

August 15, 2023

The Honorable Warren Petersen, President
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

The Honorable Ben Toma, Speaker
Arizona State House of Representatives
1700 W. Washington
Phoenix, AZ 85007

Re: Report on Modified or Rejected Administrative Law Judge Conclusions of Law

Dear President Petersen and Speaker Toma:

A.R.S. 41-1092.08(B) provides that, within thirty days of receiving an administrative law judge's decision, the head of the agency may review the decision and accept, reject or modify it. If the head of the agency rejects or modifies the decision, the agency head must provide a written justification for the rejection or modification of each Finding of Fact or Conclusion of Law.

Subsection (B) also requires that if the agency head rejects or modifies a Conclusion of Law, the written justification shall be sent to the President of the Senate and the Speaker of the House of Representatives.

Most, if not all, administrative law judge decisions and the associated decision of the agency head regarding the AHCCCS program include information that is confidential under State and Federal law. See 45 CFR Part 164 and AAC R9-22-309. As such, AHCCCS cannot provide the full text of the administrative law judge decisions or the agency decision. As a practical matter, redacted versions of the justification for a modification or rejection of an administrative law judge's Conclusion of Law are not comprehensible without the full context of Findings of Fact and Conclusions of Law made by the administrative law judge.

For that reason, AHCCCS is providing quarterly summary information. For the quarter ending June 30, 2023, AHCCCS has identified four matters where the agency rejected or modified an administrative law judge's Conclusions of Law. During that same quarter, AHCCCS reviewed 135 administrative law judge decisions. The following Conclusions of Law were modified or rejected:

- Conclusions of Law were modified for consistency with applicable law and for clarification with regards to claim disputes.
- In two Administrative Law Judge's Decisions, a Conclusion of Law was modified to correct legal citation for consistency with applicable law and to make a technical change.
- A Conclusion of Law was modified for consistency with the record and applicable law.

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Please feel free to contact me if you have any questions about this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Carmen Heredia". The signature is fluid and cursive, with the first name being more prominent.

Carmen Heredia

Director

cc: Richard Stavneak, Director, Joint Legislative Budget Committee

Sarah Brown, Director, Governor's Office of Strategic Planning and Budgeting

Zaida Dedolph Piccoro, Health Policy Advisor, Office of the Governor