Molina Healthcare

STRATEGY MAP | Q2 2026 EARNINGS UPDATE

Government-focused. Operationally disciplined. Scaling through Medicaid leadership, Medicare integration, and strategic growth.

STRATEGIC MOMENTUM (Past 4 Quarters)

Integrated Medicare Duals	↑↑	Significant expansion
RFP & Contract Growth	↑↑	Significant expansion
Medicaid Leadership & Margin Recovery	↑	Continued recovery
Medical Cost & Rate Management	↑	Continued investment
Operational Efficiency & Administrative Scale	↑	Continued investment
Portfolio Rationalization	↑	Active optimization
M&A & Capital Deployment	→	Opportunistic focus

INTEGRATED MEDICARE DUALS

D-SNP | FIDE SNP | Brand New Day

Strategic Read: Expanding integrated Medicare-Medicaid products through disciplined pricing, coordinated care, and operational execution.

Q2 Update: Duals significantly exceeded expectations. Lower medical cost trend and strong operational execution accelerate progress toward long-term margin targets.

MEDICAID LEADERSHIP & MARGIN RECOVERY

Medicaid Operations | Medical Cost Management | My Choice Wisconsin

Strategic Read: Leading government-sponsored healthcare through disciplined Medicaid operations, medical cost management, and long-term rate sustainability.

Q2 Update: Medical cost trend remained stable at ~5%. Management expects Medicaid margins to improve as future state rate updates better reflect current medical cost trends.

RFP & CONTRACT GROWTH

Florida CMS | Illinois Medicaid | Wisconsin Duals

Strategic Read: Growing through competitive RFP wins, strong contract retention, and successful implementation of secured government programs.

Q2 Update: Retained the Illinois Medicaid contract, renewed the Wisconsin regional contract, and continued implementation of Florida Children's Medical Services (launching Oct. 2026).

MOLINA HEALTHCARE

Scaling through Medicaid leadership, Medicare integration, and strategic growth.

MEDICAL COST & RATE MANAGEMENT

Actuarial Pricing | Medical Cost Analytics | Cotiviti

Strategic Read: Managing long-term profitability through actuarial discipline, medical cost analytics, and sustainable state rate alignment.

Q2 Update: Management reaffirmed confidence in stable medical trends and future rate improvements supporting long-term margin recovery.

OPERATIONAL EFFICIENCY & ADMINISTRATIVE SCALE

Administrative Scale | Operating Leverage | Infosys

Strategic Read: Improving administrative efficiency through disciplined operating leverage, scalable infrastructure, and targeted AI investments.

Q2 Update: Continued G&A discipline while identifying AI as an opportunity to improve administrative productivity over time.

PORTFOLIO RATIONALIZATION

Medicaid | Medicare Duals | ConnectiCare

Strategic Read: Concentrating resources on Medicaid, integrated Medicare-Medicaid growth, and ConnectiCare as a focused regional platform.

Q2 Update: Management continued to emphasize Medicaid and Duals as core priorities. ConnectiCare remains the Connecticut piece within Molina's more focused portfolio.

AFFORDABLE CARE ACT (ACA) MARKETPLACE

ACA Membership

Strategic Read: Deliberately reducing ACA Marketplace exposure to concentrate capital and operating focus on Molina's core government-sponsored businessess.

Q2 Update: ACA membership fell from 655K at YE 2025 to 283K in Q2 2026. Molina plans about $1B less ACA premium in 2027, concentrating membership in 6 states instead of 14, while exiting MAPD.

LEGEND
(Representative Asset Type)

Owned Company/Business | Commercial Product | Strategic Partnership | Acquisition | Investment

Sources: Molina Healthcare Q2 2026 earnings call (July 23, 2026): Q2 2026 earnings release; 2026 Investor Day. Representative programs and contracts shown. Not exhaustive.

Humana

STRATEGY MAP | Q2 2026 EARNINGS UPDATE

Senior-focused. Value-based. Strengthening Medicare Advantage while scaling integrated care through CenterWell.

STRATEGIC MOMENTUM (Past 4 Quarters)

MA Margin & Portfolio Optimization	CenterWell & Value-Based Care	Stars & Clinical Quality Recovery	Operating Model Transformation	Medical Cost & Value-Based Performance	Medicaid & Government Program Expansion	Capital Reallocation & Portfolio Reshaping
↑↑ Significant acceleration	↑↑ Significant expansion	↑↑ Significant investment	↑ Continued transformation	↑ Continued Investment	↑ Continued expansion	→ Active optimization

CENTERWELL & VALUE-BASED CARE EXPANSION

CenterWell Senior Primary Care | MaxHealth | The Villages Health | Karoo Health

Strategic Read: Scaling an integrated senior-care platform through owned primary care, acquisitions, strategic partnerships, and selective investments in value-based care.

Q2 UPDATE: CenterWell Senior Primary Care patients grew 27% YTD. Growth was supported by MaxHealth, The Villages Health, expanded value-based partnerships, and strategic investments.

MEDICARE ADVANTAGE MARGIN & PORTFOLIO OPTIMIZATION

Humana MA | Individual MA | D-SNP

Strategic Read: Restoring Medicare Advantage economics through disciplined bidding, plan mix, retention, and focused benefit design.

Q2 Update: 2027 bids prioritize sustainable margin recovery toward at least 3% pre-tax MA margins in 2028, with targeted plan exits affecting about 600K members.

STARS & CLINICAL QUALITY RECOVERY

Stars Program | HEDIS | Member Engagement

Strategic Read: Rebuilding sustainable quality performance through clinical execution, member engagement, and systematic gap closure.

Q2 Update: Bonus Year 2028 improvement outpaced historical performance across 11 of 12 disclosed measures, while BY29 quality improvement remained about 5% ahead of the prior year.

Humana

Driving Medicare Advantage recovery through integrated care, quality improvement, and operational discipline.

MEDICAL COST & VALUE-BASED PERFORMANCE

Clinical Management | Site-of-Service | Provider Contracting

Strategic Read: Managing medical costs through clinical programs, aligned provider economics, and stronger value-based performance.

Q2 Update: Inpatient utilization and unit costs were favorable, and value-based populations performed somewhat better then fee-for-service.

OPERATING MODEL TRANSFORMATION & AUTOMATION

Centralized Ops | Vendor Optimization | AI & Automation

Strategic Read: Simplifying Humana through centralized operations, outsourcing, vendor consolidation, and scalable automation.

Q2 Update: Operating-model changes created hundreds of millions of dollars of value in the first half of 2026, while the operating cost ratio improved 120 bps year over year.

MEDICAID & GOVERNMENT PROGRAM EXPANSION

Healthy Horizons | Ilinois Medicaid | Georgia & Texas Launches

Strategic Read: Selectively expanding government-program scale beyond Medicare through state contracts and disciplined market entry.

Q2 Update: Humana won a statewide Illinois Medicaid contract for 2027 and continued building a 13-state Medicaid footprint, including Georgia and Texas launches in 2027.

CAPITAL ALLOCATION & PORTFOLIO RESHAPING

Main Street Health | Monogram Health

Strategic Read: Reallocating capital toward senior-focused and value-based growth while exiting non-core assets and strengthening balance-sheet flexibility.

Q2 Update: Humana agreed to divest its ~$900M Gentiva interest, while adding $1.5B of contingent capital capacity to support strategic flexibility.

LEGEND
(Current Relationship Type)

Owned Company/Business | Commercial Product | Strategic Partnership | Acquisition | Investment

Sources: Humana Q2 2026 earnings call; Humana Q1 2026 earnings call; Humana Q4 2025 earnings release; Humana proxy statement; Humana investor presentation; Humana: 10-Q.