

August 7, 2026

Jean Kalbacher, CEO
United Healthcare Group
1 E Washington Street
Phoenix, Arizona 85004

Re: Dispute of Aged Pending Encounter Sanctions – Quarter Ending Dec. 2025

Dear Ms. Kalbacher:

Thank you for your correspondence regarding the pending encounter sanction findings for UnitedHealthcare Community Plan (UHC), quarter ending December 2025.

AHCCCS confirms that a sanction was assessed for the ACC line of business under Contract YH19-0001-06 in the amount of \$51,845. For the LTC line of business under Contract YH18-0001-03, the calculated sanction amount was \$280. Because this amount did not exceed the \$1,000 threshold required to initiate a sanction withhold, no sanction was imposed for the LTC contract.

Both sanction findings resulted from encounters pending under S382 – NDC Required but Not Submitted or Invalid. AHCCCS waived sanctions associated with the S382 encounter edit through the quarter ending March 31, 2025. However, all health plans were notified through the May 19, 2025 Encounter Express Newsletter that S382 would be removed from the list of waived edits. AHCCCS also provided technical assistance to UHC regarding encounters failing S382 beginning on May 6, 2023, and again on August 15, 2024, and July 31, 2025. During the July 31, 2025 outreach, AHCCCS specifically advised UHC that encounters pending due to S382 would no longer qualify for a waiver and that continued noncompliance could result in sanctions.

Following UHC's dispute submissions, AHCCCS conducted a review and confirmed that UHC has initiated efforts to address the aged pending encounters through void and replacement transactions. While these corrective actions do not eliminate the original basis for the sanctions, AHCCCS recognizes the progress made and values its ongoing partnership with UHC.

In consideration of these factors, AHCCCS has determined to withdraw the sanctions at issue and refund the \$51,845 sanction assessment for the ACC line of business. No sanction was imposed for the LTC line of business. The refund will be reflected in your capitation payment within 14 days. Additionally, AHCCCS will return the \$1,090 sanction assessment previously applied to the Division of Developmental Disabilities (DDD) for UHC S382 pending encounters for which UHC serves as a subcontractor.

AHCCCS expects all encounter deficiencies to be corrected in a timely matter. For the remaining S382 encounter deficiencies, AHCCCS requests that they be corrected within 60 days. If these encounters remain pending beyond that timeframe, AHCCCS reserves the right to pursue future sanctions as appropriate.

Please contact our office if you have any questions.

Sincerely,

Tara Hubbard

Tara Hubbard
Chief Deputy General Counsel
Office of the General Counsel
AHCCCS Administration