

July 7, 2017

Sean Nau  
Chief Executive Officer  
Health Choice Arizona  
1300 South Yale Street  
Flagstaff, AZ 86001

**SUBJECT: 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), is in receipt of the Notification of Acquisition and Request for Prior Approval submitted by Health Choice Integrated Care regarding the acquisition of IASIS Healthcare Corporation (IASIS), Health Choice Integrated Care's (HCIC) parent company, by Steward Healthcare System, LLC (Steward).

AHCCCS has reviewed the initial submission and is requesting clarification for the following:

- Provide the anticipated effective date of the proposed acquisition
- Provide definitive confirmation of whether there will be a change to the Employer Identification Number/Tax Identification Number (EIN/TIN)
- Provide a listing along with details and timelines for all anticipated state and regulatory approvals for the acquisition
- Provide the redacted Contractual Agreement between IASIS and Steward for the acquisition
- Disclosure of Ownership and Control and Disclosure of Information on Persons Convicted of a Crime

Member Communication

The website and member newsletter drafts submitted with the transition indicate it is for 'Post-Close Notice' therefore these are approved for use *post transition*. The Contractor must provide a draft notification to AHCCCS to be posted on its website at this time (prior to the transition approval). The notification must include information that the transition is pending review and approval by AHCCCS.

Member and Provider Talking Points:

The member and provider must be revised to include that the transition is pending review and approval by AHCCCS.

Provider Communication

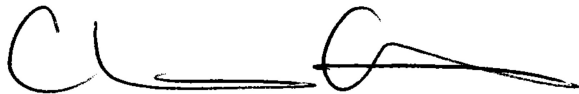
Provide draft provider communication for review by AHCCCS.

A response to the above is required in order for AHCCCS to complete its review as a component of our due diligence process and must be submitted to Lola Davis, AHCCCS Operations and Compliance Officer, at [Lola.Davis@azahcccs.gov](mailto:Lola.Davis@azahcccs.gov) by close of business, July 21, 2017.

Please be aware that pursuant to ACOM Policy 317, AHCCCS reserves the right to obtain stakeholder input regarding the proposed acquisition of HCIC through a public notice and feedback process.

Should you have any questions, please contact me directly at 602-417-4527 or at [Christina.Quast@azahcccs.gov](mailto:Christina.Quast@azahcccs.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Quast', with a long horizontal stroke extending to the right.

Christina Quast  
Operations Administrator  
Division of Health Care Management

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