

Letter sent electronically

February 10, 2016

Gay Ann Williams Vice President, Plan Administrator
Health Net Access
1230 W. Washington Street
Tempe, AZ 85281

James Woys Chief Financial and Operating Officer
Health Net Inc.
21650 Oxnard Street
Woodland Hills, CA 91367

SUBJECT: Notice to Cure Release – Claims Payment

Dear Ms. Williams and Mr. Woys:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM) has reviewed Health Net Access' (HNA) progress in addressing the requirements of the July 23, 2015 Notice to Cure for Claims Payment and the resulting September 17, 2015 Sanction. As a result of this review, AHCCCS is closing the July 23, 2015 Notice to Cure.

The Notice to Cure was issued July 23, 2015 and contained the following requirements:

- HNA must immediately remedy the system configuration that caused the error
- HNA must provide written assurances no additional payment of this type after July 27, 2015
- HNA must comply with a comprehensive audit conducted by AHCCCS

HNA has complied with each of these requirements and AHCCCS' audit of claims paid in September 2015 found no repeated instances of the error.

AHCCCS will continue to monitor HNA's compliance with its contract. Should additional concerns arise, AHCCCS may consider further compliance actions.

If you have questions regarding this matter, please feel free to contact Virginia Rountree, Assistant Director of Operations, AHCCCS at (602) 417-4112 or Virginia.Rountree@azahcccs.gov.

Sincerely,



Meggan Harley
Procurement and Contracts Manager

Cc: Susan Gilkey, Director Regulatory Compliance & Reporting, Health Net Access
Chandra Hara, Contract Compliance Officer, Health Net Access
Virginia Rountree, Assistant Director, AHCCCS
Shelli Silver, Assistant Director, AHCCCS
Lori Petre, Data Analysis and Research Manager, AHCCCS
Christina Quast, Operations Manager, AHCCCS
Jay Dunkleberger, Operations and Compliance Officer, AHCCCS
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