

MOLINA HEALTHCARE INC
 Form 4
 July 05, 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 *
BAYER TERRY

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 ___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
Chief Operating Officer

(Last) (First) (Middle)
2277 FAIR OAKS BOULEVARD, SUITE 440
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
06/30/2006

SACRAMENTO, CA 95825

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount Price			
Common Stock					15,949 ⁽¹⁾	D	
Common Stock	06/30/2006		A ⁽²⁾	803 A \$ 38.05	16,752 ⁽¹⁾	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)	8. Amount or Number of Shares
Stock Options (Right to Buy)	\$ 44.29					07/01/2006 ⁽³⁾ 07/01/2015	Common Stock	21,000
Stock Options (Right to Buy)	\$ 28.66					02/02/2007 ⁽⁴⁾ 02/02/2016	Common Stock	21,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

BAYER TERRY
2277 FAIR OAKS BOULEVARD
SUITE 440
SACRAMENTO, CA 95825

Chief Operating Officer

Signatures

Terry Bayer, by Jeff D. Barlow,
Attorney-in-Fact.

07/05/2006

__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) 8,000 of the shares are unvested, with 4,000 shares vesting on each of 9/27/2006 and 9/27/2007. In addition, 5,000 of the vested shares are subject to a restriction on transfer until August 2, 2007.
- (2) The shares were acquired under the Molina Healthcare, Inc. 2002 Employee Stock Purchase Plan.
- (3) One-third of the options vest on each of 7/1/2006, 7/1/2007, and 7/1/2008.
- (4) One-third of the options vest on each of 2/2/2007, 2/2/2008, and 2/2/2009.

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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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