

# Arion Care Solutions, LLC

540 N Saguaro St.  
Chandler AZ 85224

October 3, 2011

Dear Team Member,

On October 1, 2011 the State of Arizona initiated a 5% cut in reimbursement rates for all services provided to Title XIX funded individuals. This is part of an ongoing attempt to balance the State budget. Two years ago the State began the process by cutting the reimbursement rates by 10%. At that time Arion made a conscious decision not to cut pay to our direct line employees. We absorbed the entire cut and initiated internal cost cutting measures to ensure you continued to be paid as well as possible.

This time we simply haven't got the ability to fully absorb another cut. We are therefore forced to pass along most of the reimbursement cut in order to stay in business. These new rates will go into effect October 1, 2011 to match the date the State cut its rates.

The new rates per unit will be as follows:

ATC:	HAI
X1 \$10.38	X1 \$12.98
X2 \$6.61	X2 \$9.49
X3 \$5.05	
HAH:	HSK:
X1 \$12.65	\$9.16
X2 \$7.76	
X3 \$6.09	
RSP:	
X1 \$10.18	
X2 \$6.47	
X3 \$4.94	

We know how hard this will be on our families and staff and we are very sorry to have to implement these changes.

Sincerely,

Ryne Reed  
CEO Arion Care Solutions, LLC