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Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

April 26, 2011

Mr. Richard Fredrickson, President and CEO
Bridgeway Health Solutions
1501 W Fountain Head Parkway
Tempe, AZ 85282

RE: Corrective Action for Low Volume of Adjudicated Encounters

Dear Mr. Fredrickson:

The AHCCCS Division of Health Care Management (DHCM), pursuant to the Bridgeway Health Solutions contracts (YH09-0001 and YH07-0001), requests the development and submission of a Corrective Action Plan (CAP) that will address the low volume of adjudicated encounters and the high ratio of pended encounters.

The adjudication rate is calculated as the number of encounters reaching an adjudicated/approved status over the total number of encounters processed. The number of pended, denied, and voided encounters impacts the adjudication rate. For CYE 11 the average adjudication rate is about 73% for Acute and 60% for Long Term Care.

To aid Bridgeway with its encounter submissions and corrections AHCCCS Encounter Staff have provided training and technical assistance. In addition to the quarterly one-on-one encounter/reinsurance meetings, beginning in 2011, AHCCCS staff have met monthly with Bridgeway to provide technical assistance.

The assistance given to Bridgeway has not impacted the adjudication rate. As a result Bridgeway must submit an official CAP that includes project timelines and measurable goals to reduce the number of encounters pended and denied by AHCCCS. The CAP is due to the AHCCCS Encounter Unit by May 31, 2011.

Under the authority granted to AHCCCS by Section D, Paragraph 72 of the Bridgeway Contract and the AHCCCS Contractor Operations Manual Policy 408 – Sanction Policy, AHCCCS may impose a sanction if Bridgeway does not submit the CAP by the deadline and does not significantly improve the adjudication rate by August 2011.

If you have questions regarding this matter please contact Brent Ratterree at 602-417-4571.

Sincerely,

Michael Veit
Contracts and Purchasing Administrator

c: Brent Ratterree
Shelli Silver
Lori Petre