

August 1, 2022

The Honorable Karen Fann, President  
Arizona State Senate  
1700 W. Washington  
Phoenix, AZ 85007

The Honorable Russell Bowers, 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 Fann and Speaker Bowers:

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.

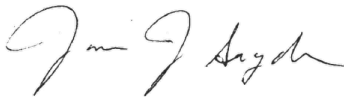
Most, if not all, administrative law judge decisions and the associated decision of the agency head regarding the AHCCCS program include information that is confidential under State and Federal law. See 45 CFR Part 164 and AAC R9-22-309. As such, AHCCCS cannot provide the full text of the administrative 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 June 30, 2022, AHCCCS has identified seven matters where the agency rejected or modified an administrative law judge's Conclusions of Law. During that same quarter, AHCCCS reviewed 134 administrative law judge decisions. The following Conclusions of Law were modified or rejected:

- Based on review of two matters, the agency decision reversed the Administrative Law Judge's conclusion resetting two matters for hearing due to hearing parties not receiving proper notice.
- A Conclusion of Law stating that Complainant has not met burden to prove by a preponderance of the evidence that Respondent did not timely file a lien was added to address the applicable legal issues and authority cited during hearing.
- Conclusions of Law were modified to more accurately reflect the applicable law, contract provision and the issue addressed at hearing.
- Conclusions of Law were modified to more accurately reflect the issue addressed at hearing including correcting a typographical error and providing Complainant with information regarding seeking further treatment options and levels of care.
- Conclusions of Law were modified to more accurately reflect calculation of an AHCCCS lien and authority on compromising lien factors.
- A Conclusion of Law was modified to more accurately describe what Complainant's basis to reduce a lien was based on in order to more precisely reflect the hearing record.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Jami Snyder".

Jami Snyder  
Director

cc: Richard Stavneak, Director, Joint Legislative Budget Committee  
Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting  
Christina Corieri, Governor's Office, Senior Policy Advisor