

April 6, 2017

Joseph Gaudio  
Chief Executive Officer  
UnitedHealth Community Plan  
1 East Washington  
Suite 900  
Phoenix, AZ 85004

SUBJECT: Final Results of Sanctionable Pended Encounters September 2016

Dear Mr. Gaudio:

This attached information will provide the final aged pended encounter sanctions for the quarter ending September 2016. According to the Contract #YH14-0001-01, UnitedHealth Community (UHC\_Acute) 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 January 3, 2017. 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 UHC\_Acute was 1,608 and the final sanction number pended encounters for this quarter is 0. The final sanction dollar amount for UHC\_Acute is \$0.00.

Even if sanctions are waived, the Contractor is liable for addressing all pended encounters (except those errors which have been identified as due to AHCCCS error or as being under review by AHCCCS). When error codes are identified as an AHCCCS error and are corrected, or are identified as being under AHCCCS review and then released, the Contractor is responsible for addressing any remaining error codes and will be afforded a new 120 day clock for resolution. However, the true age for these pended encounters will continue to appear on the Aging Reports.

Mr. Garudio  
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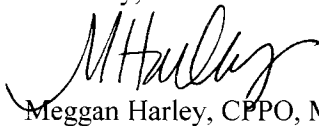
Please retrieve your waived encounter sanction information from AHCCCS' FTP server. The path is sftp.state.medicaid.us\UHC\_Acute\OTHER\ and the file name:

- UHC\_Acute 010158 2016 Sept Final Sanctions.xlsx

Per the terms of the Contract, sanctions are not the Administration's exclusive remedy. In particular and without limiting possible future actions, if any legal action is brought against the Administration as the result of your non-compliance with the Contract, the Administration will seek compensation from you for any damages arising from such legal action including but not limited to the Administration's cost of representation as well as the cost of any attorneys' fees and costs payable to the party bringing the action.

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 Harley, CPPO, MSW  
Chief Procurement Officer  
Division of Business and Finance  
Mail Drop #5700

cc: Shelli Silver  
Lori Petre  
Devra Navas  
Nancy Neroni  
Aker, Gina  
Christina Quast  
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