



July 10, 2019

Via Email

Shelli Silver

Deputy Director, Health Plan Operations, Arizona Health Care Cost Containment System

801 E. Jefferson St.

Phoenix, AZ 85034

Shelli.Silver@azahcccs.gov

Re: Care1st Health Plan Arizona, Inc., Contract #YH19-0001-04 Plans

Dear Shelli:

As you know, on May 3, 2019, in accordance with Contract No. YH19-0001 between the Arizona Health Care Cost Containment System (“AHCCCS”) and Care1st Health Plan Arizona, Inc. (“Care1st AZ”), Section D, Paragraph 49 (Change in Contractor Organizational Structure), as well as AHCCCS Contractor Operations Manual, Policy 317 (Change in Contractor Organizational Structure), Care1st AZ submitted a Request for Approval and Confidential Initial Transition Plan in relation to the Merger Agreement between Centene Corporation (“Centene”) and WellCare, among other parties, pursuant to which, among other things, Centene will acquire control of WellCare by means of a merger (the “Transaction”). Under ACOM 317, AHCCCS contractors must submit a transition plan to AHCCCS at least 180 days prior to the effective date of a proposed merger, acquisition, reorganization, or change of ownership. ACOM 317 also contemplates that there may be items submitted in draft and that revised iterations may be submitted up to 90 days prior to the effective date.

Per AHCCCS’s request, for its next iteration of the transition plan, Care1st AZ is submitting separate transition plans for the North GSA and Central GSA. We understand that AHCCCS will conduct a review of the transition plans with a focus on member impact and contract compliance. Accordingly, these transition plans have been structured to reflect the evaluation elements outlined within the AHCCCS Readiness Assessment Tools, as well as elaborating on the responses provided in Care1st AZ’s initial transition plan. These transition plans are also intended to ensure that, going forward, the parties will continue to serve members by providing continuing access to affordable, high quality, culturally sensitive healthcare.

In the North GSA transition plan, in order to minimize member and provider disruption, there will be no changes across any of the readiness elements at the time of closing. It is anticipated that Care1st AZ will continue the tenure of Scott Cummings as CEO until the expiration of the Medicaid contract in October 2025. Additionally, in order to ensure continuity of processes and operations across communities and service areas, key staff positions will remain the same to ensure continuity of the Care1st AZ plan with the talented individuals who have a keen understanding of the plan, members, network, and the State.

In the Central GSA transition plan, Care1st AZ explains the parties' intent to transfer the membership of Care1st AZ's AHCCCS Complete Care plan in the Central GSA only to Arizona Complete Health-Complete Care Plan. This transfer is intended to take place at the end of a transition period (*i.e.*, 18 months after the closing of the Transaction). This is subject to the parties consulting and working closely with AHCCCS to develop and execute a plan that is designed to minimize member and provider disruption. The initial months of this transition period will be used to gather data, make decisions, and develop a definitive plan of execution for execution to commence in the latter months.

The combination of Centene and WellCare will create a premier healthcare enterprise focused on government-sponsored programs with a shared commitment to the local communities in which they serve. Overall, the combination is intended to better serve members by providing access to affordable, high quality, culturally sensitive healthcare, and both organizations are deeply committed to providing stability to members, providers and employees.

The parties look forward to discussing these plans with you further, to working with AHCCCS to address any questions and to ensure that the parties minimize any potential disruption to members, providers and AHCCCS as a result of these plans. If you have any questions, please do not hesitate to contact me [at SCummings@Care1stAZ.com](mailto:SCummings@Care1stAZ.com) or (602) 778-1860.

Respectfully submitted,



Scott Cummings
State President, Care1st Health Arizona, Inc.

cc: Jami Snyder, Director, AHCCCS
Virginia Rountree, Assistant Director, Department of Health Care Management,
AHCCCS
Meggan LaPorte, MSW CPPO, Chief Procurement Officer, AHCCCS
Matthew Devlin, General Counsel/Assistant Director, Office of Administrative Legal
Services, Arizona Health Care Cost Containment System
Anat Hakim, WellCare Executive Vice President, General Counsel & Secretary
Keith Williamson, Centene Executive Vice President, Secretary & General Counsel
Christopher A. Koster, Centene Senior Vice President
Paul Barnes, Centene Arizona Plan President
Ashlee Knuckey, Counsel to WellCare/Care1st AZ
Todd Freed, Counsel to Centene/Arizona Complete Health-Complete Care Plan
Elena Coyle, Counsel to Centene/Arizona Complete Health-Complete Care Plan