

November 28, 2022

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

SUBJECT: Final Results of Sanctionable Pended Encounters June 2022

Dear Mr. Nau:

This attached information will provide the final aged, pended encounter sanctions for the quarter ending June 2022. 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 July 28, 2022. 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 pending encounters for HCA was 168 and the final sanction number of pending encounters for this quarter is 19. The final sanction dollar amount for Health Choice is \$95 sanction amount. Since the sanction amount is less than \$200 the sanction has been waived.

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. Nau  
November 28, 2022  
Page 2

Enclosed is a summary of the final sanction results. Please retrieve your waived encounter sanction information from AHCCCS' FTP server. The path is sftp.state.medicaid.us\HCA\OTHER\ and the file name:

- HCA June 2022 Final Sanctions.xlsx

**Note:** the spreadsheet now contains all reports: Pend Age Category; Pend Error Summary; Pend CRN & Waive Count

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 pending encounter sanctions, please contact Gina Aker at [Gina.Aker@azahcccs.gov](mailto:Gina.Aker@azahcccs.gov), (602) 417-4016.

Sincerely,

  
[Meggan LaPorte \(Nov 28, 2022 09:10 MST\)](#)

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

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