

# Molina Healthcare of Puerto Rico Employee Handbook



# Welcome

Welcome to Molina Healthcare. Molina Healthcare refers to all employees of Molina Healthcare, Inc. (“MHI”) and each and every subsidiary company of MHI. Molina Healthcare has always been a special place to work, since Dr. C. David Molina founded the business more than 30 years ago. Over these past decades, the company has grown and expanded – yet we’ve never lost sight of the mission that defines Molina Healthcare. 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 Healthcare’s mission and goals by hiring the best employees, and by following Molina Healthcare’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 Healthcare employee, you will uphold Molina Healthcare’s values and continue its mission, which begins at orientation and will continue throughout your employment here. Molina Healthcare’s continued success is heavily dependent on you and others just like you—our dedicated employees.



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## About This Handbook



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

To introduce Molina Healthcare of Puerto Rico’s (“Molina”) 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. 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 Any previously issued employee policies inconsistent with these policies are superseded by this handbook.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 local, commonwealth, and federal laws.

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 as it deems appropriate 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.

The core values that exemplify our organization are presented throughout this document. As you read them, think about how you might incorporate them 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 four million individuals and families who receive their care through Medicaid, Medicare and other government-funded 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 Healthcare serves the diverse needs of over four 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 its beginning, Molina Healthcare has grown into a leader, providing options for our state 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 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.



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## Employment Status Statement

The employee may terminate the employment relationship at any time. Similarly, the employee's status (for example, position held, salary change, promotions, demotions, etc.) may be changed by Molina. Nothing in any document or statement shall limit Molina's right to terminate employment 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 employment policy except for the President or the Regional Vice President of Molina Healthcare.

## Classification Of Employees

**Regular Full-Time Employees** are those who are scheduled for, and do work a minimum of 40 hours per week, or 80 hours in a pay period, in an authorized Full-Time position on a continuing basis. Regular Full-Time employees are eligible for participation in a medical, dental, vision, and life insurance program ("Medical Benefits") upon completion of the first thirty (30) days of employment.

**Regular Part-Time Employees** are those who are scheduled for, and work a minimum of 20 but less than 40 hours per week 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 eligible to receive Medical Benefits.

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

**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. Temporary employees are not eligible for any benefits, except where mandated by applicable law. Attendance is an essential job function of all temporary employees. Temporary employees do not have an expectation of continued employment. Total continuous time with Molina will be applied toward benefit/waiting eligibility periods in the case of a reclassification to Regular Full or Part-Time employment.

## "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 overtime compensation for hours worked in excess of 8 hours in one day or 40 hours per week, not including vacation, sick, or holiday hours. These associates 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 the victim [or subject of] sexual aggression and/or stalking or being perceived as such, or any other consideration made unlawful by federal, 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 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 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, 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 Human Resources Department 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.

## 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 12 months. Demonstrated ability, skill, knowledge, reliability, responsibility, and the employees' overall work record, combined with the needs of the



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company, will be taken into consideration during the selection process. Employees under any written form of 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.

### **Verification of Identification and Authorization to Work/Form I-9 Documentation**

Molina is committed to full compliance with federal immigration laws. 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 and Puerto Rico 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 and Puerto Rico 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 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.

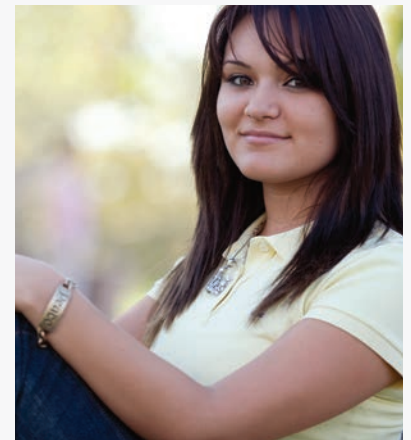
#### Weekly Day of Rest

The day of rest is a calendar period of 24 consecutive hours during a calendar week. No work should be performed by non-exempt employees if any work has been performed during all the other six calendar hour periods of the week.

### Timekeeping Requirements

Timesheets, electronic or paper, are legal documents. Federal, commonwealth and local 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. sick days, vacation days, holidays, etc.), and hours not compensated (unpaid leave) must also be reported.

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. sick days, vacation days, 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 up to and including termination for just cause.



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## Pay

### Pay Period

The pay period covers the workweek: 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.

## 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 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 local 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;
- All hours worked in excess of 8 hours in a 24 hour timeframe 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.

Compensation for hours in excess of 8 hours in a 24 hour timeframe and 40 hours for the work week shall be paid at a rate of one and one-half times the employee's regular rate of pay.

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

## Molina Prohibits Working Off the Clock

Molina is committed to paying its employees for all work performed. You should never for any reason perform any work off-the-clock. This means you must be clocked in to perform any work on behalf of Molina and you must not work during any of your meal periods. If you do get into a situation where you believe you may have performed work off-the-clock, you should immediately report it to your manager so the situation can be corrected and you can be paid for the work.

Because you may not realize that you forgot to clock in or out, you will need to notify management and then complete and sign off-the-clock work attestation which will allow the manager to make the necessary change to your time record. It is a serious violation of Molina policy for any manager to give you any direction or encouragement either explicitly or implicitly to work-off-the clock. If this ever occurs you must immediately report it to the Human Resources Department. Employees are prohibited from engaging in any conduct

to falsify their own or another employee's work hours. Tampering with, altering or falsifying records are serious infractions of policy and may result in disciplinary action up to and including termination for just cause.

### Exempt Employees

Exempt employees, as defined by federal and commonwealth 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 vacation days and misses additional full days off work for personal reasons, deductions may be made consistent with all applicable commonwealth and federal laws.

## Meal Breaks

### Introduction

Meal breaks are intended to provide employees with an opportunity for rest and relaxation. Exempt employees may not be able to take meal breaks. Accordingly, they should be enjoyed away from employee work areas and 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 meal breaks. It is the employees' responsibility to take meal period(s).



### Meal Breaks

Molina encourages 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. Lunch breaks may be staggered and scheduled by department supervisors to ensure business needs are met. 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 60 minutes, and a second meal period if the non-exempt employee works more than five hours after the first meal break. 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 60 minutes must immediately notify their supervisor. Employees are entirely relieved of the responsibilities and restrictions during their meal periods.

### Rest Breaks

Employees are authorized to take one 10-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 an employee works more than six hours in a day, the employee will be entitled to a second 10-minute rest period. For each additional two hours worked over eight hours, employees are eligible to add one 10-minute rest break. Rest periods shall be provided in the middle of each work period, insofar as practicable. Rest breaks may be staggered and scheduled by department supervisors to ensure business needs are met. 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. Employees who work at least three and one-half hours, who do not take a rest break must immediately notify their supervisor.

## Holiday Pay

All Regular non-exempt employees who work on a Molina observed holiday receive double their base rate for all hours worked on the holiday between 12:01 a.m. and 12:00 a.m. the next day. However, employees must receive authorization in order to work on a holiday. Employees who participate in an Alternate Work Schedule ("AWS") and are scheduled to work on a holiday should defer that holiday to a different day during the same week in which the holiday falls.

## Holiday Closures

In addition to Molina observed holidays, Molina's offices will be closed during certain local holidays.

## Vacation

Molina provides vacation time off to employees who work at least 115 hours a month at the accrual rate of 1.25 days per month. For employees with different daily schedules, the regular day accrual rate is determined by dividing the total regular hours worked during the month by the total working days in the month. Vacation time taken is considered time worked for the purposes of vacation accrual.

Vacation does not begin to accrue until after an employee has completed his or her 90-day probationary period. Once an employee completes his or her 90-day probationary period, however, the employee will accumulate vacation leave retroactively to his or her first day of employment. Vacation may not be taken, however, until it has been accrued for one full year. Vacation may accrue up to two years, but accrual in excess of a two-year accrual will be paid at twice the regular amount.

### Accrual Schedule

Vacation accrual is based on an employee's employment start date, length of service and active employment status. Vacation accrues each pay period. Eligible employees may carry over accrued vacation from one calendar year to the next for up to two years.

### Use of Vacation Time Off

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

### Vacation Payout

Upon termination, any accrued but unused vacation will be paid to the employee at his/her current rate of pay as long as the employee was employed for at least 90 days.

## Sick Leave

Molina's paid sick time provides continued income to eligible employees when they are unable to work due to illness in accordance with Puerto Rico law. Employees who work at least 115 hours per month are eligible and will accrue sick leave at the rate of 1 day per month. Employees may also carry over unused sick leave up to a maximum leave bank of 15 days.

Your manager may require you to produce medical evidence to support any request for sick pay. Sick pay will be paid for scheduled working hours, not to exceed 40 hours or five days each week. Sick pay will not be paid out upon termination of employment or converted to cash except as required by Puerto Rico law.

## Volunteer Time Off

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 Volunteer Time Off (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





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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 employees are 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 (Vacation, Holiday Pay, Non-Productive Time, etc.).

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

## Alternative Workweek Schedules

In some cases, Molina permits Alternate Workweek Schedules (AWS) for non-exempt employees. 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.

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## Medical/Dental/Vision/Life Benefits

Regular Employees are eligible for medical, dental, vision, and life benefits. Temporary employees are not entitled to medical, dental, vision, and life benefits.

Eligible employees will receive a booklet explaining their 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 you if you 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 detail, 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.

## 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 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.



## Employee Stock Purchase Program

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

## Education Reimbursement

Molina offers up to \$5,250 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 \$5,250 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.

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## Workers' Compensation/Fondo del Seguro del Estado (FSE)

Molina provides Workers' 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 FSE's Workers' Compensation laws, as appropriate. The employee must notify his or her supervisor, and/or the Workers' Compensation 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.

This confidential program is administered by an independent, outside vendor, and contact information, as well as specific benefit information, is available on the [Employee Assistance Program](#).

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

Mail: [MHI Benefits Help Mailbox](#)

Phone: Internal Extension 111030

External (866) 472-9485

## 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.



“One of our core values is that feedback is a gift. Through feedback and coaching, we strive to improve the organization and achieve meaningful change. Think about how you embody this value here at Molina.”

### 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.

### 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 leave; 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.

## 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 Molina's Interests, which include the potential disruption the leave would cause, Molina's legitimate business needs, the duration of the leave requested, and Molina'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.

Personal leaves are unpaid, and should be for a period of no more than thirty days. All employees will be fully responsible to pay the costs of any insurance benefits during a Personal leave of absence. If an employee has accrued vacation, the employee must exhaust their vacation 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 three scheduled workdays for the purpose of making arrangements for, or to attend the funeral, of the said family member. For Regular Part-Time Employees, a bereavement leave for a maximum of three consecutive scheduled workdays with twelve hours of pay will be granted in the event of a death of an immediate family member. In addition, if needed, Regular Employees will receive up to two days 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, or domestic parents-in-law, grandparents, and grandchildren.

## Other Protected Leaves

### Military Leave

Molina provides unpaid military leaves of absence to all employees in compliance with applicable commonwealth and federal laws. Employees requesting military leave should submit such requests promptly to the Benefits Department, and accompany any such requests with a copy of their orders indicating the beginning and ending dates of their active duty period. Consistent with commonwealth and federal law, time spent on military leave will be counted as continuous service for the purpose of computing service awards and determining your eligibility for various benefits plans.

### Jury Duty Leave

Molina, in its desire to encourage and facilitate social responsibility and ease any burdens felt by its employees in undertaking such responsibilities, grants fifteen days of paid leave for jury duty purposes to Regular Employees of Molina. Regular Employees are entitled to unpaid jury leave for all jury duty lasting longer than fifteen days upon the presentation of the Jury Summons to his/her supervisor. 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.

Witness leave in criminal cases will be paid in accordance with your normal scheduled hours provided you give your manager at least two days advance notice of your need for leave or show that such notice was impractical. You will also need to provide certification from the court for your service as a witness. Witness leave for non-work-related civil cases is unpaid.

### 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 vacation to cover any time off. If no vacation 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.

### Maternity/Adoption Leave

In addition to the leaves noted above, Molina also provides eligible employees with paid maternity or adoption leave of up to eight weeks in accordance with Puerto Rico law. Maternity leave may begin up to four weeks before childbirth. Alternatively, with appropriate medical certification, new mothers may opt to take only one week of prenatal rest and extend their postnatal rest period up to seven weeks (again for a total of eight weeks of paid leave). This leave may be extended up to twelve (12) weeks where medical complications occur or where an employee is entitled to such extended leave under the FMLA, but the additional leave is unpaid. All maternity/adoption leave under this policy also will be counted as FMLA leave and will reduce the

employee's twelve (12) weeks FMLA leave bank entitlement if the employee is otherwise eligible for FMLA leave.

### Other Leaves

Molina provides eligible employees with other leave benefits to the extent they qualify under Puerto Rico law, including, but not limited to, sports leave for qualifying athletes, automobile accident insurance disability leave, and chauffeur's disability leave.



## 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 human resources partner or compliance officer. Employees with concerns or complaints may also submit their concerns confidentially by logging into [Molina Healthcare AlertLine](#) 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 local 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 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-
    - 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 the Corporate Compliance officer or their direct supervisor.

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).*

For more information, see the [Deficit Reduction Act and False Claims Act](#).



“One of our core values that has never wavered is that we care about the people we serve and advocate on their behalf. We assume the best about people and listen so we can learn.”



## Confidentiality

### Confidential Information

Since its inception, Molina has acquired and developed intellectual property, as well as confidential and proprietary 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 Molina'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; vendor 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.

For more information, please refer to the [HIPAA Policy](#) and the [Compliance Officer List](#).

### 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 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,



“One of our core values is that we enthusiastically attack problems and seek creative solutions. We explore new approaches and aren't afraid to ask for help when we need it. Think about how you embody this value here at Molina.”

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.

### 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 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 employees 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 Human Resources at the time of separation from employment. Some health plans 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.

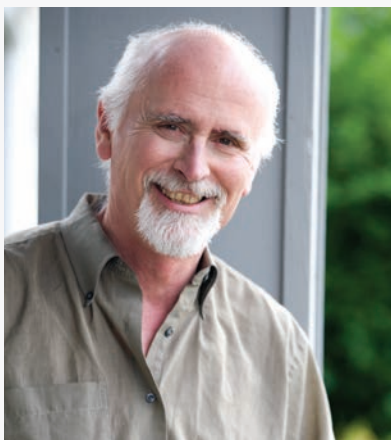
### Scent Sensitivity

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

We are 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.





“One of our core values is that we are personally accountable for our actions and collaborate to get results. Think about how you embody this value here at Molina.”

### 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.

### 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 the [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 seeks to provide a safe, secure and violence-free environment for all employees, members, clients, volunteers and guests. Workplace violence and threats of violence are considered misconduct and will not be tolerated.

Every verbal or physical threat of violence must be treated seriously and reported immediately to the employee's supervisor and/or their HR Partner or any HR personnel. HR personnel will be responsible for consulting with the appropriate resources and witnesses. Where a violation

of policy is found, Molina will take appropriate corrective action.

If an employee is considered an actual or possible threat to him or herself or to other employees or Molina members, while in the workplace or working, the employee may be suspended pending investigation into the matter, may be referred to the EAP, may be required to undergo a fit-for-duty examination, and/or may be disciplined, up to and including termination.

In situations where an employee becomes aware of an imminent act of violence, a threat of imminent violence, or actual violence, they must seek emergency assistance immediately. In such situations, the employee should immediately call 911 and then inform a supervisor.

Employees should immediately inform their supervisor about any workplace security hazards. If an employee's supervisor is not readily available, the employee should immediately inform their HR Partner or other supervisor so that appropriate action can be taken.

Retaliation against anyone for reporting an actual or suspected violation of this policy in good faith will not be



tolerated and will subject the individual engaging in the retaliation to discipline, up to and including termination. Any complaints about retaliation may be reported in the same manner as violations of this policy are reported.

In compliance with Puerto Rico law, Molina has an internal protocol and procedure for handling cases of domestic violence, sexual aggression, and/or stalking of its workers. The full text of the protocol and procedure is available to all employees as well as to newly recruited personnel. Molina's internal protocol and procedure contains the following:

- a. A written statement of the public policy regarding domestic violence;
- b. A reference to the legal basis for the protocol and how it will be applied;
- c. Sets out the employees' duties with regards to domestic violence; and
- d. Establishes a procedure and uniform guidelines to be used in domestic violence situations.

Molina management conducts regular training and orientation sessions for its employees regarding its domestic violence policy and its internal protocol and procedure.

Additional information can be found by viewing the [Domestic Violence Policy](#).

### Policy Violations

In cases where it is determined or where Molina has a reasonably objective belief that an employee violated this policy 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 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.

For guidelines regarding social media and external website use, please see our complete [Social Media policy](#).

## 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 [Travel and Expense Reimbursement](#) please visit Molina's Intranet.

## 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/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. Employees are not allowed to use, possess, manufacture, distribute or sell or be under the influence of alcohol, illegal drugs, drugs not prescribed for the employee or inhalants during work hours, while on Molina's premises, or while conducting business-related activities off Molina's premises. If you suspect that one of your coworkers is under the influence of an intoxicant, you're required to report it to your manager at the time of the incident.

## Drug Testing Policy

Molina has a drug and alcohol testing policy pursuant to applicable laws in Puerto Rico. Drug testing may be administered to employees under the following circumstances: (1) for employees in certain sensitive positions, including employees whose functions include the handling and control of drugs and controlled substances; (2) in cases of reasonable individual suspicion, including when an employee manifests physical or psychological symptoms or reactions commonly attributed to the use of controlled substances; (3) as a follow-up test where an employee is admitted to a drug rehabilitation program; and (4) pursuant to a random testing program by drawing. The unjustified refusal of an employee to submit to a test, when required, shall constitute prima facie evidence that the result would have been positive and result in disciplinary measures, up to and including termination as permitted by applicable law.

The first positive drug test shall not constitute just cause for dismissal of an employee, however, any additional positive testing constitutes just cause for termination. Additionally, Molina may require the employee to enter a



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

drug rehabilitation program and to submit to periodic drug testing as part of the rehabilitation program. Noncompliance with any of the obligations imposed by the program shall constitute conduct that could result in disciplinary measures, up to and including termination as permitted by applicable law.

### **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](#) when meeting with employees to discuss performance.

Additional information on coaching can be found on [The Way We Work Site](#).

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 the discretion of Molina.

## 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 operation 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



“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.”

employees have the option of designating the missed day(s) as excused absence without pay, or using vacation days. 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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