

October 17, 2016

Mike Uchrin Chief Executive Officer Health Choice Arizona 410 North 44th Street, Suite 900 Phoenix, AZ 85008

SUBJECT: Notice to Cure Release

Dear Mr. Uchrin:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM) is writing to Health Choice Arizona (HCA) to formally close the Notice to Cure (NTC) issued February 3, 2016. The NTC was imposed as a result of noncompliance under Acute Care Contract YH14-0001-07, for contract year ending 2015, relating to the following: poor performance in the 2015 Provider Claims Survey, a significant increase in complaint volume - indicating a systemic failure to demonstrate responsiveness to provider and member inquiries, and non-compliance with customer service and claims processing standards.

HCA has fulfilled the NTC requirements and has demonstrated sustained compliance with contractual standards. As a result, HCA is released from this NTC and the corresponding reporting requirements.

AHCCCS expects that HCA will demonstrate sustained and increased improvement in the areas of customer service, provider responsiveness, telephone performance standards and resolution of claims processing issues in a timely manner and will continue to meet regularly with providers as needed to address and resolve providers' claims processing issues in a timely manner. AHCCCS will continue to closely monitor HCA for compliance with contractual requirements regarding claims processing, payment, and provider relations. Any further noncompliance in these areas may result in additional compliance actions.

If you have any questions regarding this letter, you may contact Virginia Rountree, Assistant Director Operations, at 602-417-4122 or Virginia.Rountree@azahcccs.gov.

Sincerely.

Meggan Harley, PPO, MSW
Acting Chief Procurement Officer

cc: Philip Nieri, Interim Director of Compliance - Medicaid, HCA

Virginia Rountree, Assistant Director Operations, DHCM

Shelli Silver, Assistant Director Finance, DHCM Christina Quast, Operations Administrator, DHCM Michelle Holmes, Interim Operations Manager, DHCM Brenda Gobeli, Operations Compliance Officer, DHCM