

*Letter sent electronically*

June 29, 2016

Paul Barnes  
Chief Executive Officer  
Health Net Access (HNA)  
1850 W. Rio Salado Parkway Suite 201  
Tempe, AZ 85281

**RE: Release, February 4, 2015 Compliance Action and Cap for Auto Assignment**

Dear Mr. Barnes:

On February 4, 2015, the Arizona Health Care Cost Containment System (AHCCCS) issued a \$200,000 Sanction and requirement for corrective action to Health Net Access for its noncompliance with its YH14-0001 Contract for Acute Care services and its failure to demonstrate its commitment to the Arizona Medicaid program as evidenced by ongoing non-compliance with contractual requirements and failure to commit resources to ensure a full and continuing implementation of these contractual requirements.

HNA complied with the requirements of the Sanction including submission and implementation of a corrective action plan and also addressed additional issues related to HNA's transition of organizational responsibilities and attention to provider claims disputes in its March 15, 2016 update to this Sanction. HNA has met the requirements of the AHCCCS February 4, 2015 Sanction and is released from this Sanction including the associated reporting requirements and the cap on membership for auto assignment. The release from the cap on auto assignment is effective *July 1, 2016*. The release from this Sanction also closes two previous compliance actions - a November 10, 2014 Notice To Cure for failure to accurately process claims disputes, and a November 10, 2014 Sanction related to HNA's dispute and appeals manger position.

AHCCCS expects that going forward HNA will demonstrate sustained operational performance and compliance with contract requirements and AHCCCS will continue to monitor HNA's compliance with its contract.

If you have questions regarding this matter, please feel free to contact Virginia Rountree at (602) 417-4122.

Sincerely,



Meggan Harley  
Procurement and Contracts Manager

| Cc: Cheyenne Ross  
Susan Gilkey  
Virginia Rountree  
Shelli Silver  
Christina Quast  
Jay Dunkleberger