

June 23, 2014

Trista Loops, Interim CEO  
Health Net Access  
5255 E. Williams Circle  
Suite 4000  
Tucson, AZ 85711

SUBJECT: Notice to Cure

Dear Ms. Loops:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM) has determined that Health Net Access (HNA) is in violation of the Acute Care contract YH14-0001 for contract year ending 2014. As outlined in Section D, Paragraph 72 (Sanctions) of the Acute Care contract, Health Net Access is hereby subject to the following compliance action.

**Failure to Comply with Key Staffing- *Dental Director/Coordinator***

Section D, Paragraph 16 of the Acute Care contract requires that the Contractor shall:

- Have in place the organizational, operational, managerial and administrative systems capable of fulfilling all contract requirements.
- Employ sufficient staff and utilize appropriate resources to achieve contractual compliance.
- Have adequate resource allocation to achieve outcomes in all functional areas within the organization. Adequacy will be evaluated based on outcomes and compliance with contractual and AHCCCS policy requirements.
- Provide the appropriate staff representation for attendance and participation in meetings and/or events scheduled by AHCCCS. All meetings shall be mandatory unless otherwise indicates.

Health Net Access has not complied with the Dental Director/Coordinator requirement. Despite guidance and assistance offered from AHCCCS, this position has not been filled since the effective date of the contract with AHCCCS (10/1/2013).

Failure to meet this requirement directly impacts coordination of dental care for members. In addition, Health Net Access has provided representation at only one AHCCCS Dental Director meeting since 10/1/2013 and only at the additional urging of AHCCCS, thereby missing pertinent information and communication with AHCCCS regarding dental services for members.

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Health Net Access has not demonstrated the urgency of filling this position and meeting the requirement of the contract, therefore a corrective action plan must be submitted to AHCCCS no later than July 3, 2014, outlining the specific steps that Health Net Access will take to ensure the Dental Director/Coordinator position will be filled no later than August 15, 2014. If Health Net Access fails to correct the deficiencies outlined in this letter on or before August 15, 2014, the Contractor may be subject to additional compliance action.

Please submit your corrective action plan to Karen Edgley, Operations and Compliance Officer at [Karen.edgley@azahcccs.gov](mailto:Karen.edgley@azahcccs.gov) by July 3, 2014.

If you have any questions regarding this letter, you may contact Virginia Rountree, Operations Administrator, at 602-417-4122 or [Virginia.rountree@azahcccs.gov](mailto:Virginia.rountree@azahcccs.gov)

Sincerely,



Michael Veit  
Contracts and Purchasing Administrator

Cc: Susan Gilkey, Director, Regulatory Compliance & Reporting Health Net Access  
Gay Ann Williams, Vice President Medicaid/Medicare Compliance Officer Health Net Inc.  
Kari Price, Assistant Director, DHCM  
Shelli Silver, Assistant Director, DHCM  
Lee Weinstein, Dental Program Director, Office of the Director  
Kim Elliott, CQM Administrator, DHCM  
Virginia Rountree, Operations Administrator, DHCM  
Diana Alvarez, Operations Manager, DHCM  
Karen Edgley, Operations Compliance Officer, DHCM