



May 19, 2005

Dear Physician:

Molina Healthcare has received much input regarding the effect that New Mexico's Gross Receipts Tax policy has on the cost of practicing medicine in this state. We are pleased to announce that, effective for services on or after July 1, 2005, an additional amount will be added to eligible contracted physicians' reimbursement to assist in offsetting this cost.

In order to put this practice into operation, we will require physicians that are eligible for this amount to provide us a copy of your CRS-1 form. We will need this form to update your records in our system to pay the additional monies. These forms can be mailed to the attention of Provider Services or faxed to the attention of Provider Services at 505-798-7313. Although the July 1 effective date is several weeks away, I urge you to send these forms to us as soon as possible so that we can update your records prior to July 1, 2005 and ensure that your claim payments will contain this additional payment. If we do not receive a copy of the CRS-1 form, we will not be able to reimburse any additional amount until that information is received.

We are excited to be able to provide this for our eligible contracted physicians and hope that you will work with us through this process. As always, should you have any questions or require additional information, please call Kevin Bridwell at 505-348-1533.

Sincerely,

A handwritten signature in black ink that reads "Ann O Wehr MD". The signature is written in a cursive, flowing style.

Ann O. Wehr, MD
Chief Medical Officer

CC: Kevin Bridwell, Manager, Provider Services & Contracting, Molina Healthcare
Randy Marshall, Executive Director, New Mexico Medical Society
Carolyn Ingram, Director, Medical Assistance Division, Human Services Dept.
Rita Wood, Contract Manager, Medical Assistance Division, Human Services Dept
Michelle Welby, Health Policy Coordinator, Governor Richardson's Office
Bob Barberousse, Molina Healthcare of New Mexico Lobbyist