




Michelle Lujan Grisham, Governor
David R. Scrase, M.D., Secretary
Nicole Comeaux, J.D., M.P.H., Director

Letter of Direction #57

Date: February 12, 2021

To: Centennial Care 2.0 Managed Care Organizations

From: Nicole Comeaux, Director, Medical Assistance Division 

Subject: Gross Receipts Tax (GRT)

Title: Gross Receipts Tax (GRT)

This letter of direction is being reissued to provide clarification to the Managed Care Organizations (MCOs) regarding gross receipts tax (GRT). GRT shall be negotiated between Providers and MCOs. It is not within the purview of the Medical Assistance Division (MAD) to require or approve GRT reimbursement within rate structures. It is MAD's expectation that GRT reimbursement will be accounted for through the rate negotiation process with providers.

This letter does not constitute tax advice and cannot be used by either the MCOs or the providers as tax advice. All questions regarding the applicable tax rate of the New Mexico providers or their tax liability should be directed toward the New Mexico Taxation and Revenue Department or the providers' retained tax professional.

This LOD will sunset upon inclusion in the Medicaid Managed Care Services Agreement, Managed Care Policy Manual, or New Mexico Administrative Code.