

Janice K. Brewer, Governor
Thomas J. Betlach, Director

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Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

December 18, 2009

By Electronic Mail

William Hagan, CEO
Arizona Physicians IPA, Inc.
3141 N. 3rd Avenue
Phoenix, AZ 85013-4345

RE: Sanction for Administrative Violation

Dear Mr. Hagan:

The Arizona Health Care Cost Containment System (AHCCCS) is issuing this formal sanction notification to APIPA under Paragraph 72 of the contractual agreement in place on December 16th, 2009. A sanction by withhold will be assessed during the next available remittance issued to your health plan in the amount of \$5000 based on the violation described herein:

On December 15th AHCCCS determined APIPA to be in violation of Contract Paragraph #35 for failure to submit a timely Claims Dashboard. An email received at 4:07 PM stated that it contained the required reporting but the attachment was simply text without a Dashboard file. According to Paragraph 72 of the Contract between AHCCCS and your company, failure to comply with any provisions contained within the contract is subject to financial penalty.

If APIPA feels that the findings presented in this letter are erroneous or that the penalty imposed is in violation of previously agreed upon terms, an appeal may be filed with the AHCCCS Office of Administrative Legal Services in accordance with Arizona Administrative Code R9-34, Article 4. All sanction appeals must be received in writing within 60 days of the date of the written notification. If you have any questions or concerns regarding this communication, please direct them to the attention of the issuer.

Sincerely,

Michael Veit
Contracts and Purchasing Administrator

CC: Shelli Silver
Rodd Mas
Contractor File