

October 16, 2014

Mr. Mark Fisher
Chief Executive Officer
4350 E Cotton Center Blvd. Bldg. D
Phoenix, AZ 85040

SUBJECT: Corrective Action Plan for Quarterly Financial Reporting Inaccuracies

Dear Mr. Fisher:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM) has determined that Mercy Care Plan (MCP) has failed to comply with Acute Care contract YH14-001 and the Arizona Long Term Care contract YH12-001, Financial Reporting Guide requirements. For the past year, the financial reporting packages submitted by MCP have had multiple errors and/or omissions.

The attached letters were provided to MCP staff during 2014 regarding various errors and omissions in financial reporting. Although technical assistance was provided on February 10, 2014, it appears MCP is still facing challenges meeting the reporting requirement for accurate and complete financial reports.

As a result of these violations, AHCCCS requires MCP to submit a Corrective Action Plan (CAP) to improve the completeness and accuracy of its financial reporting process. This CAP must be submitted to AHCCCS for review and approval within 30 days of the date of this letter.

If you have any questions, please contact me at 602-417-4210 or, e-mail at nancy.neroni@azahcccs.gov.

Sincerely,

Sent Via Electronic Mail

Nancy Neroni, MBA
Finance and Program Monitor

C: Melanie Herring, MCP, Compliance Officer
David Doherty, MCP, Business Unit Finance Director
Shelli Silver, Assistant Director, DHCM
Stephanie Lefkowski, Finance and Reinsurance Manager
Carmen DeMarco, Financial Consultant

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