

April 18, 2024

The Honorable Warren Petersen, President  
Arizona State Senate  
1700 W. Washington  
Phoenix, AZ 85007

The Honorable Ben Toma, Speaker  
Arizona State House of Representatives  
1700 W. Washington  
Phoenix, AZ 85007

Re: Report on Modified or Rejected Administrative Law Judge Conclusions of Law

Dear President Petersen and Speaker Toma:

A.R.S. 41-1092.08(B) provides that, within thirty days of receiving an administrative law judge's decision, the head of the agency may review the decision and accept, reject or modify it. If the head of the agency rejects or modifies the decision, the agency head must provide a written justification for the rejection or modification of each Finding of Fact or Conclusion of Law.

Subsection (B) also requires that if the agency head rejects or modifies a Conclusion of Law, the written justification shall be sent to the President of the Senate and the Speaker of the House of Representatives.

Most, if not all, administrative law judge decisions and the associated decision of the agency head regarding the AHCCCS program include information that is confidential under State and Federal law. See 45 CFR Part 164 and AAC R9-22-309. As such, AHCCCS cannot provide the full text of the administrative law judge decisions or the agency decision. As a practical matter, redacted versions of the justification for a modification or rejection of an administrative law judge's Conclusion of Law are not comprehensible without the full context of Findings of Fact and Conclusions of Law made by the administrative law judge.

For that reason, AHCCCS is providing quarterly summary information. For the quarter ending March 31, 2024, AHCCCS has identified twenty matters where the agency modified an administrative law judge's Conclusions of Law. During that same quarter, AHCCCS reviewed 331 administrative law judge decisions. The following Conclusions of Law were modified:

- Conclusions of Law were modified in six director's decisions to reflect the record more accurately.

- Conclusions of Law were modified, and language was stricken and replaced with correct language in thirteen director's decisions.
- Conclusions of Law was stricken completely in one director's decision.

Please feel free to contact me if you have any questions about this report.

Sincerely,



Carmen Heredia  
Cabinet Executive Officer  
and Executive Deputy Director

cc: Richard Stavneak, Director, Joint Legislative Budget Committee  
Sarah Brown, Director, Governor's Office of Strategic Planning and Budgeting  
Zaida Dedolph Piccoro, Health Policy Advisor, Office of the Governor