



Phoenix Health Plan

November 13, 2015

Tom Betlach
Director
Arizona Health Care Cost Containment System
801 East Jefferson
MD4100
Phoenix, Arizona 85034

Subject: Request to Lift Enrollment Cap on Phoenix Health Plan

Dear Director Betlach:

Phoenix Health Plan (PHP) respectfully requests the AHCCCS Administration lift the enrollment cap placed upon PHP effective October 1, 2013 pursuant to contract YH14-0001. PHP humbly makes this requests based upon the substantial changes in ownership of health plans serving Maricopa County and the significant operational challenges of the most recently announced acquisition involving Health Net Access and Bridgeway Health Solutions (Bridgeway).

During the past ten months, AHCCCS has received notifications of changes in ownership of three health plans, representing half (50 percent) of the contracts awarded to serve Maricopa County through the YH14-0001 Request for Proposal (RFP) process. As illustrated on the *Change in Ownership Activities* page of the AHCCCS website, AHCCCS has also received notification of possible divestiture/assignment activities regarding Maricopa Health Plan due to acute economic distress. Collectively, these changes create the potential to significantly enhance the risk of interruption of services to members, adequacy of access to care, and most importantly, potentially negatively impact members and providers.

The most recent request of Health Net Access to transition its enrollment and operations to Bridgeway considerably increases the risk to AHCCCS members and providers. Based on AHCCCS' extensive and effective monitoring and oversight, numerous Notices to Cure and Corrective Action Plans have been issued to Health Net Access (www.azahcccs.gov/reporting/oversight/acute.aspx), suggesting the health plan has been struggling to meet AHCCCS contractual obligations. As an acute AHCCCS health plan, Bridgeway also faced a number of Corrective Action Plans and Notices to Cure. With limited experience serving a single, rural County, Bridgeway's acquisition of Health Net Access' AHCCCS contract for Maricopa County may not address the numerous operational and performance issues currently being faced by the health plan. As evidenced by AHCCCS' administrative actions which led to the Notices to Cure and Corrective Action Plans, Bridgeway historically struggled with many of the same issues as Health Net Access, such as claims and encounter adjudication, clinical quality performance measures, as well as compliance and reporting requirements. At PHP we are extremely proud of the fact we have not incurred a single administrative action that resulted in a Notice to Cure or Corrective Action Plan request from AHCCCS during the current contract period.

To enhance choice and stability for AHCCCS members and providers, PHP is requesting the AHCCCS Administration lift PHP's enrollment cap. As a dedicated, long-term partner with AHCCCS, PHP has successfully resolved administrative challenges which impacted PHP's poor response to the AHCCCS CY2014 RFP. Although our RFP response inadequately addressed questions posed as part of the procurement process, our commitment and capabilities to serve AHCCCS as a high performing health plan are evident in our care delivery and performance outcomes. Since the award of the capped enrollment contract over two years ago, PHP has made thoughtful and deliberate changes within the organization, working diligently and cooperatively with AHCCCS staff to better align our operations with AHCCCS' vision for tomorrow's managed health care. PHP has provided thought-leadership on various topics including behavioral health integration and payment reform innovation. For example, PHP's Chief Medical Officer, Dr. Caroline Carney, a Board-certified internist and psychiatrist, has worked with Abrazo market leadership in bringing about a behavioral health integrated unit within one of PHP's partnering acute-care hospitals, and continues to participate in its programmatic planning. Although PHP is not a contracted Regional Behavioral Health Authority (RBHA), under Dr. Carney's leadership, PHP has recognized and is addressing the need for integrated physical and behavioral health care delivery to better serve not only our PHP members, but the general population as well.

Over the past two years, PHP has operated at or above standards in every category related to quality and efficiency, placing a priority on member care and satisfaction. Our performance and outcomes were highlighted by the AHCCCS Administration staff during the September 16th Managed Care Organizations' meeting. During the Quality Update presentation (www.azahcccs.gov/commercial/Purchasing/RFPInfo/RFPPresentations/2015/RFP_Presentations_Sept2015.aspx), it was stated "*Phoenix Health Plan has continued its Performance Measurement improvements two years in a row.*" The 2013 Minimum Performance Standards results shared during the presentation identified PHP as the highest performing health plan, with 90% of minimum performance standards met. By contrast, the lowest performing health plan reached only a 40% performance level. Additionally, AHCCCS staff reported that PHP scored 86%, higher than any other AHCCCS health plan, by meeting or exceeding six NCQA Medicaid Means. In contrast, the lowest performing health plan only reached a 14% performance level.

A review of the Health Plan Report Card, now available on the AHCCCS website (www.azahcccs.gov/HPRC/Default.aspx), illustrates PHP's exceptional performance. PHP received the highest score as ranked by members on the 2012 Consumer Assessment of Healthcare Providers and Systems Survey (CAHPS) member satisfaction survey for **Health Plan Customer Service**. The Health Plan Report Card also indicates PHP's Business Operations Measures exceed the minimum performance standards. These measures clearly demonstrate our dedication, expertise and excellence in meeting not only our AHCCCS contractual requirements, but in serving the needs of our members and providers, delivering high quality, integrated care in a cost effective, member-centric manner.

Based upon the risk to members by the significant amount of change in ownership of Maricopa County AHCCCS health plans, the ongoing challenges of meeting contractual requirements by Health Net Access, the potential perpetuation of these challenges if the Health Net Access

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acquisition is approved, and the exemplary performance by PHP, we respectfully request AHCCCS lift the enrollment cap from PHP. We understand how to meet AHCCCS members' needs while meeting AHCCCS performance requirements. PHP is dedicated to serving AHCCCS members and we believe allowing Maricopa County members an additional choice in health plans can enhance the stability and quality of their care.

Please feel free to contact me if you have any questions or require any additional information. On behalf of the team at PHP, I appreciate your time and thoughtful consideration of this request.

Sincerely,



Matt Cowley
Chief Executive Officer

Cc: Virginia Roundtree, Acting Assistant Director, Division of Health Care Management
Meggan Harley, Procurement and Contracts Manager