



Douglas A. Ducey, Governor  
Jami Snyder, Director

March 21, 2022

Shawn Nau:  
Chief Executive Officer  
Health Choice Arizona (HCA)  
410 North 44<sup>th</sup> Street  
Ste. 900  
Phoenix, AZ 85008

SUBJECT: Final Results of Sanctionable Pended Encounters September 2021

Dear Mr. Nau:

This attached information will provide the final aged, pended encounter sanctions for the quarter ending September 2021. According to the Contract (YH19-0001-03), Health Choice Arizona (HCA) is required to resolve all pended encounters within 120 calendar days of the processing date. If this requirement is not met, the Contractor is subject to sanctions.

The exception to the above is when the pended encounter is due to an Arizona Health Care Cost Containment System (AHCCCS) error. AHCCCS error is defined as a pended encounter, which AHCCCS acknowledges to be the result of its own error, and requires a change to the system programming, an update to the database reference table, or further research by AHCCCS. Contractors must notify AHCCCS, in writing that the resolution of a pended encounter depends on AHCCCS instead of the Contractor. Pended encounters do not qualify as AHCCCS error if AHCCCS reviews the Contractor's notification and asks the Contractor to research the issue and provide additional substantiating documentation, or if AHCCCS disagrees with the Contractor's claims of AHCCCS error.

AHCCCS distributed the preliminary sanction results, including a summary of encounters excluded from sanctions as AHCCCS error, on November 23, 2021. The Contractor was provided an opportunity to review the preliminary results, and challenge those encounters believed to be sanctioned in error. The Contractor's submitted mitigation was considered, and when appropriate, the mitigated encounters were removed from the final sanctionable encounters. The preliminary sanctionable number of pended encounters for HCA was 344 and the final sanction number pended encounters for this quarter is 0. The final sanction dollar amount for HCA is \$0 sanction amount.

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If you have any questions regarding your pended encounter sanctions, please contact Gina Aker at [Gina.Aker@azahcccs.gov](mailto:Gina.Aker@azahcccs.gov), (602) 417-4016.

Sincerely,



Meggan LaPorte (Mar 28, 2022 12:25 PDT)

Meggan LaPorte, CPPO, MSW  
Chief Procurement Officer  
Division of Business and Finance  
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