

*Letter sent electronically*

December 7, 2015

Gay Ann Williams Vice President, Plan Administrator  
Health Net Access  
1230 W. Washington Street  
Tempe, AZ 85281

James Woys Chief Financial and Operating Officer  
Health Net Inc.  
21650 Oxnard Street  
Woodland Hills, CA 91367

**SUBJECT: Notice to Cure Release – GMH/SA Readiness**

Dear Ms. Williams and Mr. Woys:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM) has monitored Health Net Access' (HNA) progress in the implementation of necessary readiness activities in order to provide General Mental Health and Substance Abuse Services (GMH/SA) to dually eligible members, and is releasing HNA from the Notice to Cure.

The Notice to Cure was issued June 12, 2015 after HNA's May 28, 2015 presentation and subsequent submission of documents that failed to demonstrate understanding of and commitment to its transition to serving AHCCCS members who would fall under its Contract YH14-0001-03 effective October 1, 2015. The Notice to Cure required HNA to:

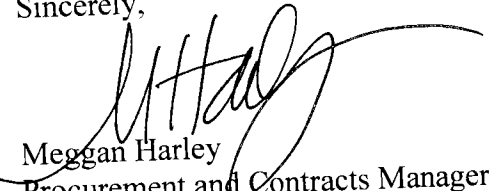
- Submit a Corrective Action Plan indicating how it would address concerns identified in 11 areas of concern
- Provide comprehensive and detailed reports according to an established schedule
- Meet with AHCCCS to present monthly detailed reviews of HNA's readiness

On June 19, 2015 HNA provided an acceptable Corrective Action Plan that addressed each area outlined in the Notice to Cure. Additionally, HNA has provided reports to AHCCCS on the status of its readiness. The quality of the submitted readiness reports have shown steady improvement, along with a greater attention to detail that has aided their usefulness in determining plan readiness. Finally, HNA met with AHCCCS as outlined in the Notice to Cure, the presentations and the knowledge of the staff involved consistently demonstrated a grasp of the key issues and requirements of the transition process. As a result AHCCCS is closing the June 12, 2015 Notice to Cure.

AHCCCS will continue to monitor HNA for compliance with the contractual requirements, and any further issues of noncompliance may result in additional compliance actions.

If you have questions regarding this matter, please feel free to contact Virginia Rountree, Assistant Director of Operations, AHCCCS at (602) 417-4112 or [Virginia.Rountree@azahcccs.gov](mailto:Virginia.Rountree@azahcccs.gov).

Sincerely,



Meggan Harley

Procurement and Contracts Manager

Cc: Susan Gilkey, Director Regulatory Compliance & Reporting, Health Net Access  
Chandra Hara, Contract Compliance Officer, Health Net Access  
Virginia Rountree, Assistant Director of Operations, AHCCCS  
Shelli Silver, Assistant Director, AHCCCS  
Christina Quast, Operations Manager, AHCCCS  
Kijuana Wright, Program Development Officer, AHCCCS  
Kim Elliott, Clinical Quality Management Manager, AHCCCS  
Debbie Reichow, Medical Management Manager, AHCCCS  
Jay Dunkleberger, Contract Compliance Officer, AHCCCS  
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