

Press Release

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**MOLINA HEALTHCARE ASSISTS THE CALIFORNIA CHILDRENS ACADEMY
DURING CALIFORNIA BUDGET CRISIS**

Low Interest Loan from Molina Healthcare Alleviates Urgent Financing Needs

LONG BEACH, CA – (July 29, 2010) – Molina Healthcare, Inc. (NYSE: MOH) announced today that it has provided a low interest loan of \$500,000 to help the California Childrens Academy (formerly the Los Angeles Child Care and Development Council) to pay for payroll, childcare, education and other operational expenditures that are essential to keeping the organization in operation during the State of California's budget delay.

The Academy is a non-profit agency founded in 1971 that provides child care services for working and low income families in the greater Los Angeles area through funding from the California Department of Education. The Academy serves over 750 children daily at 18 locations throughout Los Angeles County.

"Our agency was facing a serious cash flow problem because the State of California had not passed its budget for fiscal year 2010-2011. After tapping all of our credit lines, we had run out of money and were contemplating closing down our centers," said K.C. Brown, executive director of The Academy. "Thanks to the loan from Molina Healthcare, The Academy can keep its centers open and continue to provide high quality early child care and education to hundreds of infants, toddlers and preschoolers throughout Southern California. I can't begin to describe how much that meant to us."

The state budget delay has forced the non-profit agency to consider closing its doors to over 200 employees, as well as the infants, toddlers and preschool-aged children in the communities of East Los Angeles, Pico-Union, Whittier, Maywood, City Terrace, and the San Fernando Valley who rely on The Academy daily to provide basic child care services and kindergarten prep for their families. The low interest loan provided by Molina Healthcare will allow The Academy to keep its doors open to the community until legislators approve a state budget.

"Since the California state budget has not been approved yet, organizations that are essential in the community are in financial distress and seeking financing to meet their basic operating expenses until the State budget is passed," said Steve O'Dell, regional vice president of Molina Healthcare and The Academy Board Chair. "The Legislature's failure to act on its most basic responsibility—passing a budget—means that some agencies like The Academy are closing their

doors as a largely unseen consequence of the Legislature's failure. Molina Healthcare understands the importance and the contributions of our community partners in ensuring that local families get the services they need. We are pleased we are able to assist The Academy during this critical time."

About Molina Healthcare

Molina Healthcare, Inc. and its health plan subsidiaries provide managed care services to persons eligible for Medicaid, Medicare, and other government-sponsored programs for low-income families and individuals. Molina Healthcare's licensed health plan subsidiaries in California, Florida, Michigan, Missouri, New Mexico, Ohio, Texas, Utah, and Washington currently serve approximately 1.5 million members. Molina Healthcare also offers health information management and business process outsourcing solutions for state Medicaid programs through its subsidiary, Molina Medicaid Solutions. More information about Molina Healthcare can be obtained at www.molinahealthcare.com.

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