

August 29, 2017

Shawn Nau
Chief Executive Officer
Health Choice Integrated Care
1300 South Yale Street
Flagstaff, Arizona 86001

SUBJECT: Health Choice Integrated Care – Notification of Acquisition and Request for Prior Approval

Dear Mr. Nau:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM), has received and reviewed the additional information provided by Health Choice Integrated Care (HCIC) regarding the acquisition of Health Choice Arizona by Steward Healthcare System, LLC (Steward). AHCCCS has conducted and completed its due diligence process in accordance with the requirements of AHCCCS Contractor Operations Manual (ACOM) Policy 317 to confirm commitments will be maintained and to ensure there will be no member disruption.

AHCCCS strives to be a transparent public program and accordingly has provided an opportunity for the public to express any thoughts or concerns related to this proposed acquisition. AHCCCS has shared the information on our website and has received no feedback.

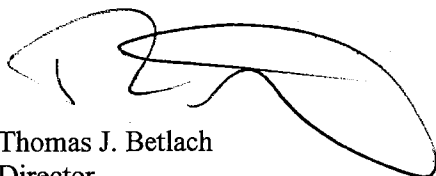
HCIC submitted its Notice of Acquisition and Request for Prior Approval with a draft transition plan guiding this acquisition on May 26, 2017. Based upon the submitted documentation, additional clarification provided and results of the public comment process, the acquisition is **approved**. AHCCCS appreciates the commitments made throughout this process by HCIC and Steward in response to the issues and concerns raised during the due diligence process.

HCIC is reminded that as mentioned in AHCCCS' July 7, 2017 response letter, the member communication proposed in the transition plan must be placed as a stand-alone article on its website for members and providers.

Finally, HCIC and Steward have provided reassurance of their commitment to offering members the same level of service the health plan has historically delivered and that there will be no disruption to members as a result of the acquisition.

Thank you for your patience and continued cooperation as we conducted our review of this requested change. Should you have any questions or concerns regarding this letter, please contact Virginia Rountree at: Virginia.rountree@azahcccs.gov or at (602) 417-4122.

Sincerely,



Thomas J. Betlach
Director

cc: Virginia Rountree, AHCCCS
Shelli Silver, AHCCCS
Christina Quast, AHCCCS
Michelle Holmes, AHCCCS
Lola Davis, AHCCCS
Nicole Larson, HCA