



November 1, 2021

Meggan LaPorte
AHCCCS Procurement Office
801 East Jefferson Phoenix, Arizona 85034

Dear Ms. LaPorte

In response to the request for Best and Final Offer – Competitive Contract Expansion Solicitation #YH20-0002, Health Choice Arizona (HCA) has made the following adjustments to the bid originally submitted for the North GSA.

HCA has reduced the administrative bid projections for North GSA in the amount of \$910K using the following adjustments:

- Reduction to occupancy and office lease expenses allocated to better align with actual expected usage, \$70K.
- Reduction of RBHA allocated expenses to reflect personnel cost reductions through the use of Blue Cross Blue Shield Arizona (BCBSAZ) administrative services; more closely align personnel costs with projected time spent by each BCBSAZ and HCA Line of Business, and to eliminate duplication between DSNP, ACC, and RBHA, \$690K.
- Reduction of recently renegotiated RBHA vendor contracts and cost allocations for related vendor services, \$118K.
- Other minor allocation adjustments between LOB's, \$32K.

HCA has not made any changes for the Central GSA bid. HCA's North/Central GSA bid has been adjusted by the items listed above. HCA's actuarial certification was updated with the Best and Final Offer submission files and current date.

As always, please feel free to contact me with any questions or requests for additional information.

Sincerely,

Shawn Nau
Chief Executive Officer