

# Molina Healthcare Employee Handbook



Your Extended Family.

# Welcome

Welcome to Molina Healthcare. Molina Healthcare (Molina) refers to all employees of Molina Healthcare, Inc (MHI) and each and every subsidiary company of MHI located in a state of the United States. Molina has always been a special place to work, since Dr. C. David Molina founded the business more than 35 years ago. Over these past decades, the company has grown and expanded – yet we’ve never lost sight of the mission that defines Molina. We continue to serve the most vulnerable members of our society, keeping firmly in mind our goal to make sure that everyone has access to quality healthcare. We accomplish Molina’s mission and goals by hiring the best employees, and by following Molina’s core values:

- We care about the people we serve and advocate on their behalf.
- We assume the best about people and listen so we can learn.
- We enthusiastically attack problems and seek creative solutions. We explore new approaches and aren’t afraid to ask for help when we need it.
- We focus on what is important - “It is a business of nickels.” Little things matter and the nickels add up. We are careful with scarce resources.
- We respect each other and value ethical business practices.
- We are personally accountable for our actions and collaborate to get results.
- Feedback is a gift. Through feedback and coaching, we strive to improve the organization and achieve meaningful change.

We hope that as a Molina employee, you will uphold Molina’s values and continue its mission, which begins at orientation and will continue throughout your employment here. Molina’s continued success is heavily dependent on you and others just like you—our dedicated employees.



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“One of our core values that has never wavered is that we care about the people we serve and advocate on their behalf.”

## About This Handbook

To introduce Molina’s important policies, work rules and benefits, Molina compiled this handbook for your reference. For clarity, the term “handbook,” includes any accompanying appendices or supplemental memoranda. With the sole exception of the “at-will” employment policies, the contents of this handbook do not create any express or implied contractual obligations. Any previously issued employee policies inconsistent with these policies are superseded by this handbook.

Even when not explicitly stated, it is Molina’s policy and practice to comply with all applicable local, state, commonwealth, and federal laws. This handbook describes Molina’s policies and practices, which are applied company-wide. For policies that apply to a particular state, commonwealth, or entity, please refer to the proper appendix.

Circumstances may require this handbook to change from time to time. Consequently, Molina reserves the right to amend, supplement or rescind any provision of this handbook, other than its “at-will” employment provisions, as it deems appropriate, and at its sole and absolute discretion. Such revisions are effective only when signed, in writing, by a Molina officer. As the handbook is revised, updated memoranda or appendices may be distributed to you, and you may be required to acknowledge your understanding of the revised policies.

The five core values that exemplify our organization are presented throughout this handbook. As you read them, think about how you might incorporate those values into your work here at Molina.

## About Molina Healthcare

Molina Healthcare is a leader in providing quality healthcare for financially vulnerable individuals and families. Molina arranges for the delivery of healthcare services and offers health information management solutions for over two million individuals and families who receive their care through Medicaid, Medicare and other government-funded or subsidized programs across North America.

Molina Healthcare's history and member-focused approach began with the vision of Dr. C. David Molina, an emergency room doctor who saw people in need. Dr. Molina wanted to help, so he opened a community clinic in 1980 in Long Beach, California, where caring for people was more important than their ability to pay.

At Molina Healthcare, we have been helping parents, children, families and seniors gain access to quality care for over three decades. We help patients navigate the healthcare system and build community partnerships to develop solutions to the challenges our members face.

As of 2015, Molina serves the diverse needs of more than 2.2 million plan members and beneficiaries across North America through government-funded programs such as Medicaid, the Children's Health Insurance Program (CHIP), Medicare, and the Marketplace. Molina Healthcare also offers health information management and business process outsourcing solutions for state and commonwealth Medicaid programs through its subsidiary, Molina Medicaid Solutions (MMS). Additionally, Molina Healthcare provides National Committee for Quality Assurance (NCQA)-accredited care and services that focus on promoting health, wellness and improved patient outcomes.

Since the beginning, Molina Healthcare has grown into a leader, providing options for our clients to help manage their government-sponsored healthcare. Whether we operate a managed Medicaid health plan, own a primary care office, provide business processing and information services or care management products, etc., we help lower costs, increase member satisfaction and improve quality. While Molina Healthcare continues to grow, we always put people first. We treat everyone like family, just as Dr. C. David Molina did.

In addition, Molina Healthcare strives to be an employer of choice and a great place to work. Molina Healthcare hopes that this employment relationship will be mutually beneficial, and that you find in your employment at Molina Healthcare a place where you can thrive professionally and personally.



“Another of the Molina core values is that we are healthcare innovators and embrace change quickly—our employees are the ones that help us drive this value.”

## “At-Will” Employment Status Statement

Employment with Molina is employment “at-will.” This means that employment is at the mutual consent of the employee and Molina; consequently, either the employee or Molina may terminate the employment relationship at any time, with or without cause, and with or without notice. Similarly, the employee’s status (for example, position held, salary change, promotions, demotions, benefits, etc.) may be changed “at-will” by Molina, with or without cause, and with or without notice. Nothing in any document or statement shall limit, in Molina’s sole discretion, the right to terminate employment “at-will” or limit Molina’s right to transfer, demote, suspend, administer discipline, or change the terms and conditions of employment.

No employee or representative of Molina has the authority to modify the “at-will” employment policy except for the Chief Executive Officer or the Chief Financial Officer of Molina. This constitutes an integrated agreement with respect to the “at-will” nature of the employment relationship.

## Classification of Employees

“Regular Full-Time Employees” are those who are scheduled for, and do work a minimum of 30 hours per week, or 60 hours in a pay period, in an authorized Full-Time position on a continuing basis. Regular Full-Time employees are eligible for benefits.

“Regular Part-Time Employees” are those who are scheduled for, and work a minimum of 20 but less than 30 hours per week, or a minimum of 40, but less than 60 hours in a pay period, in an authorized Part-Time position on a continuing basis. Part-Time employees may be assigned a work schedule in advance or may work on an as-needed basis. Part-Time employees are not eligible

for benefits, except they may participate in Molina Salary Savings Plan (401k) and Employee Stock Purchase Plan (ESPP).

Regular Full-Time and Regular Part-Time Employees may be collectively referred to throughout this handbook as “Regular Employees.”

“Casual or Per Diem Employees” are those employees regularly scheduled to work fewer than 20 hours per week or who only work on an as-needed basis. Casual or Per Diem employees are not eligible for any benefits, except where mandated by applicable law, and cannot expect any minimum number of work hours per week.

“Temporary Employees” are those employed on a short-term or temporary basis to fill a position arising out of a special project, abnormal workload or staffing shortage. A temporary work assignment may be canceled at any time by Molina, including any time prior to the anticipated completion date. Molina does not guarantee hours or days of work. Attendance is an essential job function for any temporary employee. Temporary employees are not eligible for any benefits, except where mandated by applicable law. Attendance is an essential job function of all temporary employees.

## Non-Exempt and Exempt Employees

At the time you are hired, you are classified as either “exempt” or “non-exempt.” This is necessary because, by law, employees in certain types of jobs are entitled to, among other things, overtime compensation for hours worked in excess of 40 hours per week (or in some jurisdictions more than 8 hours per day - see applicable State Appendix), not including vacation, sick, or holiday hours. These employees are referred to as “non-exempt” in this handbook.

Exempt employees are supervisors, executives, managers, officers, directors, owners and others whose duties and responsibilities allow them to be “exempt” from overtime pay provisions as provided by the federal Fair Labor Standards Act (FLSA) and any applicable local laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired, transferred, or promoted.

### Equal Employment Opportunity

Molina is an equal opportunity employer and makes employment decisions on the basis of merit to ensure the best fit in every position. Molina wants to have the best available people in every job. Molina prohibits unlawful discrimination based on race, color, creed, gender, gender identification, religion, religious belief or affiliation, marital status, same-sex partner status, family status, veteran status, age, genetic information, national origin or ancestry, social origin or condition, ethnic origin, citizenship, physical or mental disability, medical condition (including, but not limited to genetic characteristics or HIV/AIDS status), pregnancy, sexual orientation, political belief or affiliation, being a victim of domestic violence, being a victim [or subject of] sexual aggression and/or stalking or being perceived as such, or any other consideration made unlawful by federal, state, commonwealth or local laws (Protected Characteristics). Molina also prohibits unlawful discrimination based on the perception that anyone has any Protected Characteristics, or is associated with a person who has or is perceived as having any of those characteristics. All such discrimination is unlawful and specifically prohibited at Molina.

Molina’s equal employment opportunity policy applies to all personnel and employment practices, including, but not limited to, the following: hiring, promotion, transfer, recruitment or recruitment advertising, layoff or termination, compensation, benefits, performance management, selection for training, educational programs, and other similar employment decisions.

Molina is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in Molina’s operations and prohibits unlawful discrimination by any Molina employee, independent contractor, vendor, etc. If you believe any personnel decisions were based on anything other than the qualifications of the employee or the company’s legitimate business needs, you should report your concern to your supervisor, manager, department head, or HR partner.



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## Disability Accommodation

Molina provides reasonable accommodations to individuals with known physical or mental disabilities if such accommodations would not impose an undue hardship on Molina and would enable an individual to apply for or perform the essential functions of the position in question.

If you require an accommodation to perform the essential functions of your job or in connection with the application process for a Molina position, please notify your manager, supervisor, or HR partner and request an accommodation. Molina will then work with you to identify possible accommodations, if any, that will help to eliminate the limitation or barrier.

## Religious Accommodation

Molina reasonably accommodates its employees' observance of religious holidays and sincerely-held religious beliefs unless doing so would cause an undue hardship on Molina operations. If you

need a religious accommodation, please notify your manager, supervisor, or HR Partner and request an accommodation.

## Policy Against Unlawful Harassment, Discrimination and Retaliation

In accordance with state, local, commonwealth and federal law, Molina adopted and maintains strict enforcement of its policy against unlawful harassment, discrimination and retaliation.

Unlawful harassment is harassment that creates a work environment that is hostile, offensive, or intimidating to an employee and is made that way on the basis of his or her Protected Characteristics.

Sexual harassment is specifically defined as unwelcome sexual advances (verbal, visual, or physical), requests for favors, and other verbal or physical conduct of a sexual or gender-based nature when submission to such conduct is made a condition of

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an individual's employment, submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting this individual, or such conduct has the purpose or effect of interfering with an individual's work performance or creating an unfriendly or offensive work environment.

To help employees better understand what types of actions might be considered unlawful harassment, the following non-exhaustive examples are offered: verbal abuse, including making or using derogatory comments or slurs; suggestive or degrading words, comments, or suggestions; obscene letters, notes, e-mails or invitations; unwelcome physical contact, unwanted touching, assault, or impeding or blocking of movement; threats of retaliation; offering or withholding of employment or employment benefits in exchange for sexual favors; unwanted advances or propositions; visual conduct, including sexual gestures, leering, suggestive objects, pictures, posters, calendars, etc.; and graphic verbal commentaries about an individual's body. All supervisors are required to take training to identify, prevent, and respond to harassment.

Unlawful discrimination is adverse treatment of employees that is motivated by the employees' Protected Characteristic(s). Unlawful retaliation occurs when an employee engages in a protected activity, such as opposing an employer's unlawful practice or participating in a lawful investigation or proceeding, and the employer takes an adverse employment action against the employee because he/she engaged in the protected activity.

The intent of this policy is to prohibit unlawful harassment, discrimination and retaliation from occurring at work. All employees are encouraged to cooperate and abide by this policy and must be aware that Molina will not condone or tolerate any such unlawful harassment, discrimination or retaliation.

Any employee who believes that he or she is being, or has been, harassed, discriminated or retaliated against, in any way, should report the facts of the incident or incidents to his or her supervisor, manager, department head, or if preferred, his or her HR Partner. Molina will immediately investigate any credible complaint of unlawful harassment, discrimination, or retaliation and take appropriate preventive and/or corrective action, where unlawful harassing, discriminatory or retaliatory conduct is found. Employees who believe that they may have been unlawfully harassed, discriminated or retaliated against may also file a complaint with the appropriate state agency or the Equal Employment Opportunity Commission (EEOC).

Employees, supervisors or managers who become aware of any violation of this policy must immediately advise the Human Resources Department or his or her immediate supervisor, who must then immediately inform the Human Resources Department. In this way, Molina can ensure that such conduct does not occur and that if it does occur, appropriate action can be taken immediately.

No employee will be retaliated against for making a credible complaint or bringing inappropriate conduct to Molina's attention, for preventing unlawful practices, or for participating in an investigation, proceeding, or hearing conducted by a state agency or the EEOC. If you believe that you are being or have been retaliated against for making a credible complaint, please contact your supervisor or the HR partner so that an immediate investigation can be conducted. Additionally, Molina expressly reserves the right to refuse indemnification to employees for acts that are outside the course of scope of employment.



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## Employee Transfers

Molina encourages its qualified employees to apply for open positions within the company. Applying employees must qualify for available positions on the basis of education, experience, and other job-related criteria, and, absent special circumstances, must have been in their current position for a period of at least twelve (12) months. Demonstrated ability, skill, knowledge, reliability, responsibility, and the employee’s overall work record, combined with the needs of the company, will be taken into consideration during the selection process. Employees under disciplinary action or discipline pending investigation results are not eligible.

The standard [Employee Transfer](#) procedures for all positions can be accessed on Molina’s Intranet.

## Immigration Status/I-9 Documentation

Molina is committed to full compliance with federal immigration laws (any applicable state-specific laws are included in the state appendices). These laws require that all individuals pass an employment verification procedure before they are permitted to work. This procedure has been established by law and requires that every individual provide satisfactory evidence of his or her identity and legal authority to work in the United States on the first day of work, but in no case later than three business days after he or she begins work. Accordingly, all new hires must go through this procedure. Failure to provide satisfactory evidence of identity and/or legal authority to work in the United States in a timely manner will prevent an employee from beginning work at Molina.

## No Rehire for Employees Terminated for Workplace Violations

Employees who are terminated, for cause, due to workplace conduct violations, are considered ineligible for rehire and are disqualified from future consideration for employment; therefore, they should not reapply for any position.

### Hours of Work

#### Workweek

The standard workweek begins at 12:01 a.m. Sunday and ends at 12:00 a.m. the following Saturday. Work schedules for Molina's non-exempt employees are established within this timeframe. A normal work schedule for Regular Full-Time non-exempt employees consists of 30-40 hours each workweek.

#### Workday

The workday is a consecutive 24-hour period that begins at 12:01 a.m. on any given calendar day and ends 24 hours later.

### Timekeeping Requirements

Timesheets, electronic or paper, are legal documents. Federal and state laws require those employees eligible for overtime (non-exempt) to complete timesheets in an accurate and timely manner. Timesheets must reflect actual hours worked. Hours compensated but not worked (e.g. PTO, holidays, etc.), and hours not compensated (unpaid leave), must also be reported. Molina requires non-exempt employees to record all time worked and does not permit off-the-clock work.

Non-exempt employees are encouraged to record time daily and are required to submit time on a weekly basis, using Molina's time and attendance system. These timesheets serve as the basis for payroll processing for non-exempt employees and are used to determine and pay exception time (e.g. PTO, jury duty, etc.) for exempt employees. All timesheets must be submitted no later than Monday morning, 9:00 a.m. Pacific, following the workweek being reported. Failure to submit timesheets may lead to disciplinary action.



We focus on what is important - “It is a business of nickels.” Little things matter and the nickels add up. We are careful with scarce resources.

## Pay

### Pay Period

The pay period covers all work originating on Sunday 12:01 a.m. through all work originating prior to 12:00 a.m. the second Saturday.

### Pay Day

Pay day for each pay period occurs on the Friday following the completed pay period. Pay days that fall on a closed banking holiday will be moved to the day before the holiday.

*The observed holidays can be found on Molina's Intranet.*

### Pay Method

Employees are paid pursuant to direct deposit, pay card pay distribution, or paper check.

so, the time so spent is compensable working time. Even though Molina will pay overtime to employees for such unauthorized working time, the employee may be subject to discipline for working without authorization, up to and including termination.

Molina will attempt to distribute overtime evenly and accommodate individual schedules. Molina provides compensation for all overtime hours worked by non-exempt employees in accordance with state and federal laws, as follows:

- Only actual hours worked in a given workday or workweek can apply in calculating overtime;
- All hours worked in excess of 40 hours in one work week will be treated as overtime;
- Approved paid absences, as indicated within this handbook, are not counted as time worked for the purposes of computing overtime.

(See state appendices for state-specific rules).

Compensation for hours in excess of 40 hours for the workweek shall be paid at a rate of one and one-half times the employee's regular rate of pay. If an employee's state requires daily overtime, such laws will be followed and are addressed in the state appendices.

Overtime pay adjustments are made during the same pay period in which any overtime is worked.

## Overtime

### Non-Exempt Employees

Employees may be required to work overtime or hours other than those normally scheduled whenever necessary, including weekends and holidays. Employees should only work overtime hours upon prior authorization from a supervisor. Due to the nature of Molina's business, advanced notice of a need to work overtime may not always be provided. When overtime work is assigned, failure to work assigned overtime may result in disciplinary action, up to and including termination of employment. Furthermore, if an employee works when not instructed or required to do

### Exempt Employees

Exempt employees, as defined by federal and state laws, may have to work hours beyond their normal schedules, as work demands require. No overtime compensation will be paid to exempt employees, nor is compensatory “comp” time offered. Rather, exempt employees are paid a pre-determined salary that is intended to fully compensate them for all hours worked. As a general rule, an exempt employee’s gross salary is not subject to pay changes due to the actual number of hours worked in a pay period. However, when an exempt employee has exhausted all PTO and misses additional full days off work for personal reasons, deductions may be made consistent with all applicable state and federal laws.

## Meal and Rest Breaks

### Introduction

Meal and rest periods are intended to provide employees with an opportunity for rest and relaxation. Accordingly, they should be enjoyed away from employee work areas, and non-exempt employees are not permitted to perform any work duties during such periods. Break rooms are available for these purposes if desired, but employees may also choose to leave the premises during meal breaks. Each department, location, or entity, may have a different policy regarding whether or not employees may leave the premises for rest breaks (please check with your supervisor or see the attached appendix). In addition, where state specific rules exist, they are set forth in the state specific appendices.

### Meal Breaks

Molina encourages non-exempt employees to take one-hour meal periods, but scheduling of meal periods is left to each department to decide, taking into account each particular department’s workflow and business needs. Regardless of workflow needs, all non-exempt employees who work more than five hours in a day must take a meal period of at least 30 minutes. Non-exempt employees must accurately record their meal periods in their timekeeping system. Any non-exempt employee who does not take a timely meal period of at least 30 minutes must immediately notify their supervisor. Employees are entirely relieved of the



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responsibilities and restrictions during their meal periods unless they have agreed with the employer in writing to work an on-duty meal period that will be paid for by the employer. Such agreement is only an option in certain limited circumstances. While Molina encourages exempt employees to take meal breaks, such meal periods are not guaranteed to exempt employees depending on workload and department needs.

### Rest Breaks

Non-exempt Employees are authorized to take one 15-minute rest break during each four hours of work or major fraction thereof. The only exception applies if an employee's total daily work time is less than three and one-half hours. If a non-exempt employee works more than six hours in a day, the employee will be entitled to a second 15-minute rest period. Rest periods shall be provided in the middle of each work period, insofar as practicable. Rest periods may not be combined with each other or added to an employee's meal period. Employees will be paid for rest breaks. Employees may be required to record rest breaks. Non-exempt Employees who work at least three and one-

half hours, who do not take a rest break, must immediately notify their supervisor.

## Holiday Pay

Molina observes Holidays, as set forth on the intranet, which may change from year to year. Those Molina-observed Holidays (Holidays) begin at 12:01 a.m. and end at 12:00 a.m. the following day. Regular employees scheduled to work on Holidays, but do not work on the Holiday receive Holiday Pay, which is the equivalent to pay for a regularly scheduled day. All Regular non-exempt employees and Per Diems who work on a Holiday receive two times the base rate for all hours worked on the Holiday. Regular employees who work a partial day on a Holiday receive two times for the hours worked on the Holiday and regular time for the hours not worked, which combined will not exceed the equivalent of eight hours pay. However, employees must receive prior authorization in order to work on a Holiday. Employees who participate in an Alternate Work Schedule (AWS) and are not scheduled to work on a Holiday should defer that holiday to a different day during the same week in which the holiday falls, in coordination with management.

## Personal Time Off (PTO)

Personal Time Off (PTO) provides employees with compensated time away from work, combining vacation and sick leave. Once accrued, PTO may be used with prior supervisor approval for any purpose, including scheduled vacation, personal illness (a physician's written certification may be required if the use of PTO for incidental sick leave is excessive or exceeds three consecutive work days), family member's illness requiring care, doctor and dental appointments, and/or personal business.

### Eligibility

All employees classified as Regular Full-Time Employees accrue PTO. Employees classified as Regular Part-time, Casual / Per Diem or Temporary do not accrue PTO. PTO accrual begins on the first day of employment and ends upon termination of employment or change of status to an ineligible classification. PTO does not accrue during an employee's inactive period of employment (i.e. leave of absence).

### Accrual Schedule

PTO accrual is based on an employee's classification, length of service and active employment status. PTO accrues each pay period. Eligible employees may carry over accrued PTO from one calendar year to the next. However, the PTO maximum balance for Full-Time employees is 1.5 times an employee's annual PTO accrual rate. Once an employee reaches the maximum PTO balance, the employee will not accrue PTO until the balance drops below the PTO maximum balance.

The standard [PTO Accrual Schedules](#) for all positions can be accessed on Molina's Intranet.

### Use of PTO

PTO will be deducted in fifteen (15) minute increments for non-exempt employees and full-day increments for exempt employees. PTO may only be taken if the time has been accrued. Scheduled PTO should be requested and approved in advance of the date of absence. PTO that is taken, but not approved in advance by the employee's supervisor, is considered unscheduled PTO. Employees taking unscheduled PTO may be disciplined, up to and including termination.

### PTO Cash Out

Regular Full-Time Employees may cash out a maximum of eighty (80) hours of accrued, but unused, PTO per calendar year. Only one cash out will be authorized per quarter. In order to do so, employees must have at least 80 hours of PTO remaining after each cash out.

The [PTO Cash Out Request Form](#) can be found on our Intranet.

### PTO Payout

Upon termination, any accrued but unused PTO will be paid to the employee at his/her current rate of pay.



## Floating Holiday

Regular Full-Time Employees employed on or before September 30th are entitled to one Floating Holiday time off per payroll calendar year. The process for using your Floating Holiday is the same as that for any other PTO request. Your PTO bank will not be charged for this request. If an employee carries over a floating holiday benefit from one year to the next, the employee will not be eligible to earn any floating holiday benefit in the latter year.

## Volunteer Time Off (VTO)

Molina encourages volunteerism and believes that our Volunteer Time Off (VTO) program provides opportunities for employees to build strong community partnerships and connect with the people our company serves.

The purpose of the VTO benefit is to encourage employees to participate in Molina's Helping Hands program by providing paid time off to volunteer. Helping Hands, Molina's employee volunteer program, manages and coordinates opportunities in the community that align with the company's mission to help those in need. Molina recognizes that volunteering in these types of activities fosters team building by allowing eligible employees to work together to make a positive impact on the community. It also serves as a benefit to the community by providing resources and manpower to organizations that need assistance.

### Eligibility

Regular Full-Time employees are eligible for VTO the day following their first pay date. Each calendar year, eligible employees have up to sixteen (16) hours of paid time off for volunteer activities.

### Use of VTO

With prior approval, VTO can be used at any time: during normal work hours, after work, or on weekends. Employees must obtain prior approval from their supervisor for participation in any volunteer activity in which the employee is requesting the use of VTO. These hours will be deducted from the employee's annual VTO balance in a minimum of one (1) hour increments. Employees will be paid for all VTO hours at the employee's regular rate of pay, regardless of whether the time worked is during the employee's regular shift or at another time. VTO may not be used concurrently with regular hours worked and any other pay type (PTO, Holiday Pay, Non-Productive Time, etc.).

For more details about the eligibility requirements and process, please read the complete [VTO Policy](#).

## Alternative Workweek Schedules

In some cases, Molina permits Alternate Workweek Schedules (AWS) for non-exempt employees (see state appendices where applicable).

Molina recognizes that its continued success is dependent on the efforts and successes of its dedicated employees. Accordingly, Molina strives to offer its employees the best benefit packages, options, and opportunities. Molina is proud it can offer a wide variety of benefits and that its employees do not have to pay union fees to obtain these benefits and opportunities. Accordingly, Molina will continue to take all steps reasonably necessary to avoid unions representing Molina's employees.

## Medical/Dental/Vision/Life Benefits

Regular Full-Time Employees who work thirty (30) hours or more per week are eligible for medical, dental, vision, and life benefits. Regular Part-Time, Casual / Per Diem, and Temporary employees are not entitled to medical, dental, vision, and life benefits.

Eligible employees will receive a booklet explaining their benefits; the information can also be found on Molina's intranet at: [Your Molina Healthcare Benefits](#).

The employee's portion of any medical, dental, vision or life benefits, if any, will be deducted from the employee's paycheck. Costs of benefits are deducted automatically from an employee's paycheck, except during certain leaves of absence. With the exception of certain leave of absence situations, if an employee fails to pay his or her share of the insurance premium, the insurance will cease unless the employee thereafter makes a full contribution to maintain the coverage.

## Privacy Rights

This section applies to Molina employees who participate in Molina's group health plans.

Molina's Employee Benefit Plan Organized Health Care Arrangement (collectively referred to as the "Plan") provides health benefits to the eligible employees of Molina and its subsidiary companies (the "Plan Sponsor") and their eligible dependents. The Plan uses protected health information (PHI) to provide your health benefits under the Plan. The Plan shares your information to carry out treatment, payment, and health care operations, as well as for other reasons allowed and required by law. The Plan has a duty to keep your health care information private.

It is important to note that these rules apply to the Plan, not to Molina as an employer. Different rules may apply to other Molina programs or information unrelated to the Plan.

For more details, please refer to the complete letter mailed to you by Molina's Third Party Administrator and/or the Plan's Notice of Privacy Practices.

## COBRA

Employees and their dependents covered under the group medical plans have certain individual group health continuation (COBRA) and conversion rights under federal and state laws. Questions regarding continuation coverage should be addressed upon termination of employment, change in dependent status, change or reduction in hours, or various other occurrences. Any employee with questions should contact the Benefits Department, who will direct you to Molina's Third Party Administrator.



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### **Short and Long Term Disability Life Insurance**

Regular Full-Time Employees are eligible for participation in Short and Long Term Disability Life Insurance plans. Temporary, Casual/Per Diem and Regular Part-Time employees are not entitled to Short and Long Term Disability Life Insurance.

Eligible employees will receive a booklet explaining these benefits, and the information is available upon a request made to the Benefits Department.

### **401k**

For all employee classifications, employees at least 21 years old are eligible for 401K benefits. Molina provides a safe harbor matching contribution of up to 100% on the first 4% contributed by the employee.

More information can be found by accessing, among other things, the [Molina Salary Savings Plan](#).

### **Employee Stock Purchase Program**

Regular Employees have the option of buying company stock through payroll deductions on a predetermined basis.

More information can be found by accessing, among other things, the [Employee Stock Purchase Plan](#).

### **Flexible Spending Accounts**

Regular Full-Time Employees have the option of participating, annually, in Molina’s Flexible Benefits Plan, which permits Regular Full-Time Employees to



set aside money directly from their paycheck, tax-free, for reimbursement for eligible out-of-pocket medical and/or dependent care expenses.

More information can be found by accessing, among other things, the [Flexible Spending Account](#) Overview.

## Education Reimbursement

Molina offers up to \$2,500 annually in reimbursements for Regular Full-Time Employees successfully completing approved courses. To be considered successful, a course must be completed with a grade of a “C” or better or a “Pass.” The courses, certifications or licenses must relate to the employee’s current position or a likely future assignment, and require management approval.

### Eligibility

- a. Regular Full-Time, active employees who have been employed for a continuous six months with Molina prior to beginning the course.
- b. Employees who are employed on a Full-Time basis at the beginning through the completion of their course, as well as at the time of reimbursement for the completed course.
- c. Employees who are not under disciplinary action at the beginning or the end of their course of study.
- d. Employees who go on a Leave of Absence (LOA) prior to the completion of their course will be reimbursed once they return to active status, demonstrate successful completion of the course, and submit all of the necessary completion reimbursement documents.

## Eligible Expenses

- a. Courses approved by Molina: Eligible expenses include tuition and books required to satisfactorily complete a course. Reimbursement is limited to 100 percent of actual expenses to a maximum of \$2,500 annually. Reimbursement will be reduced by any other financial aid that does not have to be repaid, such as the GI Bill, scholarships and grants.

The complete policy and procedure for [Education Reimbursement](#) can be found on the intranet.

## Workers' Compensation

Molina provides Worker's Compensation Insurance at no cost to employees for injuries or illnesses that are deemed to have been caused by, or have taken place in, the workplace. If a work-related injury or illness occurs, employees are covered by Worker's Compensation Insurance, which provides employees with benefits permitted by each state's Workers' Compensation laws, as appropriate. The employee must notify his or her supervisor, and/or the Benefits Department or their HR Partner immediately at the time of the injury, or as soon as practically possible of any work-related injury or illness.

## Employee Assistance Program

Molina supports the general well-being of our employees. In recognition of the fact that anyone may benefit from professional assistance related to one's personal concerns,

Molina provides an [Employee Assistance Program](#) (EAP). The EAP is a professional, confidential counseling service that is available to all personnel and members of their household to assist with a wide variety of questions and issues, such as relationship issues, budget questions, stress, work conflicts, drug and alcohol concerns, etc.

The EAP treats counseling discussions as confidential and does not report information to Molina about who is using the EAP. All counseling through the EAP is on a voluntary basis and is offered to support employees and their households. Although employees are encouraged to participate in the program, participation does not relieve employees of their obligation to perform their work in an acceptable manner.

This confidential program is administered by an independent, outside vendor, and contact information, as well as specific benefit information, is available on the intranet.

For any questions, concerns, or more information about Molina's Benefits, please contact the Benefits Department at:

Email: MHI Benefits Help Mailbox  
Phone: Internal Extension 111030  
External (866) 472-9485

## Attendance and Punctuality

Everyone at Molina makes an important contribution, and most jobs must be coordinated with the schedules and responsibilities of other employees. Molina expects employees to maintain regular attendance and timely arrival to work.

Except in unforeseen circumstances or absences related to an approved leave of absence, employees are expected to arrange time off in advance with their supervisors. If it is necessary to miss a day of work or to be late, employees must personally contact their supervisor as far in advance as possible; it is not acceptable to use other employees or individuals to relay messages. Employees must call in each day they are absent or tardy.

Employees should arrange for time off pursuant to their department's procedures.

An absence of three consecutive days without notifying a supervisor may be considered job abandonment and voluntary resignation. In addition, tardiness or three or more unscheduled absences in one month, may result in discipline, up to and including termination.

## Personal Leaves of Absence

### Personal

Regular employees will be considered for leaves of absence based on the facts and circumstances surrounding their particular requests. Molina will review such requests in light of a combination of factors, including an employee's length of employment, performance and work record, the reason for the request for leave of absence, the position

occupied, and the business needs of the department/work group (Employee Factors). These Employee Factors will be weighed against the company interests, which include the potential disruption the leave would cause, the company's legitimate business needs, the duration of the leave requested, and the company's ability to either find a temporary replacement or leave the position vacant for the expected duration of the leave. Personal leaves are not guaranteed.

All such leave requests must be submitted in writing and approved by the employee's supervisor(s) before the Personal leave begins.

If Molina does grant a Personal leave request, the leave is not protected and the employee may be called back from leave at any time with forty-eight hours' notice. Molina is not able to guarantee reinstatement from a Personal leave in all circumstances, but will make a reasonable effort to return an employee to his or her former position or a comparable position for which the employee is qualified. It is the employee's responsibility to be available and report to work at the end of the approved leave. An employee who fails to report to work on the day after the leave expires will be considered to have voluntarily resigned. In addition, it should be remembered that employment is at the mutual consent of the employee and Molina, and either the employee or Molina can terminate the employment relationship at will, at any time, either with or without cause or advance notice, and even while the employee is on a Personal leave of absence.

Personal leaves are unpaid, and should be for a period of no more than thirty days. Employees do not earn or accrue any benefits during the period of a personal leave of absence. All employees will be fully responsible to pay



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the costs of any insurance benefits during a Personal leave of absence. If an employee has accrued PTO, the employee must exhaust their PTO prior to beginning any unpaid personal leave.

### Bereavement

For Regular Full-Time Employees, in the event of a death in the immediate family, a leave without loss of pay will be granted for a period not to exceed twenty-four (24) scheduled work hours for the purpose of making arrangements for or to attend the funeral of the said family member. In addition, if needed, Regular Full-Time Employees will receive up to sixteen (16) work hours off, unpaid, for travel to and from a funeral, when a funeral takes place more than 300 miles from the employee’s residence. Immediate family members include: mothers, fathers, spouses, domestic partners, sisters, brothers, children, current parents-in law, domestic parents-in-law, grandparents, grandchildren, and legal guardians.

## Medical Leaves of Absence

Molina will provide unpaid family care leave for up to twelve work weeks (or twenty-six work weeks for military related family care leave) to employees who have been employed a minimum of twelve months and who have worked at least 1,250 hours during the previous twelve month period, from the time the leave would start.

Leave will only be granted for one or more of the following reasons:

- The birth and care of a newborn child
- Adoption or placement of a foster child
- Care of a spouse, parent, child, domestic partner and/or their dependent children with a serious health condition
- Employee’s own serious health condition



All leave requests must be reviewed by the Benefits Department. Based on the nature of the leave request, the Benefits Department will analyze an employee's eligibility pursuant to the Family Medical Leave Act and/or any applicable state laws. Molina will make every attempt to return the employee to the same or similar position after the approved leave has concluded.

Molina will continue to pay for health benefits already paid by the company prior to the leave for up to the full twelve (or twenty-six, if applicable) weeks of family care leave. Employees on family care leave will, however, continue to be responsible for all voluntary premiums. If the employee falls thirty days in arrears on their portion of insurance premiums, the employee may be required to pay the cost of coverage through COBRA.

**How twelve weeks leave is calculated:**

Molina uses the "rolling" method of calculation. This means that each time an employee takes any family leaves the

remaining leave entitlement will be any balance of the twelve (or twenty-six, where applicable) workweeks that has not been used during the immediately preceding twelve months. Below are examples of the calculation method:

Family leave balances are determined by measuring backward from the date the family leave is used. For example, if an employee has taken eight weeks of leave, the employee still has a balance of four weeks available if taken within the same twelve-month period. The twelve-month period would start on the first day the eight-week leave began.

When an employee takes family leave, the remaining leave entitlement will consist of any balance of the twelve weeks that has not been used during the immediately preceding twelve months. For example, if the employee took six weeks of leave beginning June 1, 2001, and six weeks of leave beginning September 1, 2001, then the employee would not be entitled to any further family leave until June 1,



2002, and at that point, would only be entitled to six weeks of leave.

Employees, especially Part-Time, should be cognizant that if they have not worked at least 1,250 hours in a twelve-month period, they will not be entitled to family leave.

Molina reserves the right to terminate any individual who exceeds the maximum allowed time off.

## Other Protected Leaves

### Military Leave

Molina provides unpaid military leaves of absence to all employees in compliance with applicable state and federal laws, such as the Uniformed Services Employment and Reemployment Rights Act (USERRA). Employees requesting military leave should submit such requests promptly to the Leave Department, and accompany any such requests with a copy of their orders indicating the beginning and ending dates of their active duty period.

### Voting Leave

Molina strongly encourages employees to act on their right to vote. Efforts should be made to vote before or after the normally scheduled workday. However, if not possible, any employee who cannot cast their ballot outside their normal working hours may request and be granted time off in order to vote, two hours of which will be paid. Such a request should be made to the employee's supervisor at least two days before the election date, and all requests must be made in writing. Supervisors may have the discretion to require this time off to vote be taken only at the beginning or end

of the employee's shift. Furthermore, the employee must bring his or her voter's receipt to his or her supervisor on the next regular workday.

### Jury Duty Leave

Molina, in its desire to encourage and facilitate social responsibility and ease any burdens felt by its Regular Full-Time Employees in undertaking such responsibilities, grants up to eighty (80) hours of paid leave for jury duty purposes. Regular Full-Time Employees are entitled to unpaid jury leave for all jury duty lasting longer than the allotted hours described above upon the presentation of the Jury Summons to his/her supervisor. Molina provides unpaid jury duty leave for its Regular Part-Time, Temporary, and Casual employees. Upon completion, certification of completion of Jury Duty is required. In particularly busy periods, Molina may request that the employee ask for a postponement from jury duty from the Jury Commissioner.

### Witness Duty Leave

Molina does not discriminate against employees who miss work to testify as a witness. If there is an option to be notified on the day needed to testify, Molina employees are encouraged to take that option. Employees may need to show their supervisor a form of proof that they were subpoenaed to appear as a witness.

### Victims of Serious Crimes

Employees who are victims of a serious crime may take time off to participate in judicial proceedings relating to the crime. Employees who are immediate family members of such crime victims may also take time off to participate in such a proceeding. Employees may use earned PTO to cover any time off. If no PTO is available, employees may take unpaid time off. Employees must submit proof that he or she was the victim of a serious crime, or that an immediate family member was a victim of a serious crime, and proof of the judicial proceeding to the Leave Department.



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### Standards of Conduct

Like all organizations, Molina strives to promote efficiency, productivity, and cooperation among employees. Employees are expected to meet acceptable standards of conduct and performance. In order to provide employees some guidance concerning unacceptable behavior, the following are some examples of types of conduct that are considered impermissible. Employees who engage in any misconduct or whose performance is unsatisfactory may be subject to disciplinary action, up to and including immediate termination. The list below is intended simply to provide some examples of disciplinary offenses and is not exhaustive.

- Insubordination, including improper conduct toward a supervisor or refusal to perform tasks assigned by a supervisor in the appropriate manner
- Possession, distribution, sale, use or being under the influence of alcoholic beverages or illegal drugs while on Molina property, while on duty, or while operating a vehicle or potentially dangerous equipment leased or owned by Molina
- Unlawful harassment, whether verbal, physical, or visual
- Unlawful discrimination or retaliation
- Actual or threatened violence
- Possessing or bringing on Molina property dangerous or unauthorized materials, such as explosives, illegal firearms, weapons, illegal drugs, chemicals, or other similar items
- Conduct that is disruptive to the workplace
- Conduct that violates [Molina's Code of Conduct](#)



## Training and Personal Development

Completion of certain instructor-led live and iLearn training courses are required by Molina employees. The Training and Development department monitors and enforces compliance of all such training courses. Employees who fail to complete the required training courses in a timely manner may be subject to discipline, up to and including termination.

## Whistleblower Policy

Molina requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of Molina, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

### Reporting Responsibility

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that Molina can investigate, address, and correct inappropriate conduct and actions. It is the responsibility

of all board members, officers, employees and volunteers to report concerns about: dishonest or unethical behavior by any Molina employee or executive; lying or making misrepresentations to a Molina executive, director, or auditor; harassment or discrimination; threats of violence; conflicts of interest, safety or environmental violations; substance abuse; violations of laws or regulations that govern Molina's operations; any retaliation against a person who raised a legal, ethical or safety concern; fraud or deliberate error in the conduct of Molina business, recording or maintenance of financial records, or deficiencies or noncompliance with internal controls; or any other serious legal or ethical offenses.

### Sarbanes-Oxley Requirements

Section 301 of the Sarbanes-Oxley Act requires the Audit Committee to establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Bank regarding accounting, internal accounting controls, or auditing matters; and (b) confidential, anonymous employee submissions of concerns regarding questionable accounting or auditing matters.

## Dodd-Frank Rules

Section 922 of the Dodd-Frank Act establishes a whistleblower program that enables the U.S. Securities and Exchange Commission (SEC) to pay an award, under regulations prescribed by the SEC and subject to certain limitations, to eligible whistleblowers who voluntarily provide the SEC original information about a violation of the federal securities laws in writing that leads to the successful enforcement of a covered judicial or administrative action, or a related action resulting in monetary sanctions exceeding \$1 million. Dodd-Frank also prohibits retaliation by employers against individuals who provide the SEC with information about possible securities violations.

## No Retaliation

It is contrary to the values of Molina for anyone to retaliate against any board member, officer, employee, or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of Molina. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline, up to and including termination of employment.

## Reporting Procedure

Molina has an “open door” policy and suggests that employees share their questions, concerns, suggestions or complaints with their supervisor. If you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor’s response, you are encouraged to speak with your supervisor’s supervisor, the director of your department, any Molina executive, your HR Partner or compliance officer. Employees

with concerns or complaints may also submit their concerns confidentially by logging into <https://molinahealthcare.alertline.com> or by calling **1-866-606-3889**, 24 hours a day, seven days a week.

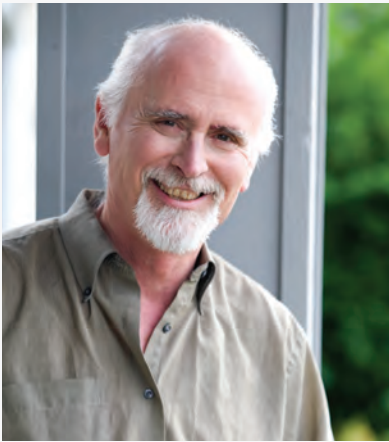
## Compliance with False Claims Laws and Detection and Prevention of Fraud, Waste, and Abuse

In accordance with Section 6032 of the Federal Deficit Reduction Act of 2005 (DRA), Molina is committed to complying with all federal and state laws prohibiting fraud, waste, and abuse in seeking reimbursement under the Medicaid and Medicare programs; and to preventing and detecting any fraud, waste, or abuse in the organization. To this end, Molina maintains this compliance policy and program, and strives to educate Molina employees on fraud, waste, and abuse laws, including the importance of submitting accurate claims and reports to the Federal and State governments.

- Molina employees shall receive information and training regarding their responsibilities and rights under the DRA and False Claims Acts.
- Under the DRA and the False Claims Acts, Molina and its employees have an obligation to abide by and follow all provisions contained in the laws. An employee who is found to be in violation of the regulatory requirements may be held liable to the government for any damages sustained. Any employee for whom Molina has a reasonably objective belief that the employee failed or is failing to abide by and follow all provisions contained in the laws may be subject to discipline, up to and including termination.



- Employees should be aware that the Federal False Claims Act provides that certain liabilities shall be placed upon any person who:
  1. knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;
  2. knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the government;
  3. conspires to defraud the government by getting a false or fraudulent claim allowed or paid;
  4. has possession, custody, or control of property or money used, or to be used, by the government and, intending to defraud the government or willfully to conceal the property, delivers or causes to be delivered, less property than the amount for which the person receives a certificate or receipt;
  5. is authorized to make or deliver a document certifying receipt of property used or to be used by the government and, intending to defraud the government, makes or delivers the receipt without completely knowing that the information on the receipt is true;
  6. knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the government or a member of the Armed Forces who lawfully may not sell or pledge the property; or
  7. knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the government is liable to the United States government for a civil penalty of not less than \$5,000 and not more than \$10,000, plus 3 times the amount of damages which the Government sustains because of the act of that person, except that if the court finds that-



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(A) the person committing the violation of this subsection furnished officials of the United States responsible for investigating false claims violations with all information known to such person about the violation within 30 days after the date on which the defendant first obtained the information;

(B) such person fully cooperated with any government investigation of such violation; and

(C) at the time such person furnished the United States with the information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this title with respect to such violation, and the person did not have actual knowledge of the existence of an investigation into such violation; the court may assess not less than 2 times the amount of damages which the government sustains because of the act of the person. A person violating this subsection shall also be liable to the government for the costs of any civil action brought to recover any such penalty or damages.

- All Molina employees have an obligation to report any actual or reasonably suspected violation of state and federal False Claim Acts, suspected or actual misuse or illegal use of the government funds either by fraud, waste, or abuse of the benefit program.
- Molina has an internal mechanism by which employees may report alleged, suspected or known violations, misuse, and/or inappropriate or illegal use of the funds and benefits. An internal, confidential and anonymous reporting system includes using the Molina Corporate Compliance Hotline (available 24/7, 1-866-606-3889), reporting directly to their direct supervisor, or their supervisor’s supervisor, or the Corporate Compliance Officer.
- An affected employee or individual may bring or cause to bring an action or suit on behalf of the individual and the government against an organization and/or another individual for violation of these laws. The action (or potential or actual lawsuit) is referred to as a “Qui Tam Action.” These actions may be pursued by the government on behalf of the individual but in the government’s name, or brought personally by the individual. Qui Tam Actions are normally brought when an affected employee or private individual discloses violations



of the False Claims Act through the internal mechanisms available but no review or action is pursued.

- To encourage individuals to come forward and report incidents of false claims, the Qui Tam “Whistleblower” provision under the False Claim Act prohibits discrimination or retaliation by their employer.
- Under the DRA and False Claims Act, employees have certain rights and protections. These rights and protections are commonly referred to as the “Whistleblower protections”. These protections include:

*Any employee who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment by his or her employer because of lawful acts done by the employee on behalf of his employer or others in furtherance of an action under this section, including investigation for, initiation of, testimony for, or assistance in an action filed or to be filed under this section, shall be entitled to all relief necessary to*

*make the employee whole. These provisions are contained in 31 U.S.C. Sec. 3730(h).*

#### [DRA 2005. Molina Healthcare](#)

Additionally, state specific regulations and information can be found in the applicable State Appendix and/or via the Molina Intranet, Policy and Procedure section of each state Health Plan.

## Confidentiality

### Confidential Information

Since its inception, Molina has acquired and developed intellectual property, as well as confidential and propriety information. Information regarding this information, the operations or activities of employees and/or members is confidential and protected from improper use or disclosure under state and federal laws. The success of Molina depends on its competitive edge, compliance with applicable laws and regulations, and the ability to safeguard confidential



and sensitive information. Molina's employees must take all necessary steps to protect the Company's interests, including but not limited to those of its customers, contracted providers, patients, members and employees in maintaining the confidentiality of private and sensitive information. Confidential information may include, but is not limited to, protected health information (PHI) relating to Molina's customers, patients, and employees; vendors, names and addresses; communications; files; bills and payment records; employee wage and salary information; social security numbers; financial statements; profit and loss statements, or other financial information; the results and methodology of any marketing research; formulation processes, whether written, verbal, or stored electronically; information marked proprietary or confidential; technological and creative works; and information not generally known (Confidential Information). This Confidential Information is of substantial value and highly confidential, constitutes the professional and trade secrets of Molina and is being provided and disclosed to you solely for use in connection with your duties and responsibilities at Molina, subject to all state and federal laws. Additionally, as a healthcare organization, many of Molina's records and data systems contain PHI relating to Molina's customers, patients and/or employees. PHI is protected pursuant to state and federal laws, and its wrongful use or disclosure may result in civil and/or criminal penalties for the company and persons responsible for such violations. Note that failure to properly use and protect PHI may result in individual criminal and civil penalties, which are outside Molina's discretion or control.

All employees, at the time of hire, must execute Molina's Workforce Confidentiality Agreement.

### Health Insurance Portability and Accountability Act (HIPAA)

The privacy and security of the personal information of our members and patients is a paramount concern of Molina. Just as we must be good stewards and must be careful in the management of our financial resources, so must we be good stewards of the personal information that we have been entrusted with by our members and government programs. Keeping the trust of our members and government programs is critical to the provision of high quality services and our continued success as an organization.

HIPAA established national standards to ensure the privacy and security of protected health information (PHI). PHI is individually identifiable health information, including demographic information that pertains to the care or payment for care or our members and patients.

Both the internal use and the external disclosure of PHI are strictly regulated by HIPAA.

Protecting the privacy and security of PHI and other confidential information is a core responsibility of each and every Molina employee. Molina has implemented a variety of administrative, physical and technical safeguards to protect the confidentiality of PHI. Employees are expected to know and abide by our policies and procedures, which are published on the Molina Intranet. Failure to adhere to HIPAA or Molina's privacy/security policies and procedures may lead to employee disciplinary action and other sanctions up to, and including, termination. In addition, all employees will be trained on the proper and prohibited uses and treatment of PHI.

Questions regarding HIPAA or employee responsibilities regarding the privacy and security of member and patient information should be directed to your plan's Compliance Officer or Molina's Privacy or Security Officials.

The complete [HIPAA Policy](#) and the [Compliance Officer List](#) can be found on the intranet.

## Clean Desk Policy

Molina employees and other workforce members shall store and dispose of documents, film, microfiche, video, x-rays, reports and other printed or electronic material that contain Confidential Information, including PHI or other sensitive member information, in a manner that reasonably safeguards the confidentiality of the information and protects against the unauthorized use or disclosure of the PHI or other sensitive member information.

### Safeguards for Paper and Electronic Confidential Information, Including PHI or Other Sensitive Member Information

Workforce members shall maintain a clean desk and use safeguards to protect the confidentiality of PHI and other Confidential Information that is used, created, received or stored in their department work area. Those safeguards include, but are not limited to: proper supervision of data; logging off/locking workstations; escorting visitors; limiting printing of PHI; proper destruction of PHI; not removing PHI from the Premises; using only secure methods for mailing; minimizing copying of PHI; maintaining a secure/clean work area; ensuring conversations about PHI are private/not accessible to the general public or unauthorized staff; limiting disclosure of PHI in voicemail messages.

Knowledge of a violation or potential violation of this policy must be reported directly to the Privacy Official, the Security Official, the Compliance Officer, or to the Compliance Hotline (available 24/7, 1-866-606-3889). If the violation or potential violation is reported to the Compliance Department or to the Compliance Hotline, the Compliance Department will notify the Privacy Official and/or the Security Official, as appropriate, within twenty-four hours of receipt.

For more information and for specific guidelines, please refer to the complete [Clean Desk Policy](#).

## Legal Hold

There are circumstances where the normal and routine destruction of records must be suspended according to federal and state requirements and Molina's record retention and disposition policies, or to accomplish other company objectives. A legal hold is an order to cease destruction and preserve all records, regardless of form, related to the nature or subject of the legal hold. Present and future records that are involved in litigation, or reasonably anticipated in foreseeable legal action, must be preserved until the legal hold is released by Molina's Legal Department.



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## Process

Molina’s Legal Department will notify affected Molina employees that a legal hold has been initiated. The notice will inform the affected employee of his or her obligation to identify and preserve all evidence that may be relevant to the legal hold. A failure to acknowledge or comply with a legal hold may result in discipline, up to and including termination.

## Conflict of Interest

Employees are expected to use good judgment in their personal and job related activities for situations that could create a potential conflict of interest with Molina. Situations of actual or potential conflict of interest should be avoided by all employees. Upon hire, and annually thereafter, all employees are required to disclose any potential or actual conflict of interest by completing and submitting a Conflict of Interest Disclosure Form. Employees are also required to submit a form upon belief they have entered into a potential or actual conflict of interest at any time during the year. If an actual conflict of interest is determined, Molina will review the conflict, and take action appropriate to the situation.

Employees are required to review, understand and follow the entire [Conflict of Interest Policy](#).

## Compliance with Anti-Kickback and Beneficiary Inducement Laws

Molina personnel shall adhere to the requirements of state and federal anti-kickback laws, and shall contact the Legal Department in advance of entering

into any payment practice, contract or other arrangement (a) whose terms may not be fair market value, or (b) where compensation per unit of service varies with the volume or value of business referred between the parties. From time to time, Molina may adopt policies that apply to specific practices and financial relationships between Molina entities and physicians, hospitals, and others who receive or make referrals to Molina entities.

## Badges

Molina employees are required to wear, in a visible location, a Molina-issued name badge during work hours and while on company property. Employees should notify their supervisor promptly if they lose their badge. Employees are to return their identification badge to their immediate supervisor or HR Partner at the time of separation from employment. Some Molina entities may have additional guidelines on badges.

## Dress Standards

Molina's dress standards are generally business casual dress, and employee appearance must be appropriate for a customer, patient, member, regulator or other outside party interaction, even if the employee does not expect to be seen by an outside party on a specific workday. Molina's standard of professional appearance applies to all employees, even those who may not have regular interaction with those outside of Molina. Each location or department may have its own standards to reflect regional and department-specific standards. Employees whose appearance does not meet professional standards may be asked to leave work (unpaid) until they are able to return appropriately attired and groomed. For safety reasons,

Molina prohibits high heels taller than four (4) inches, with or without platforms, and flip-flops at all locations.

## Workplace Respect

### Employee Responsibility for Work Areas

Each employee is expected to maintain a clean, neat and orderly work area or office, and to contribute to keeping common areas in good condition. Decorating personal work areas should be done in keeping with the nature of a professional office environment. PHI of our members and patients must be safeguarded at all times and placed in locked file drawers, out of the public view, and treated in compliance with the Clean Desk Policy.

### Smoking

Smoking is prohibited in all facilities owned and/or operated by Molina. Employees and visitors are expected to comply with specific building management instructions and city ordinances prohibiting smoking. Smoking is only permitted in designated smoking areas.

### Scent Sensitivity

All employees are expected to be sensitive to those around them who may express discomfort due to a reaction to a fragrance contained in a perfume, cologne, hairspray, lotion, cleaning solutions, reheated foods, etc., and recognize that these concerns may relate to health issues. While it is difficult to avoid all fragrances and other environmental exposures, such as dust, exhaust, etc., Molina promotes a workplace environment that is healthy for everyone.

## Distractions

Molina is committed to an environment that is free from non-work related distractions, including extended personal calls, texting, use of smart phones, music, social conversations in the work area, etc. All employees are required to be mindful of how their behavior could disrupt co-workers' ability to focus on serving our customers. In addition, each department may have its own rules regarding cell phones, music, social conversations and other potential distractions.

## Company Property

Molina invests substantial assets in order to provide employees access to property including, but not limited to, computers, BlackBerries, desks, voicemail, email, telephones and other electronic devices or equipment (collectively referred to as Company Property) to perform the responsibilities of their jobs. Although many employees are provided Company Property for job-related purposes, all employees should fully understand that all Company Property and information temporarily or permanently stored or transmitted on or with the aid of Company Property remains the sole and exclusive property of Molina, and is subject to access, copy, search, monitoring and or use by Molina in any manner it deems appropriate. Employees therefore should not assume any privacy right or interest in any information that is temporarily or permanently stored on and/or with aid of Company Property, nor should employees anticipate receiving a proprietary interest in any such information or Company Property.

All Company Property provided by Molina, whether used entirely or partially on Molina's premises or with the aid of Company Property or resources, whether for personal or

work-related purposes, must remain fully accessible to Molina and, to the maximum extent permitted by law, will remain the sole and exclusive property of Molina.

Any Company Property taken by employees from premises must be cleared in advance with the department director and/or appropriate authorizing authority, e.g., IT, IT Security, Compliance, etc. Intentional destruction or theft of Company Property will result in disciplinary action, up to and including termination, demand for retribution and possible criminal or civil prosecution.

Employees who violate any aspect of this policy or demonstrate poor judgment in the manner in which they use any Company Property will be subject to disciplinary action, up to and including termination.

## Drug/Alcohol Free Work Environment

Molina believes that maintaining a workplace that is free of drugs, alcohol and other harmful materials is vital to the health and safety of its employees and to the success of Molina's business. Additionally, Molina intends to protect against unauthorized removal of Company Property and assure its access at all times on Company premises. Therefore, any and all Company Property, equipment, information, records, documents, data and files, all packages, containers, carrying cases, or any device that has concealed space, are subject to search upon departure from the premises. Desks, lockers, file cabinets, etc., remain the property of Molina and as such, are subject to inspection at any time, whether locked or unlocked.

## Termination and/or Separation

Employment with Molina is for no definite period of time and may be terminated at the will of the employee or Molina with or without cause and with or without advance notice. All discharges require the approval of the head of the Human Resources Department or his/her designee before the action is taken.

Termination, or separation of employment, will occur when the employee is no longer classified in an active status. Termination may be voluntary (resignation) or involuntary (discharge or workforce reduction) depending upon the circumstances.

### Voluntary Termination (Resignation)

Voluntary Termination comes as a result of an employee resigning from his/her position. Molina requests a courtesy notice of resignation, which may be given in writing or orally to your supervisor or HR Partner.

### Involuntary Termination (Discharge or Workforce Reduction)

Involuntary termination/separation may occur under two (2) circumstances: Discharge or Workforce Reduction.

**Discharge:** Discharge is normally based upon either misconduct (breach of company policy or procedure) or substandard work performance. Employees terminated for misconduct may not be eligible for rehire. Employees terminated for sub-standard work performance may be considered eligible for rehire if the performance-related problem occurs through no direct fault of the employee and they have demonstrated a willingness to reapply for another position within the company for which they may be better qualified. In all cases, the decision to rehire

a former discharged employee remains the sole discretion of Molina.

**Workforce Reduction:** Molina attempts to provide a work environment of growth and job security for its employees. However, due to economic or other issues, such as departmental reorganization or closure of functions, it may be necessary to reduce the size of the workforce. It is our policy to affect the required workforce reduction in a fair and just manner.

### Severance Pay

Severance Pay may be available to the affected employees. Severance Pay is designed to assist affected employees in their transition, according to the following guidelines:

- i. Eligibility for Severance Pay is limited to Regular Employees only. Temporary or Per Diem/Casual staff are not eligible for Severance Pay. Contracted staff are governed by their specific contract.
- ii. The amount of Severance Pay for a workforce reduction is based on job category and completed years of service, according to the employee's original hire date. One "week" of Severance Pay is defined as the employee's average weekly base pay, excluding overtime, incentive, or other special pay. Severance Pay for non-workforce reduction terminations is discouraged, but where provided will be calculated on a case-by-case basis.
- iii. Severance Pay will be in one lump sum with all deductions, after Molina's receipt of an executed copy of a general release or other severance and release agreement.

- iv. If the affected employee refuses an offer of another position within the organization that is paid within ten percent (10%) of his/her current base rate, and is located within a reasonable distance from the current job, Severance Pay will be denied.
- v. If the affected employee returns to Regular employment within one month of the original termination, he/she may retain all prior seniority and benefits only if all Severance Pay is returned at the time of rehire or reinstatement.
- vi. Employees may voluntarily elect to be eliminated from the workforce to save a co-worker's job, and will receive Severance Pay if otherwise eligible. However, Management reserves the right to refuse such offers based on organizational needs.

As with all policies, Molina reserves the right to modify, change, or eliminate this policy at any time, with or without notice.

For more information, as well as a Severance Pay table, applicable to workforce reductions, please see our [Termination/Separation Policy](#).

## Solicitation and Distribution

Solicitation and distribution of literature and/or merchandise on company premises, if left unrestricted can interfere with the normal operations of the organization, be detrimental to employee efficiency, offensive to customers, patients, visitors and employees, and pose a threat to security. Accordingly, employees may not solicit and/or distribute literature and/or merchandise on company property.

Molina maintains bulletin boards throughout its facilities, as well as on [Molina Intranet](#).

The bulletin boards and intranet are intended to communicate company information to employees and to post notices required by law. The bulletin boards are for posting company information and notices only, and only those persons authorized by Human Resources may place notices on, or take down, material from the bulletin boards. The unauthorized posting of notices, photographs, or other printed or written materials on bulletin boards or any other Company Property is prohibited.

## Workplace Violence

### Introduction

Molina is committed to maintaining a safe, healthful and efficient working environment where employees, customers, and visitors are free from the threat of workplace violence. In keeping with this commitment, Molina's Workplace Violence Prevention Policy (WVPP) establishes an anti-violence policy that prohibits actual or threatened violence by employees against coworkers, themselves, or other persons. Molina's WVPP promotes workplace security by establishing an environment with zero tolerance for violence and/or the threat of violence.

Although some kinds of violence result from societal issues that are beyond our control, Molina adopts measures that will increase security and protection of Molina employees, customers, and visitors. In order to accomplish this objective, Molina requires the cooperation of all employees.

Molina believes that employees are better prepared to avoid or prevent violence if they are able to recognize and react to early

warning signs in advance, and follow appropriate response procedures to early warning signs, up through incidents of threatened or actual workplace violence. Employees therefore play a crucial role in the administration of Molina's WVPP.

All employees are responsible for acting professionally and courteously at all times, treating coworkers, visitors, and others with respect and consideration, reporting any aggressive, threatening, suspected, or inappropriate harassing, violent, or intimidating behavior to their supervisor, other management personnel and/or HR Partner immediately, and reporting to their supervisor, other management personnel and/or HR Partner any situation that could potentially cause workplace violence.

## Early Warning Signs

Employees should understand that certain risk factors and behavior patterns (collectively "Risk Factors") may offer early warning signs of violent conduct. Such warning signs include the following examples:

- A history of emotional or mental disturbance
- A history of threatening or violent behavior
- Paranoia or easily panicked behavior
- A fascination or preoccupation with weapons, particularly weapons or explosives that could be used for mass destruction, such as semi-automatic guns
- Extreme stress from personal problems or a life crisis
- Events affecting workplace conditions and/or generating stress

- Identifying with incidents of workplace violence reported in the media, and either condoning or sympathizing with the actions of the individuals committing the violence
- Being a loner with little or no interaction with other employees
- Engaging in frequent disputes with supervisors or co-workers
- Routine violation of Molina's standards of conduct policy

If an employee becomes aware of Risk Factors of the type described above, the employee should contact a supervisor, other management personnel or HR Partner. If the supervisor, or other management personnel becomes aware of risk factors independently, or on advisement from an employee, that person should contact the HR Partner. The HR Partner will evaluate the matter with the appropriate personnel and provide the supervisor with direction and assistance to deal with the situation. If it is determined that additional services, such as the Employee Assistance Program (EAP) should be administered, the HR Partner, after consultation with the appropriate persons, should direct further services as necessary.





“One of our core values is that we respect each other and value ethical business practices. Think about how you embody this value here at Molina.”

## Threats of Violence

Every threat of violence is serious and must be treated as such. Threatening behavior can include such actions as:

- Throwing objects
- Making a verbal or written threat to harm another individual, oneself, or destroy property
- Making menacing gestures
- Expressing significant grudges against co-workers
- Displaying an intense or obsessive romantic interest that exceeds the normal bounds of interpersonal interest
- Attempting to intimidate or harass other individuals
- Behavior indicating that the individual is significantly out of touch with reality and that he or she may pose a danger either to himself or herself or to others.

Employees who become aware of any threats of workplace violence must report the threats immediately to their supervisor or HR partner. A supervisor must notify his / her HR Partner of all threats to which he / she becomes aware. The HR Partner will consult with the appropriate resources in order to complete an assessment of the incident and the surrounding circumstance, and will direct further services or action as necessary.

## Imminent Risk of Violence

If an employee becomes aware of any actual violence, imminent violence, or threat of imminent violence, obtaining immediate and/or emergency assistance must be a matter of first priority. The employee should immediately remove him / herself from the threat and call 911. The employee should, immediately thereafter, contact Molina’s Physical Security and any on-site security. Molina Physical Security can be reached locally, or if not available, by calling (888) 562-5442 ext.



115619, or emailing [Kathleen.Barcelona@molinahealthcare.com](mailto:Kathleen.Barcelona@molinahealthcare.com). Immediately after contacting appropriate security and/or the law enforcement authorities for emergency assistance, and if applicable, the employee must report the incident to his or her supervisor. The supervisor must then notify his / her HR Partner immediately. If the supervisor is not immediately available, the employee should contact the appropriate HR Partner immediately after contacting the law enforcement authorities. All employees are reminded that any reports regarding any incidents of violence or threats of violence may be made without fear of reprisal of any kind.

Depending on the situation, and only when safe to do so, employees may wish to use the following techniques to defuse violent behavior:

- Use a calm, non-confrontational approach
- Ask the individual how you can help
- Focus on the individual's behavior, not the person
- Maintain a safe distance from the individual
- Do not touch the individual, argue with him/her, or make any aggressive movement; and

- If safe to do so, alert other persons in the area of the workplace violence incident and evacuate them from the area.
- Where possible, allow the individual an unobstructed exit from the room and/or building; and/or
- Find a safe place if personal safety is threatened.

Call 911 in any situation that threatens human life, safety, and/or property, and that requires an immediate response or attention.

### Policy Violations

In cases where it is determined or where Molina has a reasonably objective belief that an employee violated this WVPP by threatening another individual with violence or engaging in violent behavior, HR and the employee's supervisor will work together in formulating the appropriate response, such as deciding whether or not submission to other services is required, i.e. EAP, fit-for-duty examinations, etc., and/or the level of disciplinary action, up to and including termination, as applicable.



### Social Media

“Social Media” means technology tools, websites and other online spaces for integrating and sharing user-generated content in order to engage constituencies in conversations and allow them to participate in content and community creation.

Molina offers employees access to social media and other interactive external websites for personal use. However, this access is provided via a separate wireless network that Molina set up for the benefit of its employees. Employees should recognize that this access is a privilege, not a right, and it can be denied or revoked at any time for any reason, e.g. where access is not conducive to a particular job or department, misuse of Social Media or other external websites has been noted, failure to meet performance standards, etc. Employees must remember that all rules regarding PHI and other Confidential Information apply to Social Media use. Molina maintains the right to monitor, access, copy, report and act upon all Social Media and external website use via the Molina’s network.

Employees should be mindful of mixing their personal and professional lives when using Social Media. Molina does not discourage or prohibit its employees from commenting on Molina business or working conditions. However, Molina does provide some parameters to guide employees in their use of Social Media for personal purposes; such parameters are intended to adhere to all laws and regulations, protect Molina’s employees’ privacy and other interests, and protect Molina’s

business interests in a fair and balanced way considering all interested parties involved.

Check guidelines regarding [Social Media](#) and external website use.

### Expense Reimbursements

Molina will reimburse employees for all reasonable expenses incurred on behalf of the company in carrying out their assigned duties. Approval of all business-related expenses must be obtained by the employee’s direct supervisor. Reimbursable expenses must be supported by actual receipts and a properly completed and approved Expense Report. Molina is not responsible for loss or damage of the employee’s personal property or personal funds while traveling on company business. Employees traveling on company business are representatives of Molina and are expected to maintain a high level of professionalism at all times and follow all applicable Molina policies.

For additional information on [Expense Reimbursements](#) please visit Molina’s Intranet for the complete policy and procedure.

Expenses should be submitted using Molina’s on-line reimbursement system, which is accessed through the following link: <http://www.concursolutions.com>.

## Outside Employment

Outside work may create a Conflict of Interest (all employees must adhere to Molina's Conflict of Interest Policy). It may also interfere with an employee's ability to discharge their Molina functions. Regular Employees are required to disclose to Molina any outside employment on a Full or Part-Time basis, for which the employee is compensated, even if it may not present a Conflict of Interest. Molina maintains discretion and the right to permit, restrict, or prohibit its Regular Employees from working outside Molina. Regular Employees may not work an outside job on a Full or Part-Time basis without first obtaining their supervisor's written approval. A Full-Time employee's failure to disclose compensated outside work may result in discipline, up to and including termination.

## Drug Testing Policy

### Reasonable Suspicion Testing

Reasonable suspicion for requiring an employee to submit to a drug or alcohol test shall be deemed to exist when an employee manifests physical or psychological symptoms or reactions commonly attributed to the use of controlled substances or alcohol. The "reasonable suspicion" for requiring an employee to take a test shall be observed by at least a single supervisor, but preferably two, and shall be recorded in written form. The supervisor and local Human Resources representative or other designated witness is responsible for securing all material and providing all documentation related to the incident, including meeting with the employee. The supervisor, local Human Resources representative, or person designated by Molina shall accompany the employee to a collection facility.

If an employee denies impairment and refuses testing, the supervisor, manager, HR Partner, or person designated by Molina will inform the employee that discharge may result. If the individual continues to refuse testing then the employee will be suspended without pay. The supervisor, manager, HR Partner, or Molina designee shall carefully document all facts and circumstances of the case, and by the next working day make a final determination of employment status, which shall be decided by the supervisor or manager with the advice of the Human Resources Department.

## Safe Driving/Personal Data Assistant (PDA) Policy

Molina expects employees to operate motor vehicles safely and in accordance with all applicable laws. Among other things, these laws prohibit the operation of motor vehicles in excess of applicable speed limits, while under the influence of alcohol, controlled substances, or medications that impair driving abilities, or in any other unsafe manner. Laws also recognize that the use of cellular phones and text messaging devices can create distractions. As a result, Molina discourages the use of cellular telephones or BlackBerries, or other smart phones and prohibits texting or emailing regarding work related matters while driving. If an employee operates a motor vehicle while using a wireless telephone, the wireless telephone must be used in a manner that allows hands-free listening and talking operations, and may not be used under any circumstances that would distract an employee from the duty to drive in a safe and non-negligent manner. Reading, preparing, typing or sending text messages or emails while operating a motor vehicle of any kind is strictly prohibited.

## Performance Coaching Sessions

Delivering superior customer service is the responsibility of each Molina employee. Employees are responsible for their own performance and for gathering the information and feedback that they need in order to ensure that their work with internal and external customers, providers, co-workers and vendors results in a productive, high-quality and effective relationship.

Initiating communication about performance and customer service is the responsibility of all employees and may be accomplished through performance coaching sessions that should be, at a minimum, scheduled quarterly or more frequently, as needed. Employees and supervisors should meet as needed to discuss goals, scorecard performance, personal development and other key areas of performance. Supervisors are encouraged to use the [Performance Coaching Summary Form](#).

Employees who are not meeting the requirements of their position or who violate a Molina policy may receive counseling from their supervisor. The supervisor may use the “Improvement Action Plan” section of the Performance Coaching Worksheet to outline the performance deficiency and the requirements for improvement. Counseling and improvement action plans are provided at Molina’s discretion and should not be construed to limit Molina’s “at-will” employment policy.

## Service Recognition

Molina recognizes service milestones in five-year increments, beginning with the employee’s five-year anniversary. Close to the service anniversary, employees are provided the opportunity to choose from a broad selection of awards at each anniversary level.

## Remote Policy

Molina recognizes that there may be a need for remote-based work arrangements with select employees. Molina may, in its sole discretion, allow employees to work from an approved, remote worksite. This may only occur where Molina determines that the needs of the position and the business will be met by the employee working remotely. Remote-based employment is not available for all positions or for every employee. To be considered remote-based, the employee must work the entire workweek from a remote location (such as their home). Employees who work occasionally from a remote worksite are not considered remote-based. Participation is subject to approval by the department leader and Human Resources.

The [Remote Procedure](#) guidelines can be accessed on Molina’s intranet.

## Recordings

Molina does not permit video or audio recording of conversations, unless all parties to the conversation have notice of and provided consent to the recording. Molina managers and supervisors cannot consent to recordings, unless there is a specific, authorized reason for the recording that advances or improves work quality or performance, or has been specifically approved by an effective policy or the Legal Department.

## Inclement Weather / Hazardous Conditions

Senior Management, through Human Resources, is responsible for making the final decision on whether or not business operations will close. Employees working in business units with call-in procedures should follow the designated procedures in determining reporting requirements for the day. The designated telephone number should be called to hear any recorded message announcing whether the office is open or closed.

When a decision is made to close the office due to inclement weather or other hazardous condition, Regular Full-Time Employees will be paid for their normally scheduled hours for a period of up to three (3) consecutive full days of office closure. This pay provision will apply to each separate instance when a decision is made to close the office due to inclement weather or hazardous conditions. If inclement weather/hazardous conditions prevent an office from being open for more than three (3) consecutive days, affected employees have the option of designating the missed day(s) as excused

absence without pay, or using PTO. Additionally, affected employees may be subject to temporary layoff and recall upon resumption of normal office hours.

Employees should make reasonable efforts to get to work when the office is open, without endangering themselves or others. However, employees may choose to leave early or not come to work on days with inclement weather or hazardous conditions if they are concerned that travel conditions may endanger them or for other valid reasons (e.g., closed daycare). Employees will be required to submit documentation of these circumstances as requested by the supervisor.



[www.MolinaHealthcare.com](http://www.MolinaHealthcare.com)

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