

Care1st / Arizona Complete Health-Complete Care Plan
Transition Plan for the joining of the two Plans

Introduction

Following the guidelines established in AHCCCS Contractor Operations Manual (“ACOM”) Policy 317 (Change in Contractor Organizational Structure) and Contract YH19-0001, Section D, 49 (Change in Contractor Organizational Structure) and 42 (Material Change to Business Operations), Health Net of Arizona, Inc. dba Arizona Complete Health -Complete Care (“AzCH-CCP”) and Care1st Health Plan (“Care1st”), both subsidiaries of Centene Corporation (“Centene”), respectfully submit this transition plan, detailing our request to join together our two AHCCCS Complete Care-Regional Behavioral Health (ACC-RBHA) plans – Care1st and AzCH-CCP (the “Transition Plan”). The Transition Plan also applies to the ACC-RBHA Non-Title XIX/XXI Contract YH22-0061R.

Since becoming a part of the Centene organization, Care1st has planned and executed two integrations and a new business startup. On October 1, 2021, Care1st transitioned 106,000 Central GSA members to AzCH-CCP. On October 1, 2022, Care1st stood up the awarded Northern GSA Regional Behavioral Health Administration business on Centene systems, and on December 1, 2022, Care1st migrated its Northern GSA ACC members from its legacy systems to Centene systems. Centene is highly skilled at integration and has a proven track record of outstanding results while minimizing member and provider disruption.

Care1st and AzCH-CCP are requesting AHCCCS approval to migrate the existing Care1st ACC-RBHA membership into AzCH-CCP. Combining the two plans will leverage plan strengths, reduce administrative burden, and eliminate confusion in the communities we serve. Both health plans are deeply committed to providing stability to members, providers, and employees during this transition. The initial months of this transition will be used to gather data and develop a detailed plan of execution, while the latter portion of the transition period will be utilized for a thorough implementation and testing phase.

The proposed Transition Plan contains the following information:

1) An explanation of:

- a.** The type of entity formed if a new entity will be formed and/or any changes to existing entity.

No new entity is proposed to be formed. The parties’ intent is for Care1st to transfer the membership of its ACC-RBHA plan memberships in the North GSA to AzCH-CCP. The target transition date of July 1, 2024, subject to the parties consulting and working closely with AHCCCS to develop and execute a plan minimizes member and provider disruption. The parties will use the time between approval and transition to carry out appropriate data gathering, planning, review, testing and communication of the decisions and processes.

- b.** Material change to operations as specified in ACOM Policy 439 and Section D of the AHCCCS contract;

A material change to operations is defined in Section D, 42 of the AHCCCS Contract as a “change in overall business operations (i.e. policy, process, protocol, such as prior authorization or retrospective review) that affects, or can reasonably be foreseen to affect, the Contractor's ability to meet the performance standards as described in the contract. It also includes any change that would impact more than 5% of total membership and/or provider network in a specific GSA.”

The parties' intent is for Care1st to transfer the membership of its ACC-RBHA plan in the Northern GSA to AzCH-CCP on the target transition date of July 1, 2024. Care1st and AzCH-CCP will take the steps described in this Transition Plan to ensure uninterrupted service and ongoing access to care for transferred members.

Care1st and AzCH-CCP are committed to providing AHCCCS with a thoughtful approach to assess potential changes across each of the following AHCCCS readiness elements:

- A. Administration and Management;
- B. Delivery Systems;
- C. Medical Management;
- D. Behavioral Health;
- E. Quality Management;
- F. EPSDT (Early and Periodic Screening, Diagnostic, and Treatment) and Maternal and Child Health;
- G. Financial Reporting;
- H. Management Information Systems;
- I. Claims Provider Support;
- J. Encounter Reinsurance; and
- K. Member Services.

This Transition Plan outlines the AHCCCS readiness elements that will remain the same and potential areas for change at the time of the transition. Each potential change is described in more detail below and represent areas in which maximum member benefit was identified with minimum disruption.

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Transition Plan to Meet AHCCCS Readiness Requirements

Upon approval by AHCCCS, we will begin implementing the Transition Plan. The proposed timeline allows for appropriate data gathering, planning, review, testing and communication of the decisions and processes. During implementation of the Transition Plan, Care1st and AzCH-CCP will coordinate with AHCCCS on all member and provider notifications, in accordance with AHCCCS requirements.

A. Administration and Management

We are requesting a two-phase approach to this final integration.

Phase 1: Align the remaining Care1st departments and their teams under existing and AzCH-CCP leaders.

The remaining teams reporting to Care1st Plan President Scott Cummings are Care Management, BH Systems of Care, BH Utilization Management, and Quality Management. The realignment of these teams under AzCH-CCP leaders will allow staff to settle into their new environment and allow teams to prepare for member transition. Phase 1 would be complete on or before December 31, 2023.

Phase 2: Transfer the Care1st ACC-RBHA membership in the North GSA to AzCH-CCP.

Membership transfer would take place on July 1, 2024.

On October 1, 2021, Care1st transitioned its Central Region ACC members to AzCH-CCP, aligning very closely to this proposal. That transition was very successful on all accounts. This transition will be even less complex since Care1st members are already in the same systems and on the same platforms as AzCH-CCP.

Delivery Systems

Care1st and AzCH-CCP are in the midst of a comprehensive provider network analysis to identify Care1st providers that are already contracted with AzCH-CCP and Care1st providers that are not currently contracted with AzCH-CCP.

To fully support our North GSA membership, Care1st's provider network encompasses the North GSA, bordering states, and the Central GSA. As a result of its focus in the Central and South GSAs, AzCH-CCP has little provider network coverage in the North GSA. Therefore, AzCH-CCP will rely on the existing Care1st North GSA provider network to support this member transition. In order to make sure accessibility and financial stability within the north provider community is maintained, our number one objective is to retain and transition Care1st North GSA provider agreements, with their current terms.

In accordance with Section D, 28 and Attachment F3 of the AHCCCS Contract, any material changes to the provider network will be submitted 60 days prior to expected implementation of the change, if identified.

Care1st and AzCH-CCP will work closely with AHCCCS and share the details of our analysis and progress toward this significant work.

C. Medical Management

Since Care1st has become part of the Centene organization, we have worked to align the Medical Management processes and procedures of both Care1st and AzCH-CCP. We have leveraged the strengths of both plans and now operate with common policies, processes, and procedures on common systems. Following the member migration from Care1st to AzCH-CCP, Medical Management will merge with the existing AzCH-CCP team and assumed by the existing and proven AzCH-CCP Medicaid Management program.

D. Behavioral Health

Since Care1st has become part of the Centene organization, we have worked to align the Behavioral Health policies, processes, and procedures of both Care1st and AzCH-CCP. We have leveraged the strengths of both plans and now operate with common processes and procedures.

When Care1st was implementing the RBHA business in 2022, it leaned heavily on AzCH-CCP for its vast knowledge and experience managing this program in the South GSA. AzCH-CCP is currently supporting two of the three Care1st RBHA functions, through department alignment, in overseeing the Crisis System and Grants Administration. As of 1/1/2024 the Care1st BH Systems of Care and BH Utilization Management teams, as a part of the AzCH-CCP BH team will, as one joint team, manage the Behavioral Health program for each entity, and follow the care of the Care1st membership after the migration into AzCH-CCP.

E. Quality Management and Improvement

Since Care1st has become part of the Centene organization, we have worked to align the Quality Management policies, processes, and procedures of both Care1st and AzCH-CCP. We have leveraged the strengths of both plans and now operate with common processes and procedures on common systems. As of 1/1/2024 the Care1st Quality Management team, as a part of the AzCH-CCP Quality Management team will share leadership and operate as one joint team. This will allow for seamless transition of functions following of the Care1st membership by the Quality program for AzCH-CCP after the migration.

F. EPSDT (Early and Periodic Screening, Diagnostic, and Treatment) and Maternal and Child Health

Since Care1st has become part of the Centene organization, we have worked to align the EPSDT policies, processes, and procedures of both Care1st and AzCH-CCP. We have leveraged the strengths of both plans and now operate with common processes and procedures on common systems. As of 1/1/2024 the Care1st EPSDT team, as a part of the AzCH-CCP Quality Management team will, as one joint team, manage the Quality program. This will allow for seamless transition of functions following the membership migration.

G. Financial Reporting

The Care1st Finance and Financial Reporting teams have been integrated under the AzCH-CCP Health Finance team for several years. Following the member migration from Care1st to AzCH-CCP, and the runout of the Care1st plan, the finance and financial reporting will be significantly streamlined.

H. Management Information Systems

Care1st and AzCH-CCP now operate on the same Centene system. In October 2021, when Care1st migrated its Central GSA ACC membership to AzCH-CCP, Care1st was operating on its legacy system. With both plans operating on the same platform, migration of systems such as open authorizations and member call history will be even more simplified.

As done in 2021, we propose that AHCCCS initiate a plan change on the eve of the transition date. Care1st members would be disenrolled with Care1st and made effective with AzCH-CCP the following day. Care1st members will be on the AzCH-CCP 834 enrollment file the following day and are then onboarded as new members to the AzCH-CCP plan. Care1st will be responsible for running out the business for dates of service prior to the transition date, including all required AHCCCS deliverables and reporting.

Following the member migration from Care1st to AzCH-CCP, all business will be under AzCH-CCP and its systems.

I. Claims Provider Support

Since December 2022, claims for Care1st and AzCH-CCP are supported by the same claims teams. Following the member migration from Care1st to AzCH-CCP, these same teams will handle the shift in volume from Care1st to AzCH-CCP, including the claims runout for Care1st. To mitigate provider abrasion, there will be early and repetitive communication regarding the information needed to update systems. Care1st has model communication templates used in the 2021 migration that will be updated with the specifics for this migration and deployed.

J. Encounter Submission and Reinsurance

Following the member migration from Care1st to AzCH-CCP, Care1st will runout encounter submissions for dates of service prior to the transition and encounters for the ongoing business will be submitted under AzCH-CCP.

K. Member Services

Call Center

Care1st and AzCH-CCP currently share member services resources and have an aligned training program. Upon member transition, the Care1st call center will exist to support provider and member claims and issue runout. Because the systems are on the same platform, any member or provider issues can be easily transitioned between plans for timely and effective resolution. There will be no changes in any existing member or provider phone numbers for either Care1st or AzCH-CCP.

The Shared Services team will conduct analyses both in advance of and after the initial months of the Transition Period to identify call volumes for forecasting and handling, as well as best practices for the call center. Because the plans are so closely aligned, minimal training will be needed for agents to handle these calls and resolve issues timely and accurately.

Handbook

The existing and approved AzCH-CCP Member Handbook will remain the primary reference document following the member transition. AzCH-CCP Member ID cards, in their current state, will be issued for transitioning members as part of the onboarding process, and overall customer experience for the member will continue as status quo.

Communication Plan

Care1st will notify members and providers of changes from Care1st to AzCH by way of existing communication channels. There will be no modification to the methods in which changes to member information, including website, member and provider handbook, and member ID card are communicated. We do not anticipate the need for changes to member information outside of routine regulatory document approval.

Member and provider communications will be submitted to AHCCCS for review and approval prior to dissemination.

Proof that any performance bond requirements have been met by the new entity, if the original entity is no longer a going-concern.

As both entities maintain current approved performance bonds, Care1st and AzCH-CCP will coordinate with AHCCCS for any performance bond needs to accommodate both Care1st's claims runout of claims incurred prior to the member transition date, and for AzCH-CCP's increased membership following the member transition date.

Documents including the following:

a. The formal name and any proposed logo used by the resulting organization.

The parties' intent is for Care1st to transfer the membership of its ACC-RBHA plan in the North GSA to AzCH-CCP by way of a plan change initiated by AHCCCS. Care1st ACC-RBHA members will be transitioned to the AzCH-CCP product as it currently exists. There will be no changes to the name and logo for AzCH-CCP.

b. The organizational chart of the new resulting organization or proposed changes to the existing organizational chart if a new entity is not being formed.

In conjunction with Phase 1: Align the remaining Care1st teams under existing and functioning Arizona Complete Health leaders, Care1st and AzCH-CCP are intending to merge the staff so that the combined organization manages both AzCH-CCP and Care1st prior to and following the member transition. Key staff for AzCH-CCP will be maintained and updated with AHCCCS as outlined in contract.

c. Current audited financial statements of the current Contractor and merging entity.

Current audited financial statements are submitted to AHCCCS per contract for each AZCH-CCP and Care1st. We will continue to report separately through the migration, and under AzCH-CCP as per contract, post 7/1/2023.

d. Pro forma financial statements of resulting entity post-merger, which include at minimum a balance sheet, statement of revenues and expenses and statement of cash flows for the subsequent three years, as well as enrollment projections and footnotes detailing assumptions. The format may be the same as the audit format, but the AHCCCS lines of business must be detailed separately as is required in the annual audit report.

In the coming months (30-60 days), both organizations will produce a proposed methodology that outlines the plan and timing to provide these pro-forma financials to the AHCCCS review team. This includes, but is not limited to, minimum capitation requirements, performance bonds, calculation methods, financial viability standards, and more.

A description of the following:

a. An assessment of potential interruptions of services to members, and steps taken to ensure there are no interruptions.

Care1st and AzCH-CCP executed a similar transition in 2021 when we merged our Central GSA contracts at the request of AHCCCS. While there are many operational details, the number one activity to prevent member and provider interruption, is the work around provider network. Care1st and AzCH-CCP are currently identifying network overlap and network gaps. Focusing our efforts on

closing network gaps and maintaining provider accessibility and financial stability through this transition will prevent member and provider interruption.

b. Any changes in management and staffing overseeing the Contract.

Care1st and AzCH-CCP are intending to merge the staff so that the combined organization manages both AzCH-CCP and Care1st prior to and following the member transition. James Stover, AzCH-CCP Medicaid President will continue to lead AzCH-CCP and the combined organization. Scott Cummings, Care1st Plan President, has announced his desire to retire following the successful merger of Care1st into AzCH-CCP.

As previously identified, Phase 1 of this change will occur by the end of calendar year 2023 and include a single organization chart of key staff. These leads will still include individuals responsible and capable of reporting on the Care1st line of business throughout the transition period.

To the extent any major organizational changes are identified during the transition period, these will be communicated to AHCCCS.

c. Any changes to existing administrative services subcontracts of Care1st AZ.

No administrative services subcontracts or tax sharing agreements have been identified for change related to this migration. The plans recognize that per Section D, 36 of the contracts, Change in Contractor Organizational Structure of an Administrative Services Subcontractor of the Contractor requires prior approval of AHCCCS, as outlined in ACOM Policy 438.

d. Any changes to administration of critical components of organization, including but not limited to information systems, prior authorization, claims processing, or grievances.

Since Care1st has become part of the Centene organization, we have worked to align the critical components of both Care1st and AzCH-CCP. Both plans now operate on the same information systems, and both plans have aligned policies, processes, and procedures related to prior authorization, claims processing, grievances / claim disputes, medical management programs, etc.

e. Care1st's plan for communicating change to members including a draft notification to be distributed to affected members and providers.

We are actively developing member and provider communication plans, including timing, messaging, and audience for communications. Details regarding the communication plan for members and providers are outlined above in Section K – Member Services.

The specific content of all member communications will be submitted to AHCCCS for review and approval prior to dissemination.

f. Changes to critical member information, including the website, member and provider handbook, and member ID cards.

We do not anticipate changes to critical member information for either Care1st or AzCH-CCP at this time. As part of the member transition process, transitioning members will receive existing/approved AzCH-CCP new member welcome materials and ID card.

The Care1st website and all reference information will remain available to members and providers through the runout period.

g. Any anticipated network changes.

See above – Transition Plan to Meet Readiness Requirements – Delivery Systems.

The Transition Plan demonstrates the parties' commitment to the continued provision of high-quality care to Arizona Medicaid beneficiaries and abiding by the AHCCCS RFPs and contracts.

We look forward to answering any questions AHCCCS may have.