

November 30, 2016

Scott Cummings
Chief Administrative Officer
Care1st Health Plan Arizona, Inc.
2355 East Camelback Road #300
Phoenix, Arizona 85016

SUBJECT: Notification of Acquisition and Request for Prior Approval

Dear Mr. Cummings:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM) has received and reviewed the additional information provided by Care1st Health Plan Arizona regarding the acquisition of Care1st Health Plan Arizona, Inc. (Care1st) by WellCare Management Group, Inc. (WMG). AHCCCS has conducted and completed its due diligence process in accordance with the requirements of AHCCCS Contractor Operations Manual (ACOM) Policy 317 to confirm commitments will be maintained and to ensure there will be no member disruption.

AHCCCS strives to be a transparent public program and accordingly has provided an opportunity for the public to express any thoughts or concerns related to this proposed acquisition. AHCCCS has shared the information on our website and has received no feedback.

Care1st submitted its Notice of Acquisition and Request for Prior Approval with a draft transition plan guiding this acquisition on October 13, 2016. Based upon the submitted documentation, additional clarification provided and results of the public comment process, the acquisition is **approved**. AHCCCS appreciates the commitments made throughout this process by Care1st and WMG in response to the issues and concerns raised during the due diligence process.

Care1st is reminded that as mentioned in AHCCCS' October 31, 2016 response letter, the member communication proposed in the transition plan must be placed as a stand-alone article on its website for members and providers.

Finally, Care1st and WMG have provided reassurance of their commitment to offering members the same level of service the health plan has historically delivered and that there will be no disruption to members as a result of the acquisition.

Scott Cummings
November 30, 2016
Page 2

Thank you for your patience and continued cooperation as we conducted our review of this requested change. Should you have any questions or concerns regarding this letter, please contact Virginia Rountree at (602) 417-4122 or at: Virginia.rountree@azahcccs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas Betlach', with a stylized flourish at the end.

Thomas Betlach
Director

cc: Virginia Rountree, AHCCCS
Shelli Silver, AHCCCS
Christina Quast, AHCCCS
Michelle Holmes, AHCCCS
Ryan Shirley, AHCCCS
Patty Dal Soglio, Care1st