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ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

May 20, 2010

Mark Fisher
Chief Executive Officer
Mercy Care Plan
4350 E. Cotton Center Blvd.
Building D
Phoenix, AZ 85040

RE: Corrective Action Plan – Encounter Submission Tracking Report

Dear Mr. Fisher:

The Division of Health Care Management is issuing a request for Corrective Action Plan to Mercy Care Plan (MCP) regarding failure to maintain the Encounter Submission Tracking Report (ESTR), as required under contract YH09-0001 (Acute) and YH07-0001(ALTCS).

On April 15, 2010 AHCCCS requested that a copy of MCP's March 2010 ESTR be submitted by April 23, 2010. On April 23rd MCP indicated there was a problem with the report and most likely would not be able to submit it until May 21st. After several follow up communications MCP submitted a draft report and stated that, "As previously noted, the report is under revision as it has not been run and validated in over 12 months...We anticipate the final report will be validated and submitted by May 14th and will advise you if the report is not on target."

Paragraph 65 of the Acute Care Contract and Paragraph 74 of the ALTCS Contract reads as follows:

"An Encounter Submission Tracking Report (ESTR) must be maintained and made available to AHCCCS upon request. The Tracking Report's purpose is to link each claim to an adjudicated or pending encounter returned to the Contractor."

Since MCP has not maintained the report please submit a corrective action plan by COB June 3, 2010 that addresses how MCP will assure this contractual requirement will be met.

If you have any questions regarding this matter, please contact me at 602-417-4072.

Sincerely,

Rodd Mas
Acute Care Operations Manager
Division of Health Care Management

C: Brian Horgeshimer, MCP
Lori Petre, AHCCCS
Brent Ratterree, AHCCCS
Alan Schafer, AHCCCS