9.18 FINANCIAL STATEMENT

RFP Reference: 22., 13.1, 3.

ANNUAL AUDITED FINANCIAL STATEMENT

RFP Reference: 22.

Upon request, the Contractor shall submit to AHCCCS an annual audited financial statement, for itself and parent company, if applicable.

HMS affirms that, upon request, we will submit to AHCCCS an annual audited financial statement. Our Annual Report includes the financial statements of our parent company, HMS Holdings Corp. ("Holdings").

HMS enables our clients to assess our ongoing financial integrity through the provision of fully audited, publicly filed financial statements. HMS Holdings is listed on the NASDAQ exchange (ticker symbol HMSY) and is subject to extensive public scrutiny and review by the Securities and Exchange Commission (SEC), the NASDAQ exchange, and the general investment community. As a public entity, HMS Holdings must also report on and provide certifications under the SOX Act of 2002 regarding the company's financial controls, which are also reviewed by HMS's external auditors, KPMG, LLP. This provides for a much higher standard of financial transparency and rigor, with a higher reporting frequency, than for a privately owned company.

HMS's financial results are reported together with those of our parent company, HMS Holdings. These financial statements include:

- Balance sheets
- Statement of operations
- Statements of cash flows
- Notes to financial statements
- Auditor's reports (Annual Report only)

Ownership of HMS Holdings is highly transparent. Each quarter, the company's owners are required to file their ownership position with the SEC, which makes this information publicly available on its Edgar website.

HMS's ability to perform successful cost containment and recovery projects for multiple Medicaid agencies, public healthcare agencies, managed care organizations, child support agencies, Veterans Administration facilities, and CMS demonstrates that HMS has adequate financial resources to support multiple, ongoing engagements. Our financial resources and staff are focused on one goal and not spread thin and competing internally with multiple lines of business, as is the case in many larger companies. We are the right size company to ensure ongoing financial stability and sustained delivery of meaningful results for our clients.

TERMINATIONS FOR BREACH OR SIMILAR FAILURE

RFP Reference: 13.1

13.1 Whether the Offeror has had a contract within the last five (5) years that was terminated for cause due to breach or similar failure to comply with the terms of the contract;

HMS has not had a contract within the last five (5) years that was terminated for cause due to breach or similar failure to comply with the terms of the contract pertinent to the services requested under this RFP.

CONFLICT OF INTEREST

RFP Reference: 3.

3. Conflict of Interest: The Contractor shall not undertake any work that represents a potential conflict of interest, or which is not in the best interest of AHCCCS or the State without prior written approval by AHCCCS. The Contractor shall fully and completely disclose any situation that may present a conflict of interest. If the Contractor is now performing or elects to perform during the term of this contract any services for any AHCCCS health plan, provider or Contractor or an entity owning or controlling same, the Contractor shall disclose this relationship prior to accepting any assignment involving such party.

As AHCCCS current contractor we have listed in **Table 9.18-1** the contracts we have with AHCCCS Health Plan contractors through our commercial market. We affirm that we have appropriate internal firewalls, data segregation, and no conflict of interest exist between Health Plan contractors.

Table 9.18-1. HMS Commercial Health Plan Clients and AHCCCS Contractors

Clients	
Mercy Maricopa	Care1st Health Plan (AZ) MC
United HealthCare - CSP Optum: AZ	University Physician Health Plan
Centene Corporation (AZ) BH Cenpatico: Bridgeway	Centene Health Net AZ Bridgeway
Aetna (AZ) Mercy Care	United Healthcare (AZ)*
Health Choice Arizona	Centene Corporation (AZ) LTC Bridgeway