

April 24, 2015

Mr. Joseph Gaudio  
Chief Executive Officer  
UnitedHealthcare Community Plan - Acute  
1 E Washington, Ste 900  
Phoenix, AZ 85004

Dear Mr. Gaudio:

Attached are the final results of the Encounter Data Validation studies for UnitedHealthcare Community Plan - Acute for Contract Year Ending (CYE) 2012. The review was conducted in accordance with Section D, paragraph 65 of the Contract and the Encounter Data Validation Technical Document. The review scope included two sections: Acute study "A" for all professional services and the Acute study "B" for all facility services. The studies measured:

- Claim included in the Contractor's claim submission and encountered in AHCCCS' Prepaid Medical Management Information System (PMMIS) (Match) – reviewed for accuracy and timeliness.
- Claims included in the Contractor's claim submission but not encountered in PMMIS (NotEnc InCln) – reviewed for omission.
- Encounters reported in PMMIS but not included in the Contractor's claim submission (InEnc NotCln) – reviewed for omission from claim submission file.

A preliminary report was provided to allow the Contractor the opportunity to review and submit any additional information that may have affected the final error rate calculations. After considering the Contractor response, the results have been applied to the total population of "A" and "B" encounters.

As a reminder, the Contractor chose to not challenge the preliminary findings for A Match, A NotEncInCln, A InEncNotCln, B Match, and B InEncNotCln. The preliminary results have become final for these studies.

For study "A" Match, there were 5,199,028 encounter/claim matches identified from a sample size of 5,319,732 claims; a subsample of 153 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 1 accuracy error and 2 timeliness errors, yielding an overall error rate of 0.65% for accuracy and 1.31% for timeliness. For study "B" Match, there were 330,166 encounter/claim matches identified from a sample size of 357,162 claims; a subsample of 153 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 0 accuracy errors and 1 timeliness error, yielding an overall error rate of 0.00% for accuracy and 0.65% for timeliness.

For study "A" NotEnc InCln, there were 120,704 possible omissions identified from a sample size of 5,319,732 claims; a subsample of 317 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 263 omission errors, yielding an overall error rate of 1.88%. For study "B" NotEnc InCln, there were 26,996 possible omissions identified from a sample size of 357,162 claims; a subsample of 315 claims

was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 115 omission errors, yielding an overall error rate of 2.76%.

For study “A” InEnc NotClm, there were 102,175 possible omissions identified from a sample size of 5,366,127 encounters; a subsample of 317 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 62 omission errors, yielding an overall error rate of 0.37%. For study “B” InEnc NotClm, there were 5,713 possible omissions identified from a sample size of 339,783 encounters; a subsample of 303 claims was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 132 omission errors, yielding an overall error rate of 0.73%.

For each study, if the error rate falls below the acceptable rate of 5%, no sanction will be applied. The InEnc NotClm study was strictly informational – no sanction will be applied. The Contractor’s error rates and sanction amounts, if applicable, for each study are as follows:

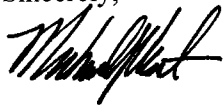
STUDY	Error Rate	Sanction
A Match Accuracy	0.65%	n/a
A Match Timeliness	1.31%	n/a
A NotEnc InClm	1.88%	n/a
A InEnc NotClm	0.37%	n/a
B Match Accuracy	0.00%	n/a
B Match Timeliness	0.65%	n/a
B NotEnc InClm	2.76%	n/a
B InEnc NotClm	0.73%	n/a

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.

Within 24 hours of receipt of this letter, the final workpapers for each study will be uploaded to the SFTP at <https://sftp.statemedicaid.us/UHC/OTHER/DHCM/OUT/>.

Thank you for your assistance with this Center for Medicare and Medicaid Services (CMS) requirement. If you have any questions, please contact Linda Oakley at (602) 417-4308 or [linda.oakley@azahcccs.gov](mailto:linda.oakley@azahcccs.gov).

Sincerely,



Michael Veit  
Contracts & Purchasing, Administrator  
Division of Business and Finance

C: Lori Petre, AHCCCS  
Gina Aker, AHCCCS  
DHCM/DA&R File