



June 24, 2026

Tara Hubbard
Deputy Assistant Director & Chief Deputy General Counsel
AHCCCS Administration
Office of General Counsel
150 N. 18th Ave
Phoenix, Arizona 85007

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

Dear Ms. Hubbard,

UnitedHealthcare Community Plan (“United”) respectfully submits this dispute of the aged pending encounter sanction findings for the quarter ending December 2025 and appreciates Arizona Health Care Cost Containment System’s (“AHCCCS”) consideration. Supporting detail for each disputed item is included in the accompanying file.

Under Section 68 (Encounter Data Reporting) of the Contract, the Contractor, such as United, is required to submit encounter data that is complete, accurate, and timely in accordance with AHCCCS requirements, and AHCCCS evaluates performance based on timeliness, correctness, and completeness, including through encounter validation and related performance standards.¹ The Contract further contemplates that sanctions are appropriate where a Contractor fails to meet these standards.²

The sanction findings at issue do not reflect such noncompliance. The disputed encounters involve circumstances where United acted in accordance with its contractual obligations to monitor, correct, and resubmit encounter data, and where the continued pend status was driven by factors not reasonably within the United’s control, including: (i) required updates to reference data (e.g., NDC validation tables) necessary to resolve systemic edit conditions. In this instance, United timely initiated corrective action consistent with Contract requirements governing encounter submission and correction.³

Accordingly, the issue presented is not one of contractor performance, but rather the application of the measurement methodology to encounter lifecycle scenarios that fall

¹ See ALTCS E/PD contract # YH18-0001-03, as amended, §D ¶ 68.

² *Id.*

³ *Id.*

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outside the intended scope of the aged pended encounter standard.

AHCCCS has historically recognized this same scenario as appropriate bases for dispute and has not assessed sanctions in prior quarters. Comparable scenarios were also accepted during the preliminary review of the December 2025 reporting period. This consistent prior treatment reflects AHCCCS's application of encounter performance standards in a manner that distinguishes between true contractor noncompliance and pend status driven by system, processing, or iterative validation factors.

The final sanction number of pending encounters in this circumstance is inconsistent with the Contract's standards, which are structured to address failures in submission timeliness, accuracy, or completeness. Here, the record demonstrates ongoing compliance with those obligations, with no evidence of a failure by United to submit, monitor, or correct encounter data as required under Section 68 and related guidance.⁴

For this reason, United respectfully requests that AHCCCS reconsider and reverse the final sanction findings associated with the disputed aged pended encounters. United remains committed to meeting AHCCCS encounter reporting requirements and to continuous improvement in encounter data performance.

Please let us know if additional information would be helpful to support your review. United appreciates AHCCCS's consideration and looks forward to your response.

Sincerely,



Jean Kalbacher, CEO
UHCCP

Cc: Lucy Gordon, CFO UHCCP
Heidi Kemmer, COO UHCCP
James Miner, Encounter Manager UHCCP
Francine Pechnik, Exec. Director LTC UHCCP
Gina Aker, Encounter Manager AHCCCS

⁴ *Id.*

Final Pend Sanction Count
Quarter Ending: December 2025

HPName	HPID	TSN	AgeCat	Count of sanction	Sum of sanction
UHC_LTC	110050	35	Over 360 days	14	280
Grand Total				14	\$280

Final Pend Sanction Count
Quarter Ending: December 2025

HPName	HPID	TSN	ErrorCode1	ErrorCodeDesc1	AgeCat	Count of sanction
UHC_LTC	110050	35	S382	NDC REQUIRED BUT NOT SUBMITTED OR IS IN Over 360 days		14
Grand Total						14

Row Labels	Count of CRN	Sum of sanction
This sanction scenario has already been reviewed and accepted by AHCCCS in prior quarters, establishing a clear precedent for dispute approval. Consistent with that established practice, in the December 2025 final quarter, AHCCCS accepted the same dispute rationale and waived sanctions for 330 disputes across all lines of business. UHCCP has proactively identified valid NDCs through internal research and requested that AHCCCS update its NDC database reference table accordingly. AHCCCS is currently evaluating that update, which is expected to resolve the current issues and prevent future S382 (Invalid NDC) pends tied to the same database limitation.	14	280.00
Grand Total	14	280.00

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