



Dignity Health Arizona
3030 N. Central Avenue, Suite 1402
Phoenix, AZ 85012
dignityhealtharizona.org

March 4, 2014

Mr. Tom Betlach
Director, Arizona Health Care Cost Containment System
701 E. Jefferson
Phoenix, Arizona 85034

Re: SFY15 Proposed Hospital Assessment

Dear Mr. Betlach:

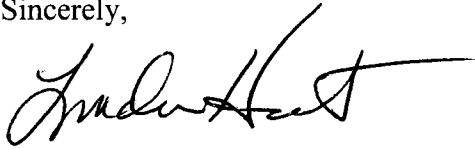
We want to commend you and the AHCCCS Administration for the inclusive and transparent process that has been used to develop the AHCCCS Hospital assessment model. The purpose of this letter is to inform you of Dignity Health's position on the three scenarios recently released by your office.

After thoughtful consideration and analysis of each version, Dignity Health strongly supports Version 1. As you know, Dignity Health has been consistent in expressing its support for an assessment model that included all or nearly all providers in the interest of fairness and broad based support for the AHCCCS program. Version 1 is that model. Frankly, it is the most fair and equitable within the market. Furthermore, it includes the methodology that all the stakeholders agreed to in SFY 2014. While it is not perfect, it does comprise the process that was agreed to and produces the most reasonable assessment model possible.

Dignity Health remains committed to the Governor's Medicaid Restoration Plan and looks forward to working with AHCCCS to ensure its success in implementation. We know that AHCCCS will review the assessment model throughout each plan year to ensure Medicaid coverage is appropriately funded based on enrollment changes and/or new data on provider payments. We look forward to providing input and modeling data that treats facilities in the marketplace fairly.

We appreciate your time and consideration in this manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Hunt". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Linda Hunt

Sr. Vice President of Operations & President/CEO, Arizona

A handwritten signature in black ink, appearing to read "Matthew Cox". The signature is cursive and somewhat stylized.

Matthew Cox

Chief Financial Officer, Arizona