



September 23, 2016

Via email: [Brenda.Gobeli@azahcccs.gov](mailto:Brenda.Gobeli@azahcccs.gov)

Ms. Brenda Gobeli  
Operations and Compliance Officer  
Arizona Health Care Cost Containment System  
801 East Jefferson Street  
Phoenix, AZ 85034

**RE: Membership Transfer Agreement**

Dear Ms. Gobeli:

Enclosed with this cover letter to the Arizona Health Care Cost Containment System ("AHCCCS"), please find an executed copy of the Membership Transfer Agreement (the "Agreement") by and between Arizona Physicians IPA, Inc., d/b/a UnitedHealthcare Community Plan of Arizona ("UnitedHealthcare") and Maricopa County Special Health Care District, d/b/a Maricopa Integrated Health System ("MIHS") dated August 24, 2016. MIHS respectfully requests approval of the Agreement and the transactions contemplated by the Agreement.

Background

As you know, MIHS has been engaged in a thoughtful process to exit its AHCCCS Medicaid managed care contract while ensuring uninterrupted service for its members. Following the evaluation of responses to a request-for-proposal process, the MIHS Board of Directors voted unanimously at its May 25, 2016 public meeting to proceed with a transfer of its Medicaid membership to UnitedHealthcare. Subsequently, MIHS and UnitedHealthcare negotiated the Agreement and it was approved by the MIHS Board of Directors at its August 24, 2016 public meeting.

Agreement Overview

The Agreement provides the framework for the transfer of members from the MIHS Medicaid managed care contract to the UnitedHealthcare Medicaid managed care contract. Closing of the transactions contemplated by the Agreement is conditioned on receiving all required approvals, including approval from AHCCCS. Immediately following the transfer of members, MIHS will terminate its Medicaid managed care contract.

Under the Agreement, each of MIHS and UnitedHealthcare make customary representations and warranties including with respect to authorization to enter the transaction and compliance with law.

The Agreement provides that MIHS will operate its Medicaid managed care contract in the ordinary course until the approval and closing of the membership transfer. Among other items, MIHS will preserve its relationships with providers, keep available the services of its employees and continue to administer claims, appeals and grievances. MIHS also agrees under the Agreement not to take certain actions such as making material changes to the MIHS operations or failing to pay claims.

The Agreement also addresses the parties' desire to plan for a smooth transition with minimal disruption to the members. Under the Agreement the parties agree to:

- Cooperate in transition planning;
- Send notices to the affected members in accordance with AHCCCS requirements;
- Coordinate care of members prior to and after the closing date;
- Address interactions with medical providers; and
- Follow the actions outlined in the transition plan submitted to AHCCCS;

Following closing of the transactions under the Agreement, those members who elect not to transfer to another AHCCCS contractor will be afforded all of the benefits of UnitedHealthcare's managed Medicaid plan.

If you have any questions, please do not hesitate to contact me at [Michael.Zenobi@MIHS.org](mailto:Michael.Zenobi@MIHS.org) or (602) 344-5442.

Sincerely,



Michael S. Zenobi  
Vice President, Managed Care Operations  
Maricopa Integrated Health System

cc:

Steve Purves, MIHS / MHP  
Kathleen Benaquista, MIHS / MHP  
Jean Ellen Schulik, MIHS / MHP  
Joseph Gaudio, UHCCP (United)  
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