

June 14, 2016

Ms. Trista Loops  
Director, Finance  
Health Net of Arizona  
1230 West Washington Street  
Tempe, AZ 85281

**SUBJECT: Administrative Cost Percentage Standard Corrective Action Plan Release**

Dear Ms. Loops:

On September 11, 2015, the Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM) determined Health Net Access (HNA) failed to comply with the Acute Care Contract YH14-001, Administrative Cost Percentage financial viability standard. As a result, DHCM required HNA to submit a Corrective Action Plan (CAP) detailing a timeline and plan for achieving contract compliance.

DHCM is releasing HNA from the CAP considering HNA met the Administrative Cost Percentage Standard at quarter ended December 31, 2016 and March 31, 2016, the first two quarters of Contract-Year-End 2016. DHCM will continue to monitor compliance with all of the required financial viability standards and performance guidelines. Any future noncompliance could result in additional corrective actions under the terms of the contract.

If you should have any questions, please contact me at 602-417-4212 or email at [carmen.demarco@azahcccs.gov](mailto:carmen.demarco@azahcccs.gov).

Sincerely,

*Sent Via Electronic Mail*

Carmen DeMarco, CIA  
Financial Consultant

C:

Virginia Rountree, DHCM  
Cynthia Layne, DHCM  
Christina Quast, DHCM  
Jay Dunkleberger, DHCM  
Shelli Silver, DHCM  
Paul Barnes, HNA  
Chandra Hara, HNA