

KOONTZ LILLIS ANN
Form 4
March 22, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KOONTZ LILLIS ANN

2. Issuer Name and Ticker or Trading Symbol
MOLINA HEALTHCARE INC
[MOH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
2277 FAIR OAKS BLVD, STE 440
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/21/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP, Health Plan Operations

SACRAMENTO, CA 95825

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock					21,731 ⁽¹⁾	D	
Common Stock	03/21/2006		M	9,240 A \$ 4.5	30,971	D	
Common Stock	03/21/2006		S	9,240 D \$ 32.2531 ⁽²⁾	21,731	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to Buy)	\$ 25.33					02/10/2005 ⁽³⁾	02/10/2014	Common Stock	15,000
Stock Options (Right to Buy)	\$ 4.5	03/21/2006		M	9,240	⁽⁴⁾	12/27/2010	Common Stock	9,240
Stock Options (Right to Buy)	\$ 44.29					07/01/2006 ⁽⁵⁾	07/01/2015	Common Stock	5,000
Stock Option (Right to Buy)	\$ 28.66					02/02/2007 ⁽⁶⁾	02/02/2016	Common Stock	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KOONTZ LILLIS ANN 2277 FAIR OAKS BLVD, STE 440 SACRAMENTO, CA 95825			VP, Health Plan Operations	

Signatures

Lillis Ann Koontz, by Jeff D. Barlow,
Attorney-in-Fact.

03/22/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) 5,064 of the shares are fully vested, although 3,500 of such vested shares are subject to a restriction on transfer until August 2, 2007. Of the 16,667 share remainder, 8,333 shares will vest on 9/13/2006 and 8,334 will vest on 9/13/2007.
- (2) Represents the weighted average sales price of four separate sales made on March 21, 2006.
- (3) The options vest one-third on each of 2/10/2005, 2/10/2006, and 2/10/2007.
- (4) The options became fully exercisable upon the closing of the initial public offering of the issuer.
- (5) The options vest one-third on each of 7/1/2006, 7/1/2007, and 7/1/2008.
- (6) The options vest one-third on each of 2/2/2007, 2/2/2008, and 2/2/2009.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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