



THE UNIVERSITY OF ARIZONA
HEALTH NETWORK

August 22, 2014

Thomas J. Betlach
Director, Arizona Health Care Cost Containment System
801 E. Jefferson St.
Phoenix, AZ 85034

Dear Mr. Betlach:

This correspondence is to keep you informed regarding the relevant portions of the proposed change in ownership of the University of Arizona Health Network to Banner Health, which includes University of Arizona Health Plan, specifically in regard to the two Health Plans authorized under the Arizona Health Care Cost Containment System (AHCCCS): the University of Arizona Health Plan - Family Care, Inc. and University Care Advantage, Inc.

As we have moved forward with this process, we have kept in mind that this transition could raise questions as to the continued level of services provided to AHCCCS members under these Plans. In order to respond to potential reservations, we warrant that the Final Agreement includes language that as long as Banner Health owns and operates the above programs under contract number YH14-0001-02, they will be operated and managed in accordance with the notification letter and transition plan submitted to and subject to approval by AHCCCS as stipulated by AHCCCS Contractor Operations Manual, Policy 317, except in such situations where transition plan may be modified after the finalization of the Purchase, understanding that any such modification would require approval by AHCCCS for the term of contract number YH14-0001-02.

We will continue to endeavor to maintain open communications during this process. If you have any further questions, please contact James Stover.

A handwritten signature in black ink, appearing to read "M. Waldrum".

Michael Waldrum, M.D., MBA
President /Chief Executive Officer
University of Arizona Health Network

A handwritten signature in blue ink, appearing to read "Peter S. Fine".

FDR Peter S. Fine, FACHE
President/Chief Executive Officer
Banner Health