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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

March 12, 2003

The Honorable Robert Blendu, Chair
Joint Legislative Audit Committee

The Honorable John Huppenthal, Vice Chair
Joint Legislative Audit Committee

Dear Senator Blendu and Representative Huppenthal:

Our Office has recently completed a 6-month followup of the Arizona Health Care Cost Containment System—Rate-Setting Processes regarding the implementation status of the 1 audit recommendation presented in the performance audit report released in August 2002 (Auditor General Report No. 02-06). As the attached grid indicates:

- The audit recommendation has been implemented.

Since the audit recommendation has been implemented, and unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the Arizona Health Care Cost Containment System—Rate-Setting Processes.

Sincerely,

Debbie Davenport
Auditor General

Attachment

cc: Ms. Phyllis Biedess, Director
AZ Health Care Cost Containment System

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
Rate-Setting Processes
6-Month Follow-Up Report To
Auditor General Report No. 02-06

FINDING I: Accuracy of Capitation Rate Data Reasonably Ensured

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. AHCCCS' Office of Managed Care should develop written procedures for verifying the reasonableness of the utilization data reports that the Information Services Division produces.	Implemented at 6 months	

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FINDING II: Process for Setting Physician Fee-for-Service Rates Appears Appropriate

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. This finding presented information only; therefore, no recommendations were presented.		

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FINDING III: AHCCCS Monitors Contractors' Solvency

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. This finding presented information only; therefore, no recommendations were presented.		