, and when disclosed, negatively affected the value of the
15 Company shares. Defendants' materially false and/or misleading statements during
16 the Class Period resulted in Plaintiff and other members of the Class purchasing the
17 Company's securities at such artificially inflated prices, and each of them has been
18 damaged as a result.

19 45. At all relevant times, the market for Molina's securities was an efficient
20 market for the following reasons, among others:

21 (a) Molina shares met the requirements for listing, and was listed and
22 actively traded on the NYSE, a highly efficient and automated market;

23 (b) As a regulated issuer, Molina filed periodic public reports with the
24 SEC and/or the NYSE;

25 (c) Molina regularly communicated with public investors via
26 established market communication mechanisms, including through regular
27 dissemination of press releases on the national circuits of major newswire services
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1 and through other wide-ranging public disclosures, such as communications with the
2 financial press and other similar reporting services; and/or

3 (d) Molina was followed by securities analysts employed by
4 brokerage firms who wrote reports about the Company, and these reports were
5 distributed to the sales force and certain customers of their respective brokerage firms.
6 Each of these reports was publicly available and entered the public marketplace.

7 46. As a result of the foregoing, the market for Molina's securities promptly
8 digested current information regarding Molina from all publicly available sources and
9 reflected such information in Molina's share price. Under these circumstances, all
10 purchasers of Molina's securities during the Class Period suffered similar injury
11 through their purchase of Molina's securities at artificially inflated prices and a
12 presumption of reliance applies.

13 47. A Class-wide presumption of reliance is also appropriate in this action
14 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*,
15 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on
16 Defendants' material misstatements and/or omissions. Because this action involves
17 Defendants' failure to disclose material adverse information regarding the Company's
18 business operations and financial prospects—information that Defendants were
19 obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All
20 that is necessary is that the facts withheld be material in the sense that a reasonable
21 investor might have considered them important in making investment decisions.
22 Given the importance of the Class Period material misstatements and omissions set
23 forth above, that requirement is satisfied here.

24 **NO SAFE HARBOR**

25 48. The statutory safe harbor provided for forward-looking statements under
26 certain circumstances does not apply to any of the allegedly false statements pleaded
27 in this Complaint. The statements alleged to be false and misleading herein all relate
28 to then-existing facts and conditions. In addition, to the extent certain of the

1 statements alleged to be false may be characterized as forward looking, they were not
2 identified as “forward-looking statements” when made and there were no meaningful
3 cautionary statements identifying important factors that could cause actual results to
4 differ materially from those in the purportedly forward-looking statements. In the
5 alternative, to the extent that the statutory safe harbor is determined to apply to any
6 forward-looking statements pleaded herein, Defendants are liable for those false
7 forward-looking statements because at the time each of those forward-looking
8 statements was made, the speaker had actual knowledge that the forward-looking
9 statement was materially false or misleading, and/or the forward-looking statement
10 was authorized or approved by an executive officer of Molina who knew that the
11 statement was false when made.

12 **FIRST CLAIM**

13 **Violation of Section 10(b) of The Exchange Act and**

14 **Rule 10b-5 Promulgated Thereunder**

15 **Against All Defendants**

16 49. Plaintiff repeats and re-alleges each and every allegation contained
17 above as if fully set forth herein.

18 50. During the Class Period, Defendants carried out a plan, scheme and
19 course of conduct which was intended to and, throughout the Class Period, did: (i)
20 deceive the investing public, including Plaintiff and other Class members, as alleged
21 herein; and (ii) cause Plaintiff and other members of the Class to purchase Molina’s
22 securities at artificially inflated prices. In furtherance of this unlawful scheme, plan
23 and course of conduct, Defendants, and each defendant, took the actions set forth
24 herein.

25 51. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
26 made untrue statements of material fact and/or omitted to state material facts
27 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
28 and a course of business which operated as a fraud and deceit upon the purchasers of

1 the Company's securities in an effort to maintain artificially high market prices for
2 Molina's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-
3 5. All Defendants are sued either as primary participants in the wrongful and illegal
4 conduct charged herein or as controlling persons as alleged below.

5 52. Defendants, individually and in concert, directly and indirectly, by the
6 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
7 and participated in a continuous course of conduct to conceal adverse material
8 information about Molina's financial well-being and prospects, as specified herein.

9 53. Defendants employed devices, schemes and artifices to defraud, while in
10 possession of material adverse non-public information and engaged in acts, practices,
11 and a course of conduct as alleged herein in an effort to assure investors of Molina's
12 value and performance and continued substantial growth, which included the making
13 of, or the participation in the making of, untrue statements of material facts and/or
14 omitting to state material facts necessary in order to make the statements made about
15 Molina and its business operations and future prospects in light of the circumstances
16 under which they were made, not misleading, as set forth more particularly herein,
17 and engaged in transactions, practices and a course of business which operated as a
18 fraud and deceit upon the purchasers of the Company's securities during the Class
19 Period.

20 54. Each of the Individual Defendants' primary liability and controlling
21 person liability arises from the following facts: (i) the Individual Defendants were
22 high-level executives and/or directors at the Company during the Class Period and
23 members of the Company's management team or had control thereof; (ii) each of
24 these defendants, by virtue of their responsibilities and activities as a senior officer
25 and/or director of the Company, was privy to and participated in the creation,
26 development and reporting of the Company's internal budgets, plans, projections
27 and/or reports; (iii) each of these defendants enjoyed significant personal contact and
28 familiarity with the other defendants and was advised of, and had access to, other

1 members of the Company's management team, internal reports and other data and
2 information about the Company's finances, operations, and sales at all relevant times;
3 and (iv) each of these defendants was aware of the Company's dissemination of
4 information to the investing public which they knew and/or recklessly disregarded
5 was materially false and misleading.

6 55. Defendants had actual knowledge of the misrepresentations and/or
7 omissions of material facts set forth herein, or acted with reckless disregard for the
8 truth in that they failed to ascertain and to disclose such facts, even though such facts
9 were available to them. Such defendants' material misrepresentations and/or
10 omissions were done knowingly or recklessly and for the purpose and effect of
11 concealing Molina's financial well-being and prospects from the investing public and
12 supporting the artificially inflated price of its securities. As demonstrated by
13 Defendants' overstatements and/or misstatements of the Company's business,
14 operations, financial well-being, and prospects throughout the Class Period,
15 Defendants, if they did not have actual knowledge of the misrepresentations and/or
16 omissions alleged, were reckless in failing to obtain such knowledge by deliberately
17 refraining from taking those steps necessary to discover whether those statements
18 were false or misleading.

19 56. As a result of the dissemination of the materially false and/or misleading
20 information and/or failure to disclose material facts, as set forth above, the market
21 price of Molina's securities was artificially inflated during the Class Period. In
22 ignorance of the fact that market prices of the Company's securities were artificially
23 inflated, and relying directly or indirectly on the false and misleading statements made
24 by Defendants, or upon the integrity of the market in which the securities trades,
25 and/or in the absence of material adverse information that was known to or recklessly
26 disregarded by Defendants, but not disclosed in public statements by Defendants
27 during the Class Period, Plaintiff and the other members of the Class acquired
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1 Molina's securities during the Class Period at artificially high prices and were
2 damaged thereby.

3 57. At the time of said misrepresentations and/or omissions, Plaintiff and
4 other members of the Class were ignorant of their falsity, and believed them to be
5 true. Had Plaintiff and the other members of the Class and the marketplace known
6 the truth regarding the problems that Molina was experiencing, which were not
7 disclosed by Defendants, Plaintiff and other members of the Class would not have
8 purchased or otherwise acquired their Molina securities, or, if they had acquired such
9 securities during the Class Period, they would not have done so at the artificially
10 inflated prices which they paid.

11 58. By virtue of the foregoing, Defendants violated Section 10(b) of the
12 Exchange Act and Rule 10b-5 promulgated thereunder.

13 59. As a direct and proximate result of Defendants' wrongful conduct,
14 Plaintiff and the other members of the Class suffered damages in connection with
15 their respective purchases and sales of the Company's securities during the Class
16 Period.

17 **SECOND CLAIM**

18 **Violation of Section 20(a) of The Exchange Act**

19 **Against the Individual Defendants**

20 60. Plaintiff repeats and re-alleges each and every allegation contained
21 above as if fully set forth herein.

22 61. Individual Defendants acted as controlling persons of Molina within the
23 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their
24 high-level positions and their ownership and contractual rights, participation in,
25 and/or awareness of the Company's operations and intimate knowledge of the false
26 financial statements filed by the Company with the SEC and disseminated to the
27 investing public, Individual Defendants had the power to influence and control and
28 did influence and control, directly or indirectly, the decision-making of the Company,

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

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