

MOLINA HEALTHCARE INC
Form 424B5
March 06, 2018
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-204558

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, \$0.001 par value per share	1,768,177	\$131,004,233.93	\$16,310.03(1)

(1) The registration fee is calculated and being paid in accordance with Rule 457(r) under the Securities Act of 1933, as amended, and relates to the registration statement on Form S-3 (File No. 333-204558) filed on May 29, 2015.

Table of Contents

PROSPECTUS SUPPLEMENT

(To prospectus dated May 29, 2015)

1,768,177 Shares

Molina Healthcare, Inc.

Common Stock

We are selling 1,768,177 shares of our common stock in a registered direct offering to a limited number of purchasers in privately negotiated transactions described herein pursuant to this prospectus supplement at a price of \$74.09 per share. We have not retained an underwriter or placement agent with respect to this offering and therefore are not paying any underwriting discounts or commissions.

Our common stock is listed on the New York Stock Exchange under the symbol MOH. The last sale price of our common stock as reported on the New York Stock Exchange on March 5, 2018 was \$74.09 per share.

Investing in our common stock involves risks that are described in the Risk Factors section beginning on page S-2 of this prospectus supplement and page 2 of the accompanying prospectus.

	Per Share	Total
Registered direct offering price	\$ 74.09	\$ 131,004,233.93
Proceeds, before expenses, to us	\$ 74.09	\$ 131,004,233.93

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is March 5, 2018.

Table of Contents**TABLE OF CONTENTS****Prospectus Supplement**

	Page
<u>About this Prospectus Supplement</u>	S-ii
<u>The Offering</u>	S-1
<u>Risk Factors</u>	S-2
<u>Cautionary Statement on Forward-Looking Statements</u>	S-3
<u>Use of Proceeds</u>	S-6
<u>Plan of Distribution</u>	S-7
<u>Legal Matters</u>	S-8
<u>Experts</u>	S-8
<u>Where You Can Find More Information</u>	S-9

Prospectus

	Page
<u>About this Prospectus</u>	1
<u>About Molina Healthcare, Inc.</u>	1
<u>Risk Factors</u>	2
<u>Special Note Regarding Forward-Looking Statements</u>	3
<u>Use of Proceeds</u>	4
<u>The Securities We May Offer</u>	5
<u>Description of Capital Stock</u>	6
<u>Description of Debt Securities</u>	9
<u>Description of Warrants</u>	23
<u>Description of Securities Purchase Contracts</u>	23
<u>Description of Depositary Shares</u>	25
<u>Description of Units</u>	25
<u>Selling Stockholders</u>	26
<u>Plan of Distribution</u>	26
<u>Legal Matters</u>	28
<u>Experts</u>	28
<u>Incorporation of Certain Information by Reference</u>	28
<u>Where You Can Find More Information</u>	29

You should read this document together with additional information described in this prospectus supplement under the heading Where You Can Find More Information. You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not

permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations, and prospects may have changed since those dates.

S-i

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is comprised of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference. The second part is the accompanying prospectus, which gives more general information, some of which does not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, the information in this prospectus supplement shall control.

Unless the context otherwise requires, the terms the Company, we, us, our and Molina refer to Molina Healthcare Inc., together with its consolidated subsidiaries.

This document may only be used where it is legal to sell the shares of common stock. Certain jurisdictions may restrict the distribution of this document and the offering of the shares of common stock. We require persons receiving this document to inform themselves about and to observe any such restrictions. We have not taken any action that would permit an offering of the shares of common stock or the distribution of these documents in any jurisdiction that requires such action.

Table of Contents

THE OFFERING

For a description of our common stock, see **Description of Capital Stock** in the accompanying prospectus.

The Offering

We are selling 1,768,177 shares of our common stock in a registered direct offering to a limited number of purchasers in privately negotiated transactions pursuant to this prospectus supplement at a price of \$74.09 per share. The purchasers are holders of an aggregate of \$96,785,000 principal amount of our 1.625% Convertible Senior Notes due 2044 (the **2044 Convertible Notes**). Concurrently with the sale of our common stock, such purchasers have agreed to sell us such notes, which will be retired. On a net basis, we will not receive any proceeds from the transactions and will pay customary fees and expenses in connection therewith. Therefore, this offering, together with the repurchase of the 2044 Convertible Notes, will not have a material impact on our cash position.

Risk factors

An investment in our common stock involves risks. See **Risk Factors** beginning on page S-2 and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.

New York Stock Exchange symbol

MOH

Our principal executive offices are located at 200 Oceangate, Suite 100, Long Beach, California 90802, and our telephone number is (562) 435-3666.

Table of Contents

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risk factors and other information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein, including in our Annual Report on Form 10-K for the year ended December 31, 2017 and any subsequently filed periodic reports that are incorporated by reference into this prospectus supplement and the accompanying prospectus, before deciding to invest in shares of our common stock.

S-2

Table of Contents

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents that we incorporate by reference contain forward-looking statements regarding our business, financial condition and results of operations within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Securities Exchange Act). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with these safe harbor provisions. All statements, other than statements of historical facts, included or incorporated by reference in this prospectus supplement and the accompanying prospectus may be deemed to be forward-looking statements for purposes of the Securities Act and the Securities Exchange Act. Without limiting the foregoing, we use the words anticipate(s), believe(s), estimate(s), expect(s), intend(s), may, plan(s), project(s), will, would, c similar expressions to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We cannot guarantee that we will actually achieve the plans, intentions or expectations disclosed in our forward- looking statements and, accordingly, you should not place undue reliance on our forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from the forward-looking statements that we make. You should read these factors and the other cautionary statements as being applicable to all related forward-looking statements wherever they appear in this prospectus supplement. We caution you that we do not undertake any obligation to update forward-looking statements made by us. Forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results in future periods to differ materially from those projected, estimated, expected or contemplated. Those known risks and uncertainties include, but are not limited to, the following:

the success of our profit improvement and maintenance initiatives, including the timing and amounts of the benefits realized, and administrative savings achieved;

the numerous political and market-based uncertainties associated with the Affordable Care Act (the ACA) or Obamacare;

the market dynamics surrounding the ACA Marketplaces, including but not limited to uncertainties associated with risk transfer requirements, the potential for disproportionate enrollment of higher acuity members, the discontinuation of premium tax credits, the adequacy of agreed rates, and potential disruption associated with market withdrawal from Utah, Wisconsin, or other states;

subsequent adjustments to reported premium revenue based upon subsequent developments or new information, including changes to estimated amounts payable or receivable related to Marketplace risk adjustment/risk transfer, risk corridors, and reinsurance;

effective management of our medical costs;

our ability to predict with a reasonable degree of accuracy utilization rates, including utilization rates associated with seasonal flu patterns or other newly emergent diseases;

significant budgetary pressures on state governments and their potential inability to maintain current rates, to implement expected rate increases, or to maintain existing benefit packages or membership eligibility thresholds or criteria;

the full reimbursement of the ACA health insurer fee, or HIF;

the success of our efforts to retain existing government contracts, including those in Florida, New Mexico, Puerto Rico, Texas, and Washington, including the success of any protest filings;

our ability to manage our operations, including maintaining and creating adequate internal systems and controls relating to authorizations, approvals, provider payments, and the overall success of our care management initiatives;

our ability to consummate and realize benefits from acquisitions or divestitures;

Table of Contents

our receipt of adequate premium rates to support increasing pharmacy costs, including costs associated with specialty drugs and costs resulting from formulary changes that allow the option of higher-priced non-generic drugs;

our ability to operate profitably in an environment where the trend in premium rate increases lags behind the trend in increasing medical costs;

the interpretation and implementation of federal or state medical cost expenditure floors, administrative cost and profit ceilings, premium stabilization programs, profit sharing arrangements, and risk adjustment provisions and requirements;

our estimates of amounts owed for such cost expenditure floors, administrative cost and profit ceilings, premium stabilization programs, profit-sharing arrangements, and risk adjustment provisions;

the Medicaid expansion cost corridors in California, New Mexico, and Washington, and any other retroactive adjustment to revenue where methodologies and procedures are subject to interpretation or dependent upon information about the health status of participants other than Molina members;

the interpretation and implementation of at-risk premium rules and state contract performance requirements regarding the achievement of certain quality measures, and our ability to recognize revenue amounts associated therewith;

cyber-attacks or other privacy or data security incidents resulting in an inadvertent unauthorized disclosure of protected health information;

the success of our health plan in Puerto Rico, including the resolution of the Puerto Rico debt crisis, payment of all amounts due under our Medicaid contract, the effect of the PROMESA law, the impact of Hurricane Maria and our efforts to better manage the health care costs of our Puerto Rico health plan;

the success and renewal of our duals demonstration programs in California, Illinois, Michigan, Ohio, South Carolina, and Texas;

the accurate estimation of incurred but not reported or paid medical costs across our health plans;

efforts by states to recoup previously paid and recognized premium amounts;

complications, member confusion, or enrollment backlogs related to the annual renewal of Medicaid coverage;

government audits and reviews, or potential investigations, and any fine, sanction, enrollment freeze, monitoring program, or premium recovery 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, including the greater scale and revenues of our California, Ohio, Texas, and Washington health plans;

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;

our failure to comply with the financial or other covenants in our credit agreement, our bridge credit agreement or the indentures governing our outstanding notes;

Table of Contents

the sufficiency of our funds on hand to pay the amounts due upon conversion or maturity of our outstanding notes;

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, including but not limited to the deductibility of certain compensation costs;

newly emergent viruses or widespread epidemics, public catastrophes or terrorist attacks, and associated public alarm; and

increasing competition and consolidation in the Medicaid industry.

The risk factors incorporated by reference contain a further discussion of these and other important factors that could materially affect our business, financial condition, cash flows or results of operations. Given these risks and uncertainties, we can give no assurance that any results or events projected or contemplated by our forward-looking statements will in fact occur.

Table of Contents

USE OF PROCEEDS

The proceeds from the sale of our common stock will be \$131,004,233.93. We intend to use such proceeds for general corporate purposes. However, as described in The Offering, after giving effect to the repurchases of our 2044 Convertible Notes described therein, we will not receive any proceeds from such transactions on a net basis and will pay customary fees and expenses in connection therewith. Therefore, this offering, together with the repurchase of the 2044 Convertible Notes, will not have a material impact on our cash position.

S-6

Table of Contents

PLAN OF DISTRIBUTION

We are selling 1,768,177 shares of our common stock in a registered direct offering to a limited number of purchasers in privately negotiated transactions pursuant to this prospectus supplement at a price of \$74.09 per share. The shares of our common stock were offered directly to the purchasers without a placement agent, underwriter, broker or dealer. We currently anticipate that the closing of the sale of such shares of common stock will take place on or about March 8, 2018.

We intend to have the common stock offered hereby approved for listing on the New York Stock Exchange under the symbol MOH.

S-7

Table of Contents

LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for us by Boutin Jones Inc., Sacramento, California.

EXPERTS

The consolidated financial statements of Molina Healthcare, Inc. appearing in Molina Healthcare, Inc.'s Annual Report (Form 10-K) for the year ended December 31, 2017, and the effectiveness of Molina Healthcare, Inc.'s internal control over financial reporting as of December 31, 2017 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

S-8

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). You may read and copy any reports, statements or other information we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from commercial document retrieval services and at the Internet website maintained by the SEC at <http://www.sec.gov>. Information about us, including our SEC filings, is also available on our website at <http://www.molinahealthcare.com>. However, the information on our website is not a part of this prospectus supplement.

This prospectus supplement incorporates by reference the documents set forth below that Molina has previously filed with the SEC (excluding any information furnished pursuant to Items 2.02 or 7.01 on any Current Report on Form 8-K). These documents contain important information about Molina's business and finances. The information incorporated by reference is deemed to be part of this prospectus supplement, except for any information superseded by information in, or incorporated by reference in, this prospectus supplement.

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on March 1, 2018; and

Our Current Reports on Form 8-K filed with the SEC on January 2, 2018, January 11, 2018, February 2, 2018, February 12, 2018, February 26, 2018 and March 2, 2018.

We are also incorporating by reference additional documents that we file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act between the date of this prospectus supplement and termination or completion of this offering (excluding any information furnished pursuant to Items 2.02 or 7.01 on any Current Report on Form 8-K).

We encourage you to read our SEC reports, as they provide additional information about us which prudent investors find important. We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with the prospectus at no charge upon written or oral request made by contacting us at Molina Healthcare, Inc., Attention: Investor Relations, 200 Oceangate, Suite 100, Long Beach, CA 90802, Telephone: (562) 435-3666.

Table of Contents

PROSPECTUS

Molina Healthcare, Inc.

We may offer and sell, from time to time, in one or more offerings, any combination of the following securities:

common stock	securities purchase contracts
preferred stock	depository shares
debt securities	units
warrants	

Each time we sell securities, we will provide a supplement to this prospectus that contains specific information about the offering, prices and terms of the securities. The supplement may also add, update or change information contained in this prospectus. You should carefully read this prospectus and the accompanying prospectus supplement before you invest in any of our securities. We may sell securities or we may distribute them through underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis through a public offering or negotiated purchases.

In addition, selling stockholders to be named in a prospectus supplement may offer and sell from time to time shares of the Company's common stock in such amounts as set forth in a prospectus supplement. Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds from the sale of securities by any selling stockholder.

Our common stock is listed on the New York Stock Exchange under the symbol MOH.

Investing in our securities involves risks. See Risk Factors on page 2 of this prospectus for certain risks you should consider. You should read the entire prospectus carefully before you make your investment decision.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus may not be used to consummate sales of securities unless it is accompanied by a prospectus supplement.

The date of this prospectus is May 29, 2015.

Table of Contents

You should rely only on the information contained in or incorporated by reference in this prospectus and in any supplement to this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus or any supplement to this prospectus is accurate as of any date other than the date on their respective covers or the date of the document incorporated by reference.

TABLE OF CONTENTS

	Page
<u>About This Prospectus</u>	1
<u>About Molina Healthcare, Inc.</u>	1
<u>Risk Factors</u>	2
<u>Special Note Regarding Forward-Looking Statements</u>	3
<u>Use of Proceeds</u>	4
<u>The Securities We May Offer</u>	5
<u>Description of Capital Stock</u>	6
<u>Description of Debt Securities</u>	9
<u>Description of Warrants</u>	23
<u>Description of Securities Purchase Contracts</u>	23
<u>Description of Depositary Shares</u>	25
<u>Description of Units</u>	25
<u>Selling Stockholders</u>	26
<u>Plan of Distribution</u>	26
<u>Legal Matters</u>	28
<u>Experts</u>	28
<u>Incorporation of Certain Information by Reference</u>	28
<u>Where You Can Find More Information</u>	29

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission, or SEC, as a well-known seasoned issuer as defined in Rule 405 under the Securities Act of 1933, as amended, or the Securities Act, using the SEC's shelf registration process. Under this shelf registration process, the selling stockholders may sell common stock and we may sell any combination of the securities described in this prospectus from time to time in one or more offerings. This prospectus only provides you with a general description of the securities we may offer. Each time we or the selling stockholders offer securities under this prospectus, we will provide one or more prospectus supplements that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. If so, the prospectus supplement should be read as superseding this prospectus. You should read this prospectus, the applicable prospectus supplement, and the additional information described below under the headings **Where You Can Find More Information** and **Incorporation of Certain Information By Reference**.

In this prospectus, the Company, we, us and our refer to Molina Healthcare, Inc. and its subsidiaries, except where context makes clear that the reference is only to Molina Healthcare, Inc. itself and not its subsidiaries.

ABOUT MOLINA HEALTHCARE, INC.

We provide quality health care to those receiving government assistance. We offer cost-effective Medicaid-related solutions to meet the health care needs of low-income families and individuals, and to assist state agencies in their administration of the Medicaid program. We report our financial performance based on two reportable segments: the Health Plans segment and the Molina Medicaid Solutions segment.

Our Health Plans segment consists of health plans in 11 states and the Commonwealth of Puerto Rico, and includes our direct delivery business. As of March 31, 2015, these health plans served nearly three million members eligible for Medicaid, Medicare, and other government-sponsored health care programs for low-income families and individuals. Additionally, we serve Health Insurance Marketplace (Marketplace) members, many of whom are eligible for government premium subsidies. The health plans are operated by our respective wholly owned subsidiaries in those states, each of which is licensed as a health maintenance organization (HMO). Our direct delivery business consists primarily of the operation of primary care clinics in several states in which we operate, as well as the management of a hospital in southern California under a management services agreement.

Our Molina Medicaid Solutions segment provides business processing and information technology development and administrative services to Medicaid agencies in Idaho, Louisiana, Maine, New Jersey, West Virginia and the U.S. Virgin Islands, and drug rebate administration services in Florida.

For additional information about our company, please refer to other documents we have filed with the SEC and that are incorporated by reference into this prospectus, as listed under the headings **Where You Can Find More Information** and **Incorporation of Certain Information By Reference**.

Our principal executive offices are located at 200 Oceangate, Suite 100, Long Beach, CA 90802, and our telephone number is (562) 435-3666. Our website is located at www.molinahealthcare.com. Information contained on our website or linked to our website is not incorporated by reference into, or part of, this prospectus.

Molina Healthcare, the Molina Healthcare logo and Molina Medicaid SolutionsSM are registered servicemarks of Molina Healthcare, Inc.

Table of Contents

RISK FACTORS

Before making an investment decision, you should carefully consider the risks described under **Risk Factors** in the applicable prospectus supplement, together with all of the other information appearing in this prospectus or incorporated by reference into this prospectus and any applicable prospectus supplement. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our securities could decline due to any of these risks, and you may lose all or part of your investment. This prospectus and the incorporated documents also contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks mentioned elsewhere in this prospectus.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents we incorporate by reference in this prospectus contain forward-looking statements regarding our business, financial condition and results of operations within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934 as amended, or Securities Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with these safe harbor provisions. All statements, other than statements of historical facts, included in this prospectus or in any document we incorporate by reference in this prospectus may be deemed to be forward-looking statements for purposes of the Securities Act and the Securities Exchange Act. Without limiting the foregoing, we use the words anticipate(s), believe(s), estimate(s), expect(s), intend(s), may, plan(s), project(s), will, and similar expressions to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We cannot guarantee that we will actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and, accordingly, you should not place undue reliance on our forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from the forward-looking statements that we make. You should read these factors and the other cautionary statements as being applicable to all related forward-looking statements wherever they appear in this prospectus, any prospectus supplement or any document we incorporate by reference in this prospectus. We caution you that we do not undertake any obligation to update forward-looking statements made by us. Forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results in future periods to differ materially from those projected, estimated, expected, or contemplated.

Table of Contents

USE OF PROCEEDS

Unless indicated otherwise in the applicable prospectus supplement, we intend to use the net proceeds from the sale of any securities offered by this prospectus for working capital and other general corporate purposes. We may apply proceeds to fund working capital to, among other things:

increase market penetration within our current service areas;

pursue opportunities for the development of new markets;

expand services and products available to our members;

strengthen our capital base by increasing the statutory capital of our health plan subsidiaries;

repay outstanding indebtedness; and

acquire businesses, assets, and technologies that are complementary to our business.

In particular, we may use proceeds to acquire Medicaid and Medicare businesses, specialty services businesses, and contract rights in order to increase our membership and to expand our business into new service areas.

We have not determined the amount of net proceeds to be used specifically for the foregoing purposes. As a result, our management will have broad discretion to allocate our net proceeds. Pending application of our net proceeds, we intend to invest the net proceeds in investment-grade, interest-bearing instruments.

Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds from the sale of securities by the selling stockholders.

Table of Contents

THE SECURITIES WE MAY OFFER

The descriptions of the securities contained in this prospectus, together with the applicable prospectus supplements, summarize all the material terms and provisions of the various types of securities that we may offer. We will describe in the applicable prospectus supplement relating to any securities the particular terms of the securities offered by that prospectus supplement. If we indicate in the applicable prospectus supplement, the terms of the securities may differ from the terms we have summarized below. We will also include in the prospectus supplement information, where applicable, about material United States federal income tax considerations relating to the securities, and the securities exchange, if any, on which the securities will be listed.

We may sell from time to time, in one or more offerings:

common stock;

preferred stock;

debt securities;

warrants to purchase any of the securities listed above;

securities purchase contracts;

depository shares; and

units.

In addition, the selling stockholders may offer and sell from time to time, in one or more offerings, shares of the Company's common stock in amounts specified in the applicable prospectus supplement.

In this prospectus, we refer to the common stock, preferred stock, debt securities, warrants, securities purchase contracts, depository shares and units collectively as securities.

This prospectus may not be used to consummate a sale of securities unless it is accompanied by a prospectus supplement.

Table of Contents

DESCRIPTION OF CAPITAL STOCK

Unless indicated differently in a prospectus supplement, this section describes the terms of our common stock and preferred stock. The following description is only a summary and is qualified in its entirety by reference to applicable law, our certificate of incorporation and our bylaws. Copies of our certificate of incorporation and bylaws are incorporated by reference as exhibits to the registration statement of which this prospectus is a part.

General

We are authorized to issue 150,000,000 shares of common stock and 20,000,000 shares of preferred stock. Shares of each class have a par value of \$0.001 per share. As of May 1, 2015, there were approximately 50,132,000 shares of our common stock and no shares of preferred stock outstanding.

Common Stock

Each share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors. Subject to any preference rights of holders of preferred stock, the holders of common stock are entitled to receive dividends, if any, declared from time to time by the directors out of legally available funds. In the event of our liquidation, dissolution or winding up, the holders of common stock are entitled to share ratably in all assets remaining after the payment of liabilities, subject to any rights of holders of preferred stock to prior distribution.

Our common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to our common stock. All outstanding shares of our common stock are fully paid and nonassessable and any shares of common stock offered and sold pursuant to this prospectus and the applicable supplement to this prospectus will, upon delivery, be fully paid and nonassessable.

Dividends

We have not declared any cash dividends on our common stock and we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

Preferred Stock

As of the date of this prospectus, no shares of our preferred stock were outstanding. The applicable prospectus supplement will describe the specific terms of any series of preferred stock offered through that prospectus supplement. The rights, preferences, privileges, and restrictions of the preferred stock of each series will be fixed by the certificate of designations relating to that series and will be filed with the SEC as an exhibit to a report on Form 8-K at the time such series of preferred stock is offered.

Pursuant to our amended and restated certificate of incorporation, our board of directors is authorized, subject to any limitations prescribed by the state of Delaware and without any further action by the stockholders, to provide for the issuance of up to 20,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the designation, powers, preferences, and rights of the shares of each such series and any qualifications, limitations, or restrictions thereof, and to increase or decrease the shares of any such series (but not below the number of shares of such series then outstanding).

A prospectus supplement with respect to the issuance of a series of preferred stock will specify:

the maximum number of shares;

the designation of the shares;

6

Table of Contents

the annual dividend rate, if any, of the shares, whether the dividend rate is fixed or variable, whether the series of preferred stock will be issued with original issue discount and, if so, the computed dividend rate thereon, the date dividends will accrue, the dividend payment dates, and whether dividends will be cumulative;

the price and the terms and conditions for redemption, if any, of the shares, including redemption at our option or at the option of the holders, including the time period for redemption, and the treatment of any accumulated dividends or premiums;

the liquidation preference, if any, of the shares, and the treatment of any accumulated dividends or premiums upon the liquidation, dissolution or winding up of our affairs;

any sinking fund or similar provision of the shares, and, if so, the terms and provisions relating to the purpose and operation of the fund;

the terms and conditions, if any, for conversion or exchange of shares of any other class or classes of our capital stock or any series of any other class or classes, or of any other series of the same class, or any other securities or assets, including the price or the rate of conversion or exchange and the method, if any, of adjustment;

if applicable, any material United States federal income tax consequences relating to such series of preferred stock;

the voting rights, if any, of the shares; and

any or all other preferences and relative, participating, optional or other special rights, privileges or qualifications, limitations or restrictions relating to such series of preferred stock.

It is not possible to state the actual effect of the issuance of any shares of preferred stock on the rights of holders of common stock until the board of directors determines the specific rights attached to that preferred stock. The effects of issuing preferred stock could include one or more of the following:

restricting dividends on the common stock;

diluting the voting power of the common stock;

impairing the liquidation rights of the common stock; or

delaying or preventing a change of control of our Company.

All shares of preferred stock offered and sold pursuant to this prospectus and the applicable supplement to this prospectus, upon delivery, will be fully paid and nonassessable.

Delaware Takeover Statute

We are governed by the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A business combination includes mergers, asset sales or other transactions resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns (or within three years, did own) 15.0% or more of the corporation's outstanding voting stock. The statute could delay, defer or prevent a change of control of our Company.

Classified Board of Directors

Our board of directors is divided into three classes of directors serving staggered three-year terms. As a result, approximately one-third of the board of directors is elected each year. These provisions, when coupled with the provision of our certificate of incorporation authorizing the board of directors to fill vacant directorships

Table of Contents

or increase the size of the board of directors, may deter a stockholder from removing incumbent directors and simultaneously gaining control of the board of directors by filling the vacancies created by such removal with its own nominees.

Cumulative Voting

Under cumulative voting, a minority stockholder holding a sufficient percentage of a class of shares may be able to ensure the election of one or more directors. Our certificate of incorporation expressly denies stockholders the right to cumulative voting in the election of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice in writing. To be timely, a stockholder's notice must be delivered to the Secretary of the Company at our principal executive offices not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting of our stockholders. However, in the event that the date of the annual meeting is scheduled more than 30 days prior to the anniversary of the preceding year's annual meeting, notice by the stockholder, to be timely, must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Our bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may preclude, delay or discourage stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

Stockholder Action; Special Meeting of Stockholders

Our certificate of incorporation eliminates the ability of stockholders to act by written consent. It further provides that special meetings of our stockholders may be called only by our Chairman of the Board, Chief Executive Officer, President, a majority of our directors or a committee of the board of directors specifically designated to call special meetings of stockholders. These provisions may limit the ability of stockholders to remove current management or approve transactions that stockholders may deem to be in their best interests.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including public or private offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to effect a change in our control or change in our management by means of a proxy contest, tender offer, merger or otherwise.

Charter Amendments

Delaware law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless either a corporation's certificate of incorporation or bylaws requires a greater percentage.

Transfer Agent Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Listing

Our common stock is listed on the New York Stock Exchange under the symbol MOH.

Table of Contents

DESCRIPTION OF DEBT SECURITIES

General

We may issue debt securities from time to time in one or more series, including senior debt securities and subordinated debt securities. This section summarizes the material terms of our senior and subordinated debt securities that will be common to all series of such debt securities. Most of the financial and other terms of any series of debt securities that we offer will be described in the prospectus supplement to be attached to the front of this prospectus. The senior and subordinated debt securities will be issued under an indenture between us and a bank or trust company which will be identified in a prospectus supplement, as trustee. The indentures for the senior and subordinated debt securities will be subject to and governed by the Trust Indenture Act of 1939, as amended, or Trust Indenture Act.

Senior and Subordinated Debt Securities

This section is a summary of the material terms of the indentures for the senior and subordinated debt securities and does not describe every aspect of the debt securities that may be issued under these indentures. We urge you to read the indentures for the senior and subordinated debt securities because they, and not this description, define your rights as a holder of these debt securities. Some of the definitions are repeated in this section, but for the rest you will need to read the indentures for the senior and subordinated debt securities. We have filed the forms of the indentures for the senior and subordinated debt securities as exhibits to a registration statement that we have filed with the SEC, of which this prospectus is a part. See [Where You Can Find More Information](#) and [Incorporation of Certain Information By Reference](#) for information on how to obtain copies of the indentures.

We can issue an unlimited amount of debt securities under the indentures for the senior and subordinated debt securities. However, certain of our existing or future debt agreements may limit the amount of senior and subordinated debt securities we may issue. We can issue senior and subordinated debt securities from time to time and in one or more series as determined by us. In addition, we can issue senior and subordinated debt securities of any series with terms different from the terms of senior and subordinated debt securities of any other series and the terms of particular senior and subordinated debt securities within any series may differ from each other, all without the consent of the holders of previously issued series of senior and subordinated debt securities. The senior and subordinated debt securities will be unsecured obligations of our Company.

Because we may issue both senior debt securities and subordinated debt securities, our references in this section to the debt securities are to each of the senior and subordinated debt securities and our references to the indenture are to each of the inden