

March 5, 2018

Health Choice Arizona, Inc. (Steward Health Choice Arizona)
Shawn Nau
CEO
410 N. 44th St, Suite 900
Phoenix, AZ 85008

Subject: Notification of Contract Awards AHCCCS Complete Care RFP #YH19-0001

Dear Mr. Name:

AHCCCS is awarding Health Choice Arizona, Inc. (Steward Health Choice Arizona) an AHCCCS Complete Care Contract under RFP number YH19-0001 in the following Geographic Service Areas with the Capitation Non-Benefit Costs specified in the attached document.

- Central (Maricopa, Gila, Pinal) (excluding zip codes 85542, 85192, and 85550)
- North (Mohave/Coconino/Apache/Navajo/Yavapai)

The initial term of this contract award is October 1, 2018 through September 30, 2021, with two (2) two-year options to extend, not to exceed a total contracting period of seven (7) years.

Please find your fully executed Offer and Acceptance Page attached to this letter. Your assigned AHCCCS contract number is **YH19-0001-03**. Please reference this number on communication with AHCCCS regarding your contract from this point forward.

Please countersign and return this contract award letter no later than seven calendar days from the date of this award letter (March 12, 2018, 5:00 p.m., Arizona time). This information must be emailed to Meggan Harley at ICRFPYH19_Questions@azahcccs.gov.

Per the RFP Section H: Instructions to Offerors, Award of Contract:

The Successful Offeror must accept all awarded GSA(s)/Pima County or decline all awarded GSA(s)/Pima County ...

If a Successful Offeror declines an awarded Contract, the Successful Offeror must ensure that AHCCCS is notified in writing within four calendar days (March 9, 2018, 5:00 p.m., Arizona time) of the date of the award letter. In the event that you fail to return this award letter by the dates noted above, AHCCCS may withdraw this Contract award.

The AHCCCS Complete Care RFP YH19-0001 Procurement File will be made available for public inspection on the AHCCCS website on or about March 5, 2018.


Per RFP Section H: Instructions to Offerors, Award of Contract:

Successful Offerors are required to submit to AHCCCS the deliverables outlined below. Please submit these deliverables to Michelle Holmes, DHCM Operations Manager, via the FTP server by March 28, 2018 with email notification to Michelle.Holmes@azahcccs.gov:

1. The Successful Offeror's organization charts:
 - a. Corporate structure, and
 - b. Functional organization chart of the key program areas, responsibilities and reporting lines, and position titles, and portion of time allocated to the AHCCCS Complete Care Contractor lines of business.

If you have any questions regarding this letter contact Meggan Harley.

Sincerely,



Meggan Harley, CPPO, MSW
AHCCCS Chief Procurement Officer
ICRFPYH19_Questions@azahcccs.gov.
(602) 417-4538
Attachments

Shawn Nau,
CEO
Health Choice Arizona, Inc. (Steward Health
Choice Arizona)

AHCCCS COMPLETE CARE CONTRACT FOR CONTRACTORS

OFFER

The undersigned Offeror hereby agrees to provide all services in accordance with the terms and requirements stated herein, including all exhibits, amendments, and final Proposal revisions (if any). Signature also certifies Small Business Status.

NPI No. (optional)

62-1796494

Federal Employer Identification No.:

n/a

Dun and Bradstreet (DUN) No.

E-Mail Address: Shawn. Nau@steward.org

Health Choice Arizona, Inc. (Steward Health Choice Arizona)

Company Name

410 N. 44th Street, Suite #900

Address

Phoenix Arizona 85008

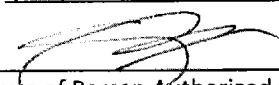
City State Zip

For clarification of this offer, contact:

Name: Shawn Nau

Title: Chief Executive Officer

Phone: (970) 759-5330


Signature of Person Authorized to Sign Offer
Shawn Nau

Printed Name
Chief Executive Officer

Title

CERTIFICATION

By signature in the Offer section above, the Offeror certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. §§41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror is / X is not a small business with less than 100 employees or has gross revenues of \$4 million or less.
5. The Offeror is in compliance with A.R.S. §18-132 when offering electronics or information technology products, services, or maintenance; and
6. The Offeror certifies that it is not debarred from, or otherwise prohibited from participating in any contract awarded by federal, state, or local government.

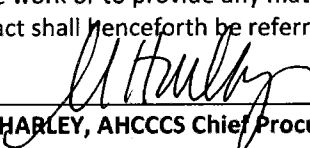
ACCEPTANCE OF OFFER (to be completed by AHCCCS)

Your offer, including all exhibits, amendments and final Proposal revisions (if any), contained herein, is accepted. The Contractor is now bound to provide all services listed by the attached Contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by AHCCCS. The Contractor is cautioned not to commence any billable work or to provide any material or service under this Contract until Contractor receives written notice to proceed.

This Contract shall henceforth be referred to as

Contract No. YH19-0001 -03

Award Date: March 5, 2018


MEGGAN HARLEY, AHCCCS Chief Procurement Officer

RFP YH19-0001 ACC Capitation Award - Health Choice

Non-Benefit Capitation Components by GSA

Component	North Award	Central Award	South
Administrative Expense	\$19.17	\$19.17	N/A
Underwriting Gain Pct Yr 1	0.01%	0.01%	N/A
Underwriting Gain Pct Yr 2	0.01%	0.01%	N/A
Underwriting Gain Pct Yr 3	0.01%	0.01%	N/A

These are the awarded non-benefit capitation rate components. Final capitation rates that include gross medical expense, reinsurance offset, non-benefit costs, premium tax, and any programmatic or other changes, as identified in the RFP, will be issued at a later date.

Administrative Expense

As noted in the Non-Benefit Costs Bid Requirements amended 11/30/17 in the Bidders' Library, Data Supplement for Offerors, Section F, Rate Development Information, AHCCCS will adjust administrative bids after award. Please refer to the document for more information regarding adjustment.

AHCCCS shall determine a ceiling for administrative expense based on a percent of medical expense. If membership assignment results in an administrative expense that would exceed the ceiling determined by AHCCCS, the administrative PMPM will be capped.

Underwriting (UW) Gain

It is AHCCCS' intent to use the UW gain bids per the Non-Benefit Costs Bid Requirements amended 11/30/17 in the Bidders' Library, Data Supplement for Offerors, Section F, Rate Development Information. If AHCCCS elects not to utilize the underwriting gain bids due to CMS requirements, AHCCCS will set the UW gain equal to one percent of the gross medical component.