



## *Public Comment*

### **Proposed Transition Plan: Centene-WellCare Merger**

On behalf of the Arizona Hospital and Healthcare Association and our more than 80 hospital, healthcare and affiliated health system members, thank you for the opportunity to offer comments on the proposed merger agreement between Centene Corporation ("Centene") dba as Arizona Complete Health-Complete Care Plan and WellCare Health Plans ("WellCare") dba Care1st Health Plan of Arizona whereas Centene would acquire WellCare.

Our members have expressed significant concerns about the merger and its impact on their business offices and credentialing activities. **These concerns stem from the great number of issues that have arisen over the past year with the operation of Arizona Complete Health in the Central and Southern Arizona GSAs.** Specifically, our members in both regions have expressed ongoing concerns with:

- Claims reimbursement;
- Reimbursement at the correct rates;
- Difficulty contracting and credentialing; and
- Difficulty coordinating to resolve these problems.

Fortunately, providers have continued providing care to AHCCCS members despite receiving incomplete, inaccurate, and, in some cases, no reimbursement. While Arizona Complete Health may have made efforts to correct these problems after providers filed complaints with the Administration, many of these issues persist to this day. Our members report on-going cash-flow challenges as Arizona Complete Health continues to have significant provider load issues resulting in incorrect assignment and classifications (e.g., primary versus specialty designations incorrectly reflected in their system). These errors result in incorrect payments (e.g., FQHC-LAL PCP & PPS Rates), provider appeals, and generally additional administrative costs to correct Arizona Complete Health's errors and secure the correct reimbursement.

Because Arizona Complete Health is the "acquiring" entity in the merger, and thus would potentially be migrating Care1st's providers, claims and similar elements into their operations, our members want assurance that Arizona Complete Health will immediately rectify the provider load and reimbursement issues and provide assurance that these problems will not occur again on a greater scale under a merger agreement. We urge AHCCCS not to assume that the concerns outlined above were simply a "transition issue" and have been resolved. Any recent reduction in "provider noise" is more likely due to provider fatigue in working through these challenges.

It is also important to note that our members located in the Northern Arizona GSA report a generally positive relationship with Care1st Arizona. While Care1st has struggled with EDI transactions, authorization requirements, and appropriate payments, these problems do not appear to be on the same level as the concerns raised about Arizona Complete Health in the Central and Southern Arizona GSAs. AzHHA members report that Care1st has generally worked hard to correct the problems. This is not to say the problems are fixed. However, Care1st appears to be committed to doing so.

Our behavioral health members in the north specifically note that the overall experience throughout the transition this year was “exceptionally smooth, despite the large-scale shift in Arizona healthcare.” They appreciate the leadership Scott Cummings has shown in taking an effort to build relationships with behavioral health providers and understand the unique challenges of the northern region, as well as working collaboratively with the other health plan to coordinate deliverables whenever possible. Care1<sup>st</sup> has also demonstrated commitment to truly integrating care at the health plan level.

Providers in the Northern Arizona GSA deeply fear that any progress made so far by Care1st will be disrupted with a merger. Health plans with a statewide focus—especially those with an out-of-state corporate office—tend to center business policies and practices on the metro-Phoenix market without taking into effect variation in the delivery system in the more rural areas of the north. Laboratory and radiology services are prime examples. Providers in the northern region have expressed strong concern that the merger will delay—if not bring to a halt—the changes that Care1st still needs to make to fix their processes and systems.

On a final note, our members express concern that the merger could violate the “spirit” of the original AHCCCS Complete Care (ACC) program Request for Proposal (RFP), which indicated that a single ACC contractor will not be able to contract for more than two of the three regions. The combined Centene entity will have a statewide presence and contradicts the AHCCCS RFP directive. With this in mind,

- What are AHCCCS’s plans to mitigate this statewide presence?
- Will the merged entity be required to give up either the north or south region?
- Will the remaining ACC plans be able to bid on the vacating region?
- Is there a time-table for this activity?

Thank you again for the opportunity to comment. If you have any questions, please feel free to contact AzHHA’s Senior Vice President of Policy Development, Debbie Johnston, at [djohnston@azhha.org](mailto:djohnston@azhha.org).