

September 20, 2019

Shelli Silver
Deputy Director, Operations
AHCCCS Administration
801 E. Jefferson,
Phoenix, Arizona 85034

Submitted Via Email: Centene-WellCareMerger@azahcccs.gov

RE: Dignity Health Comment Letter - Proposed Merger Agreement between Centene Corporation (“Centene”) and WellCare Health Plans (WellCare)

Dear Ms. Silver:

On behalf of Dignity Health, I want to thank you for the opportunity to comment on the proposed Merger Agreement between Centene Corporation (“Centene”) and WellCare Health Plans (WellCare).

As you know, Dignity Health is a 501(c)(3) nonprofit health care hospital system. We are the state’s second largest hospital system and one of the largest providers to Arizona’s Medicaid population. Mercy Care is joint venture owned by Dignity Health and Ascension and an important extension of our mission is to serve the poor and persons with special needs. Dignity Health in Arizona is a respected leader in world-class medical care and proud of our 124-year-old mission to provide quality, affordable care to all, especially to the poor and disenfranchised.

We respectfully request your thoughtful consideration regarding our comments while weighing the Centene acquisition as it relates to AHCCCS policies, competitive disadvantages in the market and the overall impact to the delivery of care to AHCCCS beneficiaries.

As part of the AHCCCS Complete Care (ACC) design, the Administration carefully considered membership population distributions across the state and within each geographic service area (GSA) while also weighing the broad competition of ACC bidders. Administration policies were clearly noted in the request for proposals and other informal communications that stated:

- AHCCCS beneficiaries would have a choice of more than one ACC within each of the three GSAs; and
- No ACC would be granted authorization to operate in all three GSAs.

The proposed Centene acquisition/transition plan seeks to undermine those policies which will result in no real choice for AHCCCS beneficiaries in the North GSA and sets in place a competitive disadvantage to other bidders such as Mercy Care who were prohibited from even applying for delivery in all of the GSAs. Their proposal clearly states that Centene intends to combine Arizona Complete Health with Care1st in the Central GSA. The proposal fails to provide any quantitative assurance that one plan can meet the needs of beneficiaries in the North; furthermore, the information in the proposal submitted to AHCCCS does not substantiate their ability to operate as a state-wide ACC.

As the first year of the ACC integration comes to a close, it is imperative that the Administration does not alter its policies mid-stream creating a disadvantage to the other ACC bidders that complied with the original Administration requirements. It is equally important to know that doing so establishes a precedent that drastically upends the competitive structure of integrated services - the foundation and historical priority of the AHCCCS Administration. Finally, we firmly believe that Centene has not demonstrated through quantifiable data that the proposed transition will better serve members, or provide a high-quality, and culturally sensitive healthcare system.

Therefore, we strongly urge AHCCCS to deny Centene's acquisition/transition plan in the North and Central GSA's.

Again, thank you for the opportunity to provide comments on the proposed Merger Agreement between Centene Corporation ("Centene") and WellCare Health Plans (WellCare). I am hopeful that our constructive comments and perspectives are helpful and I welcome any questions you may have.

Sincerely,



Linda Hunt
Sr. Vice President of Operations & President/CEO, Arizona
Dignity Health