UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 7, 2025

Jenna Cooper
Latham & Watkins LLP

Re: Molina Healthcare, Inc. (the "Company")
Incoming letter dated March 3, 2025

Dear Jenna Cooper:

This letter is in regard to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by United Church Funds (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its December 23, 2024 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Matthew Illian
United Church Funds

1271 Avenue of the Americas
New York, New York 10020-1401
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LATHAM & WATKINS LLP

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December 23, 2024

VIA ELECTRONIC MAIL

Office of the Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
shareholderproposals@sec.gov

Re: **Molina Healthcare, Inc. Shareholder Proposal Submitted by United Church Funds**

To the addressee set forth above:

This letter is submitted pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, on behalf of Molina Healthcare, Inc., a Delaware corporation (the "***Company***"). The Company has received a shareholder proposal (the "***Proposal***") from United Church Funds (the "***Proponent***") for inclusion in the Company's proxy statement (the "***Proxy Materials***") for the Company's 2025 Annual Meeting of Stockholders. A copy of the Proposal is attached hereto as ***Exhibit A***.

On behalf of the Company, we hereby advise the staff of the Division of Corporation Finance (the "***Staff***") that the Company intends to exclude the Proposal from its Proxy Materials. The Company respectfully requests confirmation that the Staff will not recommend enforcement action to the Securities and Exchange Commission (the "***Commission***") if the Company excludes the Proposal pursuant to Rule 14a-8(i)(7) because the Proposal impermissibly seeks to micromanage the Company.

By copy of this letter, we are advising the Proponent of the Company's intention to exclude the Proposal as described above. In accordance with Rule 14a-8(j)(2) and Staff Legal Bulletin No. 14D, on behalf of the Company, we are submitting by electronic mail (i) this letter, which sets forth its reasons for excluding the Proposal, and (ii) correspondence with the Proponent related to the Proposal.

Pursuant to Rule 14a-8(j), we are submitting this letter on the Company's behalf not less than 80 days before the Company intends to file its Proxy Materials and are sending a copy of this letter concurrently to the Proponent.

I. The Proposal.

On November 18, 2024, the Company received a letter from the Proponent, submitting the Proposal for inclusion in the Proxy Materials. The Proposal sets forth the following resolution:

Whereas, we believe in full disclosure of Molina Healthcare's ("Molina") lobbying activities and expenditures to assess whether Molina's lobbying is consistent with its expressed goals and stockholder interest.

Resolved, the stockholders of Molina request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

2. Payments by Molina used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

3. Description of management's decision-making process and the Board's oversight for making payments described in sections 2 and 3 [sic] above, including how company handles misalignment between company priorities and policy positions of indirect lobbying group.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation, and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which HP [sic] is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee and posted on Molina's website.

II. The Proposal May Be Excluded under Rule 14a-8(i)(7) Because it Impermissibly Seeks to Micromanage the Company.

A. The Proposal is substantially similar to the Air Products Proposal, for which the Staff recently granted no-action relief pursuant to Rule 14a-8(i)(7).

The Proposal is substantially similar in all material respects to the proposal submitted to Air Products and Chemicals, Inc. ("***Air Products***") by John Chevedden (the "***Air Products Proposal***"). On November 29, 2024, the Staff granted the no-action request of Air Products to exclude the Air Products Proposal from the company's proxy materials in reliance on Rule 14a-8(i)(7), stating that, in the Staff's view, "the [Air Products] Proposal seeks to micromanage the Company."

Below is a comparison of the text of the "Resolved" clause of the Proposal to the "Resolved" clause of the Air Products Proposal (with additions included in the Proposal in **bold underlined** text and deletions in ~~strike through~~):

Resolved~~, shareholders~~**the stockholders of Molina** request the preparation of a report, updated annually, disclosing:

- ~~Air Products'~~**Company** policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
- ~~Air Products' payments~~**Payments by Molina** used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
- ~~Air Products membership in and payments to any tax-exempt organization that writes and endorses model legislation.~~
- Description of management's decision-making process and the Board's oversight for making payments described in sections 2 and 3 above**, including how company handles misalignment between company priorities and policy positions of indirect lobbying group**.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation**,** and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which ~~Air Products~~**HP** is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the ~~Corporate Governance and Nominating~~**Audit** Committee and posted on ~~Air Products~~**Molina's** website.

As noted above, in *Air Products*, the Staff agreed with Air Products' argument that the Air Products Proposal "seeks to micromanage the Company by requesting a highly prescriptive and detailed report that requires dozens of distinct pieces of information." The Proposal seeks to micromanage the Company in the same exact ways and should be excludable pursuant to Rule 14a-8(i)(7) for the same exact reasons.

B. Background of Rule 14a-8(i)(7).

Rule 14a-8(i)(7) permits the exclusion of a shareholder proposal from a company's proxy materials if the proposal "deals with a matter relating to the company's ordinary business operations." The Commission has stated that the purpose of the ordinary business exception is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." Exchange Act Release No. 34-40018 (May 21, 1998) (the "***1998 Release***"). The Commission has further stated that the policy underlying this exclusion rests on two "central considerations," specifically whether the proposal (i) concerns tasks that are "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight" and (ii) "seeks to 'micromanage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id*. As the Commission has explained, a proposal may probe too deeply into matters of a complex nature if it "involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." *Id*.

C. The Proposal May be Excluded Under Rule 14a-8(i)(7) Because it Seeks to Micromanage the Company

The Commission and Staff have long recognized that a proposal that seeks to micromanage a company is excludable under Rule 14a-8(i)(7). The Commission has stated that the exclusion of a proposal under Rule 14a-8(i)(7) on micromanagement grounds "may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." 1998 Release. The Staff has determined that proposals that seek to impermissibly micromanage the Company "by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment" are excludable under Rule 14a-8(i)(7), even in circumstances where the proposal is found to address a significant social policy. *Id*. The Staff has repeatedly confirmed that the micromanagement basis of exclusion also applies to proposals that call for a study or report and, therefore, a proposal that seeks an intricately detailed study or report may be excluded on micromanagement grounds. To that end, the Staff has stated that this "approach is consistent with the Commission's views on the ordinary business exclusion, which is designed to preserve management's discretion on ordinary business matters but not prevent shareholders from providing high-level direction on large strategic corporate matters." Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("***SLB 14L***").

Just as with the Air Products Proposal, the Proposal seeks to micromanage the Company by requesting a highly prescriptive and detailed report that requires dozens of distinct pieces of information. In particular, the Proposal requests an annual report on the Company's lobbying activities and payments, which is to be subdivided into three sections, with each section being further subdivided into multiple subsections. The first section of the report requests disclosure of the Company's "policy and procedures governing" both "direct and indirect lobbying" and "grassroots lobbying communications." The Proposal defines the term "grassroots lobbying communication" as a "communication directed to the general public," that must satisfy a three-pronged test. Additionally, the Proposal specifies that both "direct and indirect lobbying" and "grassroots lobbying communications" would require all of the foregoing information at "the local, state and federal levels." The requested report would have a second section focused on the Company's payments related to direct or indirect lobbying or grassroots lobbying communications, "in each case including the amount of the payment and the recipient." The third section of the requested report would include disclosure of the Company's management's "decision-making process" and the board of directors' "oversight" of payments covered by the second section, including how the Company "handles misalignment between company priorities and policy positions" of indirect lobbying groups. Finally, the Proposal prescribes the manner in which the report would be reviewed by the board of directors and disclosed to the public. A chart illustrating the dozens of discrete pieces of information required by the Proposal is attached hereto as ***Exhibit B***.

The highly prescriptive nature of the Proposal would significantly micromanage the manner in which the Company could provide information regarding its lobbying initiatives. In addition, the Proposal would require the Company to collect and report a significant amount of information from third parties with respect to their activities, which such parties may not be able or willing to provide. If adopted, the Proposal would place substantial restrictions on the Company's ability to engage in and report on government relations initiatives. The disclosures prescribed in the Proposal are not required by the Commission and do not follow any established framework for reporting lobbying activities (unlike frameworks that exist for providing disclosure on many other complex topics, including political contributions). The prescribed disclosures are also significantly more detailed than the disclosures provided by the Company's peers and other public companies, and the information required by the report is more detailed and granular than the information required by the micromanagement precedents listed above. If adopted, the Proposal would be unduly burdensome by requiring the Company to provide granular disclosure of prescribed lobbying activities without regard to their significance to the Company's operations, or even with respect to their significance to the Company's overall government relations activities. Importantly, the disclosures specified in the Proposal are without any limiting principle – any association with or contribution to a covered organization would be required to be disclosed, even if the Company's involvement is tangential or if the amount contributed is de minimis, or if management determines that disclosure is not otherwise required and could be detrimental to the Company's interests. This level of detail ignores the type of materiality analysis that the Company generally applies to disclosure of its other business activities or categories of operating expenditures. Furthermore, the Proposal ignores the fact that lobbying activities are highly complex and based on a range of considerations related to the day-to-day operations of the business.

Prior to *Air Products* and since the issuance of SLB 14L, the Staff has granted relief on micromanagement grounds with respect to numerous proposals requiring reporting of information that is significantly less complex than the information demanded by the Proposal and the Air Products Proposal. *See, e.g.*, *Delta Air Lines, Inc.* (Apr. 24, 2024) (permitting exclusion of a proposal requiring a report regarding "union suppression expenditures," including internal and external expenses); *Paramount Global* (Apr. 19, 2024) (permitting exclusion of a proposal requesting disclosure of the recipients of corporate charitable contributions of $5,000 or more); *Walmart Inc.* (Apr. 18, 2024) (permitting exclusion of a proposal submitted by Green Century Capital Management requiring a breakdown of greenhouse gas emissions for different categories of products in a manner inconsistent with existing reporting frameworks); *Amazon.com, Inc.* (Apr. 1, 2024) (permitting exclusion of proposal calling for highly detailed living wage report); *Amazon.com, Inc.* (Apr. 7, 2023) (permitting exclusion of proposal requesting the company measure and disclose scope 3 greenhouse gas emissions from the company's full value chain by imposing a specific method for implementing a complex policy without affording discretion to management); *Chubb Limited* (Mar. 27, 2023) (proposal requesting the board adopt and disclose a policy related to risks associated with new fossil fuel exploration and development project would micromanage the company); *Phillips 66* (Mar. 20, 2023) (permitting exclusion of a proposal requesting an audited report describing the undiscounted expected value to settle obligations for the company's asset retirement obligations with indeterminate settlement dates); *Valero Energy Corporation* (Mar. 20, 2023) (same); *Verizon Communications Inc.* (Mar. 17. 2022) (permitting exclusion of proposal requesting publication of employee-training materials); *Coca Cola Co.* (Feb. 16, 2022) (permitting exclusion of proposal requiring the company to submit any proposed political statement to the next shareholder meeting for approval prior to issuing the statement publicly); *Deere & Co.* (Jan. 3, 2022) (permitting exclusion of proposal requesting publication of employee-training materials).

Here, as in *Air Products*, the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature in seeking disclosure of the intricate details of the manner in which the Company reports on lobbying activities, without providing the Company with any discretion to choose the form, substance or manner of its disclosure. Moreover, the Proposal even mandates the governance process through which the board of directors would oversee this reporting, as the Proposal would dictate that the report be provided to the Audit Committee rather than the full board or another committee. Furthermore, the Proposal seeks to indirectly influence management's decisions and assessments of how best to support the execution of the Company's projects and engage with community, regulatory and legislative stakeholders for such projects. These decisions fall squarely within the purview of the Company's management and its board of directors. It would neither be appropriate nor realistic for shareholders to direct such decisions at an annual meeting. Accordingly, the Proposal should be excluded under Rule 14a-8(i)(7) because it seeks to micromanage the Company with respect to its lobbying activities and related disclosures.

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* * * *

III. Conclusion.

It is the Company's position that the Proposal may be excluded from the Proxy Materials pursuant to Rule 14a-8(i)(7), as it impermissibly seeks to micromanage the Company. We request that the Staff concur in our view or, alternatively, confirm that the Staff will not recommend any enforcement action to the Commission if the Company so excludes the Proposal.

If the Staff is unable to concur with the Company's position, we would appreciate an opportunity to confer with the Staff concerning this matter prior to the determination of the Staff's final position. In addition, the Company requests that the Proponent copy the undersigned on any response she may choose to make to the Staff, pursuant to Rule 14a-8(k).

Please contact the undersigned at (212) 906-1324 or by email at jenna.cooper@lw.com to discuss any questions you may have regarding this matter.

Sincerely,

Signed by:
04EAABFFFD4046C...

Jenna Cooper
of LATHAM & WATKINS LLP

Enclosures

cc: United Church Funds
Matthew Illian
Jeff D. Barlow, Molina Healthcare, Inc.

LATHAM & WATKINS LLP

Exhibit A

Copy of the Proposal, Supporting Statement and Submission Correspondence

United Church Funds
Investing Together for a Sustainable World

11/18/2024

Sent via email: jeff.barlow@molinahealthcare.com, cc: Jeffrey.Geyer@molinahealth.com

Corporate Secretary - Jeff Barlow
Molina Healthcare
200 Oceangate
Suite 100,
Long Beach, California 90802

Re: Shareholder proposal for 2025 Annual Shareholder Meeting

Dear Mr. Barlow,

United Church Funds (UCF) is filing the attached proposal requesting that Molina Healthcare prepare a lobbying report. UCF is the lead filer for this proposal for inclusion in the 2025 proxy statement, in accordance with the Securities and Exchange Commission's Rule 14a-8.

UCF has continuously beneficially owned, for at least a year as of November 18, 2024, at least $25,000 worth of the company's common stock. Verification of this ownership is attached. UCF intends to continue to hold such shares through the company's 2025 annual meeting of shareholders.

Per SEC requirements, I am available to meet with the company via teleconference on December 5 at 10am ET or December 10 at 2pm ET or at other times that are mutually convenient. Please direct all future correspondence regarding this proposal to me via the information below. We look forward to having productive conversations with the company.

Sincerely,

Matthew Illian
Director of Responsible Investing
[redacted]

Whereas, we believe in full disclosure of Molina Healthcare's ("Molina") lobbying activities and expenditures to assess whether Molina's lobbying is consistent with its expressed goals and stockholder interests.

Resolved, the stockholders of Molina request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

2. Payments by Molina used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

3. Description of management's decision-making process and the Board's oversight for making payments described in sections 2 and 3 above, including how company handles misalignment between company priorities and policy positions of indirect lobbying group.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which HP is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee and posted on Molina's website.

Supporting Statement

Molina spent $13,770,000 from 2015 – 2023 on federal lobbying. This does not include state lobbying, where Molina also lobbies but disclosure is uneven or absent. For example, Molina spent $4.2 million on lobbying in California from 2015 – 2023.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and undisclosed grassroots activity, and these groups may be spending "at least double what's publicly reported."[1] Unlike many of its peers, Molina fails to disclose its memberships in or payments to trade associations and social welfare groups (SWGs), or the amounts used for lobbying. Molina belongs to America's Health Insurance Plans (AHIP), which has spent over $96 million on federal lobbying since 2015, and other trade associations that lobby like the Association of Behavioral Health & Wellness, Florida Association of Health Plans and Texas Association of Health Plans. Molina also has drawn scrutiny for donating to SWGs, including paying $106,250 to Generation Now, which was involved in an Ohio bribery scandal.[2]

Molina's lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, Molina is committed to improve the health and lives of our members, yet AHIP has attracted scrutiny for lobbying to weaken Medicare Advantage reforms.[3] And Molina's values include integrity always, absolute accountability and honest and open communication, yet funded a dark money SWG which was "used to conceal corrupt payments related to passage of legislation."[4]

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[1] https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/.
[2] https://energyandpolicy.org/larry-householder-dark-money/.
[3] https://thehill.com/policy/healthcare/3938311-how-a-lobbying-blitz-led-to-weaker-medicare-advantage-reforms/.
[4] https://www.justice.gov/usao-sdoh/pr/purported-501c4-admits-being-used-conceal-corrupt-payments-related-passage-legislation.

We urge Molina to expand its lobbying disclosure.

BNY MELLON

[redacted]

November 18, 2024

Re: United Church Funds Verification of Ownership

To whom it may concern,

This letter is to confirm that BNY Mellon as custodian for United Church Funds holds at least $25,000.00 worth of **Molina Healthcare** stock. Further, United Church Funds has continuously held this position for at least twelve months prior to and including **November 18, 2024** and intends to continue holding the requisite number of shares of common stock through the date of the next Annual Meeting of Shareholders.

If you have any questions regarding this information, please contact me at [redacted] or [redacted].

Sincerely,

Danielle Magan

Danielle Magan, Account Manager
The Bank of New York Mellon

Subject: FW: Shareholder proposal for inclusion in 2025 proxy statement

From: Matthew Illian [redacted]
Sent: Monday, November 18, 2024 2:41:04 PM
To: Geyer, Jeffrey <Jeffrey.Geyer@molinahealthcare.com>; Barlow, Jeff <Jeff.Barlow@MolinaHealthCare.Com>
Cc: Noah Tabor [redacted]
Subject: Shareholder proposal for inclusion in 2025 proxy statement

This Message Is From An External Sender
Please do not click any links or open any attachments unless you trust the sender and know the content is safe.

Report Suspicious

Dear Mr. Barlow and Mr. Geyer,

I am writing to notify you that the United Church Funds is submitting the attached shareholder proposal for inclusion in Molina Healthcare's 2025 proxy statement. Please let me know when you have received the proposal.

I look forward to discussing this proposal with you and your colleagues.

Best regards,

Matthew

United Church Funds
Investing Together for a Sustainable World

Matthew Illian, *Director of Responsible Investing*

[redacted] | [redacted]

[redacted]

Exhibit B

Information Required by the Proposal

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Information Required by Shareholder Proposal	
Policies and Procedures Governing:	(1) Direct Lobbying – Local
	(2) Direct Lobbying – State
	(3) Direct Lobbying – Federal
	(4) Indirect Trade Association Lobbying – Local
	(5) Indirect Trade Association Lobbying – State
	(6) Indirect Trade Association Lobbying – Federal
	(7) Social Welfare Group Lobbying – Local
	(8) Social Welfare Group Lobbying – State
	(9) Social Welfare Group Lobbying – Federal
	(10) Indirect Other Organization Lobbying – Local
	(11) Indirect Other Organization Lobbying – State
	(12) Indirect Other Organization Lobbying – Federal
	(13) Grassroots Lobbying – Local
	(14) Grassroots Lobbying – State
	(15) Grassroots Lobbying – Federal
Recipient of Payments Used for or Made to:	(1) Direct Lobbying – Local
	(2) Direct Lobbying – State
	(3) Direct Lobbying – Federal
	(4) Indirect Trade Association Lobbying – Local
	(5) Indirect Trade Association Lobbying – State
	(6) Indirect Trade Association Lobbying – Federal
	(7) Social Welfare Group Lobbying – Local
	(8) Social Welfare Group Lobbying – State
	(9) Social Welfare Group Lobbying – Federal
	(10) Indirect Other Organization Lobbying – Local
	(11) Indirect Other Organization Lobbying – State
	(12) Indirect Other Organization Lobbying – Federal
	(13) Grassroots Lobbying – Local
	(14) Grassroots Lobbying – State
	(15) Grassroots Lobbying – Federal
Amount Paid to Each Recipient Regarding:	(1) Direct Lobbying – Local
	(2) Direct Lobbying – State
	(3) Direct Lobbying – Federal
	(4) Indirect Trade Association Lobbying – Local
	(5) Indirect Trade Association Lobbying – State
	(6) Indirect Trade Association Lobbying – Federal
	(7) Social Welfare Group Lobbying – Local
	(8) Social Welfare Group Lobbying – State
	(9) Social Welfare Group Lobbying – Federal
	(10) Indirect Other Organization Lobbying – Local
	(11) Indirect Other Organization Lobbying – State
	(12) Indirect Other Organization Lobbying – Federal
	(13) Grassroots Lobbying – Local
	(14) Grassroots Lobbying – State
	(15) Grassroots Lobbying – Federal
	(1) Direct Lobbying – Local

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Management's Decision-Making Process for Making Payments Related to*:	(2) Direct Lobbying – State
	(3) Direct Lobbying – Federal
	(4) Indirect Trade Association Lobbying – Local
	(5) Indirect Trade Association Lobbying – State
	(6) Indirect Trade Association Lobbying – Federal
	(7) Social Welfare Group Lobbying – Local
	(8) Social Welfare Group Lobbying – State
	(9) Social Welfare Group Lobbying – Federal
	(10) Indirect Other Organization Lobbying – Local
	(11) Indirect Other Organization Lobbying – State
	(12) Indirect Other Organization Lobbying – Federal
	(13) Grassroots Lobbying – Local
	(14) Grassroots Lobbying – State
	(15) Grassroots Lobbying – Federal
Board Oversight for Making Payments Related to*:	(1) Direct Lobbying – Local
	(2) Direct Lobbying – State
	(3) Direct Lobbying – Federal
	(4) Indirect Trade Association Lobbying – Local
	(5) Indirect Trade Association Lobbying – State
	(6) Indirect Trade Association Lobbying – Federal
	(7) Social Welfare Group Lobbying – Local
	(8) Social Welfare Group Lobbying – State
	(9) Social Welfare Group Lobbying – Federal
	(10) Indirect Other Organization Lobbying – Local
	(11) Indirect Other Organization Lobbying – State
	(12) Indirect Other Organization Lobbying – Federal
	(13) Grassroots Lobbying – Local
	(14) Grassroots Lobbying – State
	(15) Grassroots Lobbying – Federal

* Includes description of how company handles misalignment between company priorities and policy positions of indirect lobbying groups.

United Church Funds
Investing Together for a Sustainable World

January 14, 2025

Via SEC Shareholder Proposal Forms / Correspondence site

Office of the Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
shareholderproposals@sec.gov

Re: Request by Molina Healthcare, Inc. to Omit Shareholder Proposal Submitted by United Church Funds

To the addressee set forth above:

On behalf of United Church Funds (the "Proponent"), I respectfully submit this response to the letter from Molina Healthcare, Inc. (the "Company" or “Molina”) dated December 23, 2024, in which the Company seeks to exclude the Proponent’s shareholder proposal (the "Proposal") from the Company’s proxy materials for the 2025 Annual Meeting of Stockholders. The Company asserts that the Proposal may be excluded under Rule 14a-8(i)(7) on the grounds that it impermissibly seeks to micromanage the Company. For the reasons set forth below, the Company has not met its burden of demonstrating that the Proposal is excludable, and we respectfully request that the staff deny the Company’s request.

About the Proponent

United Church Funds is a faith-based institutional investor committed to aligning investment practices with ethical values and social responsibility. Our clients include 1,000+ churches and other faith-based institutions. As diversified investors, we seek to encourage corporate practices and ethical conduct that support public trust and sustainable economic growth over the long term.

Our interest in this Proposal stems from the critical importance of understanding how lobbying activities align with corporate values and shareholder interests. More broadly, investors want to know that the markets are managed with a focus on fairness and transparency. Investors should know if a handful of companies in their portfolio benefit from practices that protect those who lobby the most at the expense of smaller companies that are unable to compete. By advocating for lobbying disclosures, we aim to protect shareholder value, mitigate reputational risks and ensure alignment with corporate responsibilities and values.

The Proposal

On November 18, 2024, the Proponent submitted a shareholder proposal for inclusion in Molina Healthcare's proxy materials for the 2025 Annual Meeting of Stockholders. The Proposal reflects the Proponent's commitment to transparency and accountability in corporate governance, specifically as it pertains to lobbying activities.

The text of the Proposal is as follows:

Whereas*, we believe in full disclosure of Molina Healthcare's ("Molina") lobbying activities and expenditures to assess whether Molina's lobbying is consistent with its expressed goals and stockholder interest.*

Resolved*, the stockholders of Molina request the preparation of a report, updated annually, disclosing:*

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

2. Payments by Molina used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

3. Description of management's decision-making process and the Board's oversight for making payments described in sections 2 and 3 [sic] above, including how company handles misalignment between company priorities and policy positions of indirect lobbying group.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation, and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which HP [sic] is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee and posted on Molina's website.

The Proposal is Not Excludable Under Rule 14a-8(i)(7)

Rule 14a-8(i)(7) of the Securities Exchange Act of 1934 permits a company to exclude a shareholder proposal from its proxy materials if the proposal deals with matters relating to the company's ordinary business operations. The underlying purpose of this exclusion is to prevent shareholders from involving themselves in routine operational decisions better handled by management and the board of directors, who possess the requisite expertise and information. The SEC has emphasized that the ordinary business exclusion is rooted in two key considerations: the subject matter's nature and the degree to which the proposal might "micromanage" the company[1].

The SEC has clarified that the exclusion should not extend to proposals addressing significant policy issues that transcend ordinary business operations. In its 1998 interpretive release[2], the SEC stated that proposals raising substantial public policy concerns, such as environmental or social matters, are not excludable simply because they touch on operational aspects. This principle has been reinforced in subsequent Staff determinations, which distinguish between proposals that genuinely seek to involve shareholders in higher level policy oversight and those that impose detailed, prescriptive requirements interfering with managerial discretion. The Division of Corporation Finance (the "Division") has also issued interpretive Staff Legal Bulletins.

In 2021, in Staff Legal Bulletin 14L[3], the Division refined its approach to the micromanagement prong of Rule 14a-8(i)(7). The bulletin emphasized that not all proposals promoting specific time frames or methodologies constitute micromanagement. Instead, the focus should be on whether the proposal limits board or management discretion to an extent that it becomes inappropriate. This guidance underscores the importance of balancing shareholder rights to meaningful engagement on significant policy issues with the need to preserve management's operational autonomy. Proposals that focus on governance and transparency, such as lobbying disclosure requests, have regularly been deemed appropriate for inclusion under this framework.

1. The Proposal Addresses a Significant Policy Issue Beyond Ordinary Business Operations

The SEC has consistently emphasized that shareholder proposals addressing significant policy issues are not excludable under Rule 14a-8(i)(7), even if they intersect with ordinary business operations. The SEC's 1998 release established that proposals with broader societal or governance implications — such as lobbying transparency — transcend routine business matters and merit shareholder consideration[4]. Staff Legal Bulletin 14L[5] reaffirmed this principle, noting that proposals should not be excluded merely because they touch on aspects of ordinary business. Instead, the focus must be on whether the proposal addresses issues of substantial importance to shareholders and society.

Recent Staff determinations highlight the types of issues that have been deemed to transcend ordinary business operations. The Staff has denied no-action requests when proposals raised

[1] Exch. Act Rel. No. 40018 (May 21, 1998)
[2] *Id.*
[3] https://www.sec.gov/rules-regulations/staff-guidance/staff-legal-bulletins/shareholder-proposals-staff-legal-bulletin-no-14l-cf?
[4] Exch. Act Rel. No. 40018 (May 21, 1998)
[5] https://www.sec.gov/rules-regulations/staff-guidance/staff-legal-bulletins/shareholder-proposals-staff-legal-bulletin-no-14l-cf?

significant policy concerns involving greenhouse gas emissions[6], human rights[7], discrimination[8], data collection[9], merchant category codes (MCC) for standalone gun and ammunition stores[10], responsible investing[11], and diversity, equity and inclusion (DEI)[12] matters. These determinations demonstrate that proposals addressing substantial societal and corporate governance issues are critical for shareholder evaluation, regardless of their intersection with routine operations.

The Staff's decision in Gilead Sciences[13] highlights how lobbying activities are recognized as transcending ordinary business operations. The proposal requested that Gilead commission and publish a third-party review evaluating whether the company's lobbying activities — both direct and through trade associations — aligned with its Vision statement and Product Pricing and Patient Access Policy Position. Additionally, the proposal sought information on how Gilead addressed the risks of any misaligned lobbying and its plans, if any, to mitigate these risks.

The SEC denied Gilead's no-action request to exclude this proposal because, "In our view, the Proposal transcends ordinary business matters." This ruling underscores the broader societal and reputational implications of lobbying transparency, which transcend the day-to-day operations of a company. Just as the Staff recognized in Gilead, proposals addressing lobbying activities provide shareholders with crucial insights into how corporate advocacy aligns with stated commitments, public expectations and long-term strategic goals.

For Molina Healthcare, lobbying activities are directly tied to significant policy concerns, particularly as the company operates in a heavily regulated sector reliant on government funding and public healthcare programs. Transparency in these activities enables shareholders to assess whether the company's advocacy efforts align with its stated mission, public commitments and long-term strategy. As demonstrated by the SEC's consistent approach, proposals addressing lobbying transparency enhance corporate accountability, mitigate reputational risks and ensure alignment with broader societal interests.

2. The Proposal Does Not Seek to Micromanage the Company or Impose an Undue Burden

The Company's assertion that the Proposal is overly prescriptive and seeks to micromanage is unfounded. The Proposal requests a reasonable level of disclosure that is critical for shareholders to assess the governance and risks associated with Molina's lobbying activities. It

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[6] https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2023/asyousowtravelers033023-14a8.pdf
[7] https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2022/nlpcwaltdisney011922-14a8.pdf
[8] https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2023/bahnsenjpmorgan032123-14a8.pdf
[9] https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2022/hardyalphabet041522-14a8.pdf
[10] https://www.sec.gov/files/corpfin/no-action/14a-8/nymastercard042523-14a8.pdf
[11] https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2022/mcritchieblackrock040422-14a8.pdf
[12] https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2023/overwaylilly031023-14a8.pdf
[13] https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2022/maryknollgilead031422-14a8.pdf

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aligns with the principles articulated in Staff Legal Bulletin 14L[14], which emphasize that proposals seeking detail appropriate for assessing strategic risks or impacts should not be deemed micromanagement. The Proposal's focus on transparency enables shareholders to evaluate the adequacy of Molina's oversight mechanisms and potential reputational, financial and regulatory risks arising from lobbying activities.

Peer Practices Demonstrate Feasibility and Alignment with Industry Standards

Molina's claim that the Proposal imposes an undue level of granularity or complexity is without merit. The Proposal does not demand exhaustive segmentation of lobbying activities or prescriptive methodologies. Instead, it seeks broad disclosures of policies, expenditures and board oversight — a request firmly rooted in common corporate practices and industry standards. Moreover, the requested disclosures are practical and feasible, as demonstrated by the practices of leading companies in highly regulated industries.

Healthcare sector peers, including Centene[15], Cigna[16] and Elevance Health[17], provide compelling examples of how lobbying oversight and activities can be communicated effectively through clear and concise policies. Centene publishes detailed information on its lobbying activities, including federal and state lobbying expenditures, trade association memberships and the portion of dues used for lobbying. Similarly, Cigna maintains a publicly accessible webpage detailing its lobbying expenditures, trade association memberships and governance processes, providing stakeholders with a comprehensive yet straightforward understanding of its governmental interactions. Elevance Health further underscores the feasibility of such disclosures by offering comprehensive insights into its government affairs activities, including board oversight and alignment of lobbying with its corporate values. Together, these companies exemplify best practices in the healthcare industry, demonstrating that the disclosures requested in the Proposal are both practical and aligned with industry standards, imposing no undue burden on Molina.

Other industry leaders also demonstrate the practicality of similar disclosures. GE HealthCare[18] offers a transparent lobbying disclosure policy that outlines procedures for reviewing and

[14] https://www.sec.gov/rules-regulations/staff-guidance/staff-legal-bulletins/shareholder-proposals-staff-legal-bulletin-no-14l-cf?
[15] https://www.centene.com/why-were-different/corporate-sustainability/business-accountability/public-policy.html
[16] https://www.thecignagroup.com/our-impact/esg/healthy-company/lobbying-activity-political-contributions
[17] https://s202.q4cdn.com/665319960/files/doc_downloads/2024/03/2023-elevance-health-pac-political-giving-and-related-activity-report-final.pdf
[18] https://www.gehealthcare.com/-/jssmedia/gehc/us/files/about-us/sustainability/reports/ge-healthcare-lobbying-disclosure-policy-one-pager.pdf?rev=-1&srsltid=AfmBOopO5cTcMMqHlmXS5AYpOBikkSrwFMeNd_7swZeVNf0PV8c4mE05

reporting lobbying expenses, supplemented by links to federal disclosure reports. AIG[19] provides an annual lobbying report that details compliance with regulatory requirements and offers stakeholders accessible information about its advocacy efforts. These examples confirm that the disclosures requested in the Proposal are consistent with practices across various industries.

Consistent with Policy Considerations, Previous Determinations and Proportionality of the Proposal

Contrary to the Company's assertions, the Proposal avoids prescribing intricate reporting formats or rigid operational methodologies, granting Molina significant flexibility to adapt its reporting processes. By emphasizing transparency and accountability rather than restrictive requirements, the Proposal aligns with the SEC's policy considerations and the Division's previous determinations. Determinations such as IBM[20], Bank of America[21] and Raytheon[22] underscore that more detailed proposals have been upheld without being deemed micromanaging. The Proposal, by comparison, is less detailed than the proposals involved in those determinations and focuses solely on overarching governance and expenditures, reflecting a balanced and reasonable approach to shareholder oversight.

Additionally, companies in highly regulated industries routinely manage and report data on complex issues, including lobbying activities. Molina is no exception. Given its role as a managed care organization that operates under public programs like Medicaid and Medicare, it already possesses significant infrastructure to track and report data related to government interactions. The Proposal offers the Company discretion in how it fulfills the reporting request, allowing it to tailor disclosures to existing data collection processes. This flexibility ensures that the reporting burden remains reasonable and proportional to the benefits of increased transparency and accountability.

Transparency around lobbying activities is critical for managing reputational risks, aligning corporate actions with stated values, and ensuring compliance with regulatory expectations. Shareholders require this information to make informed decisions and assess whether the Company's lobbying activities align with its mission and long-term strategy.

Alignment with Shareholder Interests

Recent shareholder voting trends demonstrate robust and increasing support for lobbying disclosure proposals. In the 2023 proxy season, lobbying-related proposals garnered an average

[19] https://www.aig.com/home/about/corporate-responsibility/political-activities-and-contributions
[20] International Business Machines Corporation (Jan. 24, 2011)
[21] Bank of America Corporation (Mar. 7, 2011)
[22] Raytheon Company (Mar. 29, 2011)

support level of 32.9%, consistent with the prior year's 33.1%[23]. Proposals at leading corporations such as Goldman Sachs (39.4%)[24], Verizon Communications (34.6%)[25] and Morgan Stanley (31.2%)[26] all achieved significant shareholder backing. Even when falling short of majority approval, these levels of support are widely believed to demonstrate shareholders' strong interest in transparency around corporate lobbying expenditures and governance.

Given the heightened focus on corporate lobbying transparency and its significant implications for governance, the Proposal provides Molina Healthcare with an opportunity to address shareholder expectations effectively.

Addressing the Air Products Comparison

The Proponent acknowledges that the Division recently granted no-action relief to Air Products and Chemicals, Inc. ("Air Products") on micromanagement grounds for a proposal substantially similar to the one at issue here[27]. However, given the increasing amounts companies are allocating to direct and indirect lobbying, it is critical to preserve shareholders' ability to express their perspectives on lobbying transparency. Curtailing this right at such a pivotal time risks undermining the broader goals of accountability and corporate governance.

Moreover, the Division's longstanding practice of denying requests to exclude lobbying disclosure proposals on micromanagement grounds aligns more closely with the principles and guidance articulated in the Commission's interpretive releases. Transparency in lobbying activities remains a significant policy issue, warranting careful consideration of shareholder input to ensure alignment with corporate values and long-term strategy.

Molina relies heavily on the Air Products determination to support its claim that the Proposal constitutes micromanagement. However, the Air Products case is distinguishable from Molina's situation for three reasons:

1. **Unique Sectoral Relevance**: As a managed care organization (MCO), Molina's reliance on government programs such as Medicaid and Medicare makes its lobbying activities a central component of its business model. Unlike Air Products, where lobbying disclosures were arguably more peripheral to its operations, transparency in lobbying at Molina directly impacts its regulatory environment, reputation, and ability to serve its stakeholders.

2. **Material Policy Issue**: Lobbying transparency is a significant policy issue that transcends ordinary business operations, especially for a company so reliant on public

[23] Shareholder Proposal Developments During the 2023 Proxy Season
[24] Lobbying proposal gains traction at Goldman Sachs AGM | Governance Intelligence
[25] Lobbying activity proposal draws significant support at Verizon AGM | Governance Intelligence
[26] Lobbying disclosure proposal garners support at Morgan Stanley AGM | Governance Intelligence
[27] Air Products and Chemicals, Inc. (Nov. 29, 2024)

funding and regulatory frameworks. Shareholders have a legitimate interest in understanding how Molina's lobbying aligns with its corporate values and public commitments.

3. **More General:** Unlike the proposal submitted to Air Products, the Proposal at issue here does not include any provision requesting disclosures regarding the Company's membership in or payments to tax-exempt organizations that write and endorse model legislation. The Air Products proposal sought disclosure on such memberships, which the company argued imposed an undue burden and delved too deeply into routine business operations. By contrast, the current Proposal is focused solely on disclosures related to lobbying activities, expenditures and governance — elements that are already integral to corporate transparency and oversight.

Lobbying Transparency Is Particularly Relevant for Molina Healthcare

Given Molina Healthcare's business model as an MCO, its lobbying activities are not peripheral but central to its operations and financial success. State and federal government policies directly shape Molina's ability to deliver services, negotiate contracts and achieve profitability. As such, transparency in lobbying is not only relevant but essential for effective shareholder oversight.

Direct Impact of Lobbying on Operations

- **Regulatory Dependence**: Molina's participation in Medicaid managed care contracts and Medicare Advantage programs relies on favorable regulatory environments. Legislative changes affecting reimbursement rates, eligibility criteria or program structures could significantly alter Molina's revenue streams and service capabilities.
- **Policy Influence**: Legislative decisions on healthcare funding, public health initiatives and regulatory compliance standards directly impact Molina's cost structure and operational priorities. Lobbying plays a key role in shaping these decisions, making disclosure of these activities critical for shareholders.
- **Risk Mitigation**: While lobbying is a necessary aspect of advocacy in Molina's industry, it also carries reputational and operational risks. Stakeholders, including policymakers and the public, may scrutinize lobbying activities that appear misaligned with Molina's stated mission of serving vulnerable populations or its commitments to ethical practices.

Importance of Transparency

Transparency in lobbying activities enables shareholders to evaluate whether the Company's advocacy efforts align with its stated values and long-term strategic goals. For instance, shareholders can assess:

- **Consistency with Mission**: Whether Molina's lobbying expenditures and affiliations align with its commitment to expanding access to care for underserved populations.
- **Governance Strength**: The adequacy of board oversight in managing the risks and opportunities associated with lobbying activities.
- **Public Perception**: The potential for reputational harm if lobbying is perceived as self-serving or contrary to public interest.

Conclusion

The Proposal addresses a significant policy issue that is directly relevant to Molina Healthcare's operations, governance and long-term strategy. By seeking reasonable and practical disclosures, the Proposal empowers shareholders to evaluate whether the Company's lobbying activities align with its mission, values and obligations to stakeholders. Transparency in lobbying is not only a governance best practice but also a critical tool for managing reputational, operational and regulatory risks.

Molina has failed to demonstrate that the Proposal is excludable under Rule 14a-8(i)(7). The arguments regarding micromanagement are unsupported and inconsistent with both SEC and Staff guidance and peer practices. The Proposal is squarely within the realm of appropriate shareholder oversight and seeks to address issues central to Molina's success and accountability.

For these reasons, we respectfully request that the Staff deny the Company's no-action request, ensuring that shareholders retain the ability to engage meaningfully on this important matter.

Thank you for your attention to this matter. Please feel free to contact me at matthew.illian@ucfunds.org if you have any questions or require additional information.

Sincerely,

Matthew Illian
Director of Responsible Investing
United Church Funds

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LATHAM & WATKINS LLP

March 3, 2025

VIA ONLINE SUBMISSION FORM

Office of the Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: **Molina Healthcare, Inc. Stockholder Proposal Submitted by United Church Funds**
Securities Exchange Act of 1934 – Rule 14a-8

To the addressee set forth above:

On December 23, 2024, we submitted a letter on behalf of Molina Healthcare, Inc. (the "***Company***") requesting that the staff of the Division of Corporation Finance (the "***Staff***") concur that the Company could exclude a stockholder proposal and supporting statement (the "***Proposal***") received from United Church Funds (the "***Proponent***") from the Company's proxy statement for its 2025 Annual Meeting of Stockholders.

Pursuant to correspondence with the Proponent, the Proponent has agreed to withdraw the Proposal. Based on the withdrawal of the Proposal, the Company hereby informs the Staff that the Company is withdrawing its no-action request of December 23, 2024 relating to the Proposal.

Please contact the undersigned at (212) 906-1324 or by email at jenna.cooper@lw.com to discuss any questions you may have regarding this matter.

Sincerely,

Signed by:
04EAABFFFD4046C...
Jenna Cooper
of LATHAM & WATKINS LLP

cc: United Church Funds
Matthew Illian
Jeff D. Barlow, Molina Healthcare, Inc.