

March 24, 2015

Stephen A. Purves
Maricopa Integrated Health System
2601 E. Roosevelt Street
Phoenix, Arizona 85008

Dear Steve:

Thank you for your letter of March 16, 2015 regarding the challenges facing the Maricopa Integrated Health System. I appreciate your commitment to effective and efficient health care delivery as well as your commitment to engaging in a thoughtful process for moving forward in the public's best interest. As you know, MIHS must obtain the written consent of AHCCCS before assignment of the AHCCCS Medicaid managed care contract. I would encourage your team to review your Acute Contract Section D Paragraph 52 and AHCCCS Contractor Operation Manual Policy 317 regarding changes in the management of a contractor. While that policy does not explicitly cover the assignment of a managed care contract, AHCCCS will likely take into account similar considerations in evaluating a request to assign a contract. Those factors include:

- Ensure uninterrupted services and ongoing adequate access to care and choice for members;
- Ensure the new entity's ability to maintain and support the contract requirements including the commitments in the proposal submitted to AHCCCS during the procurement process;
- Ensure major functions of the Contractor's organization, as well as AHCCCS programs, are not adversely affected; and
- Ensure the integrity of a fair, competitive AHCCCS procurement process for managed care contracts, which is one of the core founding principles of the AHCCCS program.

We would encourage MIHS not to limit itself regarding the types of entities for a potential assignment. AHCCCS is open to considering an assignment to an existing AHCCCS contractor, to an entity currently providing management services to an existing contractor, as well as possible assignment to an appropriate and qualified new entrant to the Arizona Medicaid managed care marketplace. We look forward to working with you to improve health care delivery in the State.

Sincerely,



Thomas J. Betlach
Director