



March 2, 2009

The Honorable Jeff Bingaman  
United States Senate  
Hart Senate Office Building, Room 703  
Washington, DC 20510

Dear Senator Bingaman:

As Chief Executive Officer and Chairman of Molina Healthcare Inc., I write in support of your proposed legislation – the *Drug Rebate Equalization Act of 2009*. Molina Healthcare is the country's third largest insurer operating strictly in the Medicaid and Medicare Special Needs (dual eligibles) lines of business. We currently cover over 1.3 million beneficiaries in 10 states – including nearly 82,500 in your home state of New Mexico.

Molina Healthcare of New Mexico has consistently been named as one of America's Best Health Plans and ranked as the #1 Medicaid plan in New Mexico by *U.S. News and World Report* magazine in 2008.

Current law guarantees states a minimum rebate of 15.1 percent for brand name drugs and 11 percent for generic drugs – savings not extended to Medicaid managed care organizations such as Molina. Your legislation would allow enrollees in Medicaid health plans to access these cost savings under the Medicaid drug rebate, which are currently only available to enrollees in Medicaid fee-for-service.

Being able to access these rebates – which President Obama's Administration proposes to increase in their recently released FY 2010 Budget proposal – will allow us to achieve important savings in the cost of care we provide for Medicaid beneficiaries in New Mexico and across the country. These savings will in turn reduce the cost of the Medicaid program to the federal and state governments.

We thank you again for your leadership on this important issue and looking forward to working with you to ensure that this bill becomes law.

Sincerely,

J. Mario Molina, M.D.  
CEO and Chairman  
Molina Healthcare Inc.