

December 6, 2023

Carmen Heredia  
Chief Executive Officer  
Arizona Health Care Cost Containment System (AHCCCS)  
801 East Jefferson Street  
Phoenix, Arizona 85034

Subject: Care 1<sup>st</sup> and AZ Complete Health Merger

Dear Ms. Heredia,

Since the initial ACC Contract, our provider organizations have had the opportunity to develop strong partnerships with Care 1<sup>st</sup>. Through our collaboration, we have successfully met the needs of thousands of members across Northern Arizona. Since winning the RBHA bid in Northern Arizona, Care 1<sup>st</sup> relied on the strengths of its sister organization, Arizona Complete Health with serving the SMI population. As a result, we have already experienced more and more activities being led by AZ Complete Health. We recognize the need for our healthcare system to be more efficient and understand the benefits of consolidation. Having experienced much of the change already, it is crucial to address certain issues that may arise as a result of the transition.

Throughout the proposal, it is noted how the two organizations have aligned their policies to support a seamless transition. The experience for the providers is different than as described. At times, providers have experienced mixed messages, increased administrative burden and a lack of a standard approach across health plans. We believe there is an opportunity through the merger and reducing the number of health plans overseeing contracts to further reduce the administrative burden through standardization.

- 1- **Access to Care:** In line with a core principle of Care 1<sup>st</sup>, we believe there is opportunity to manage grant dollars in a manner that ensures choice and access to care in the member's community. Our current experience is that AZ Complete Health's process limits both.
- 2- **Denial of Medically Necessary Services for SMI Clients and Administrative Burden:** Throughout the past year, there has been inconsistency with determining medical necessity. At times, providers received notice that a person with SMI must be discharged the next day without the opportunity for good discharge planning. In most situations, a doctor to doctor consultation led to the person's stay being extended. Additionally, we have experienced situations where health plan administrative staff have questioned our medical staff decisions, causing our clinical teams to spend a significant amount of time, sometimes in very contentious meetings. The process has led to significant

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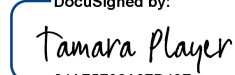
Page 2

administrative burden for the organizations, especially our medical providers. As providers, we recognize the need to be good stewards of public funds and are committed to ensure medical necessity criteria is met. The well-being of clients with Serious Mental Illness must be a top priority during this transition. There is a risk that changes in the healthcare structure may lead to the denial of medically necessary services, causing adverse effects on the mental health of these vulnerable individuals. We believe there is opportunity for transparency and improved discharge planning without the additional administrative burden.

- 3- **Utilization and Review:** Providers have had mixed experiences this past year with Utilization and Review process. In the majority of situations, BHRF stays are only approved for 30 days regardless of the person's diagnosis, functioning or SMI determination. While providers have been successful with obtaining additional authorization for services, the administrative burden to obtain continued stay authorization has significantly increased.
  
- 4- **Rural versus Urban Healthcare:** To date, there has been an expectation that the system in the north will adopt processes and practices that align with how things are done in other parts of Arizona without recognition of the difference between cultures of the communities and rural versus urban work. At times this has led to providers needing to be a bridge between the health plan and other community entities, such as police. We believe there is great opportunity for community engagement and implementing practices that support providing healthcare in rural areas of the state.

We thank you for your attention to these critical matters during this important transition for our communities and the people we serve.

Sincerely,

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Polara Health

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