

January 23, 2024

The Honorable Warren Petersen, President
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

The Honorable Ben Toma, Speaker
Arizona State House of Representatives
1700 W. Washington
Phoenix, AZ 85007

Re: Report on Modified or Rejected Administrative Law Judge Conclusions of Law

Dear President Petersen and Speaker Toma:

A.R.S. 41-1092.08(B) provides that, within thirty days of receiving an administrative law judge's decision, the head of the agency may review the decision and accept, reject or modify it. If the head of the agency rejects or modifies the decision, the agency head must provide a written justification for the rejection or modification of each Finding of Fact or Conclusion of Law.

Subsection (B) also requires that if the agency head rejects or modifies a Conclusion of Law, the written justification shall be sent to the President of the Senate and the Speaker of the House of Representatives.

Most, if not all, administrative law judge decisions and the associated decision of the agency head regarding the AHCCCS program include information that is confidential under State and Federal law. See 45 CFR Part 164 and AAC R9-22-309. As such, AHCCCS cannot provide the full text of the administrative law judge decisions or the agency decision. As a practical matter, redacted versions of the justification for a modification or rejection of an administrative law judge's Conclusion of Law are not comprehensible without the full context of Findings of Fact and Conclusions of Law made by the administrative law judge.

For that reason, AHCCCS is providing quarterly summary information. For the quarter ending December 31, 2023, AHCCCS has identified twelve matters where the agency rejected or modified an administrative law judge's Conclusions of Law. During that same quarter, AHCCCS reviewed 372 administrative law judge decisions. The following Conclusions of Law were modified or rejected:

- Conclusions of Law were modified in eleven director's decisions to reflect the record more accurately.
- One administrative law judge's decision was rejected, and conclusions of law were modified to strike lines.

Please feel free to contact me if you have any questions about this report.

Sincerely,



Carmen Heredia
Cabinet Executive Officer
and Executive Deputy Director

cc: Richard Stavneak, Director, Joint Legislative Budget Committee
Sarah Brown, Director, Governor's Office of Strategic Planning and Budgeting
Zaida Dedolph Piccoro, Health Policy Advisor, Office of the Governor