

July 6, 2017

Mike Uchrin
Chief Executive Officer
Health Choice Arizona
410 North 44th Street, Suite 900
Phoenix, AZ 85008

SUBJECT: Notification of Acquisition and Request for Prior Approval

Dear Mr. Uchrin:

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 Arizona regarding the acquisition of IASIS Healthcare Corporation (IASIS), Health Choice Arizona's (HCA) 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

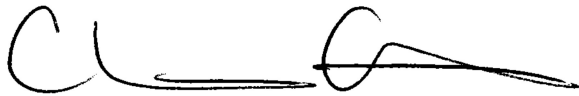
Provide draft provider communication for review by AHCCCS.

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 by close of business, July 20, 2017.

Please be aware that pursuant to ACOM Policy 317, AHCCCS reserves the right to obtain stakeholder input regarding the proposed acquisition of HCA 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.

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, HCA
Katrina Cope, HCA
Phil Nieri, HCA