

07/22/2020

Minnie Andrade  
Chief Executive Officer  
Magellan Complete Care of Arizona  
4801 East Washington Street, Suite 100  
Phoenix, AZ 85034

**SUBJECT: Notice of and Request for Approval of Change in Contractor Organizational Structure**

Dear Ms. Andrade:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM), is in receipt of the Change in Organizational Structure: Transition Plan submitted by Magellan Complete Care of Arizona, Inc. (MCC) on June 15, 2020 and June 29, 2020 respectively, regarding the acquisition of -MCC by Molina Healthcare, Inc. (Molina)

AHCCCS has reviewed the initial submission and is requesting clarification for the following:

- Describe the process MCC has in place to document technical assistance that has been provided to current MCC staff by AHCCCS, and how the information will be made available to new staff in the event of future staffing changes.
- Provide clarification if the Tax ID for MCC will be changing. AHCCCS will require documents to be submitted within 120 days of any Tax ID change.
- Confirm if a change to the Transmission Submitter Number (TSN) will be needed for encounter submissions.
- Provide additional clarification if there will be any transition of the system/platform to a Molina processing system. As outlined in Contract, a system change plan is required to be submitted no later than six months prior to expected implementation.
- Provide a copy of the Plan of Operations referenced in Exhibit C - Pro-Forma Financial Statements of MCC Following the Closing, page 10 of 10.
- Provide confirmation of the resulting plan name and logos that will be utilized. In addition, provide a timeframe of when the name change will occur.
- The Transition Plan indicates “there will be no changes to critical member information, including the website, member handbook, provider manual and member ID card.” However, the Transition Plan states ‘Under the terms of the Purchase Agreement, Molina must discontinue the use of the Magellan name and logo’. Provide clarification since the name and logo changes will occur, especially as it pertains to the member ID cards.

What is the plan to issue ID cards with the new name and logo, for both existing members, and members enrolled in the plan after the name change?

- The information regarding the changes surrounding the Pharmacy Benefit Manager (PBM) contract with MCC are unclear. Provide an explanation on the changes, which agreements will be impacted, and any impact to members.

As a component of our due diligence process, and pursuant to ACOM Policy 317, AHCCCS is also engaging in obtaining stakeholder input regarding the proposed acquisition through a public notice and feedback process. Upon completion of the public feedback process, AHCCCS will review responses received as part of the overall review and approval process.

A response to the above is required in order for AHCCCS to complete its review as a component of our due diligence process and must be submitted to Dawn Sica, AHCCCS Operations and Compliance Officer, via SharePoint **by close of business, August 5, 2020**

In addition to the above, AHCCCS may request additional clarification and/or documents as part of the overall review and approval process.

Should you have any questions, please contact Dawn Sica at 602-417-4568 or [Dawn.Sica@azahcccs.gov](mailto:Dawn.Sica@azahcccs.gov)

Sincerely,



Christina Quast  
Operations Administrator  
Division of Health Care Management, AHCCCS

cc: Matthew Isiogu, AHCCCS  
Jakenna Lebsock, AHCCCS  
Michelle Holmes, AHCCCS  
Dawn Sica, AHCCCS  
Molly Corrigan, Magellan