



150 N. 18th Avenue
Phoenix, AZ 85007
602.417.4000

KATIE HOBBS
GOVERNOR
ROBERTA HARRISON
INTERIM DIRECTOR

May 11, 2026

Heather Carter
Chief Executive Officer
Blue Cross Blue Shield of Arizona Health Choice (HCA)
8220 North 234d Avenue
Phoenix, AZ 85021

SUBJECT: Final Results of Sanctionable Pended Encounters DECEMBER 2025

Dear Ms. Carter:

This attached information will provide the final aged, pending encounter sanctions for the quarter ending December 2025. According to Contract YH19-0001-03 Blue Cross Blue Shield of Arizona Health Choice (HCA) is required to resolve all pending 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 pending 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 January 22, 2026. The Contractor was provided with 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 BCBS (HCA) was 439, and the final sanction number of pending encounters for this quarter is 395. The final sanction dollar amount for Blue Cross Blue Shield (HCA) is \$1,990.

Even if sanctions are waived, the Contractor is liable for addressing all pending encounters (except those errors identified as due to AHCCCS error or being under review by AHCCCS). When error codes are identified as an AHCCCS error and are corrected or under review, the Contractor is responsible for addressing remaining error codes and will be afforded a new 120-day clock for resolution. The true age of these pending encounters will continue to appear in the Aging Reports.

Ms. Carter
May 11, 2026
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: Blue Cross (HCA) 2025 Dec Final Sanctions.xlsx the spreadsheet now contains reports: Pend Age Category; Pend Error Summary; Pend CRN

If BC/BS (HCA) disagrees with this decision, the Contractor may file a dispute with the AHCCCS Administration using the process outlined in A.A.C. R9-34-401 et.seq. The dispute must be filed in writing and must be received by the AHCCCS Administration, Office of General Counsel at 150 N. 18th Ave, Phoenix, Arizona 85007, no later than 60 days from the date of this letter. The dispute shall specify the legal and factual bases for the dispute as well as the relief requested.

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, (602) 417-4016.

Sincerely,

DocuSigned by:


6720D03F007E4A8...
Meggan LaPorte, CPPO, MSW
Chief Procurement Officer
Division of Business and Finance
Mail Drop #15003

cc: Devra Navas
Pamela McMillen
Gina Aker
Christina Quast
DAR File
Julie Amber
Hch.deliverables@azblue.com
Selena.Carbajal@azblue.com
Veronica.Moore@azblue.com

Certificate Of Completion

Envelope Id: 241F7CB6-A786-8C99-8323-AB0D3F223606
 Subject: Complete with Docusign: BCBS (HCA) 2025 Dec. Final Sanction Ltr 5.docx
 Source Envelope:
 Document Pages: 2
 Certificate Pages: 2
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-07:00) Arizona

Status: Completed
 Envelope Originator:
 anntonia cota
 801 E. Jefferson St.
 Phoenix, AZ 85034
 anntonia.cota@azahcccs.gov
 IP Address: 184.182.37.5

Record Tracking

Status: Original
 5/11/2026 9:57:03 AM
 Security Appliance Status: Connected

Holder: anntonia cota
 anntonia.cota@azahcccs.gov
 Pool: StateLocal

Location: DocuSign

Signer Events

Meggan LaPorte
 Meggan.LaPorte@azahcccs.gov
 Chief Procurement Officer
 AHCCCS
 Security Level: Email, Account Authentication
 (None)

Signature

DocuSigned by:

 6720D03F007E4A8...
 Signature Adoption: Uploaded Signature Image
 Using IP Address: 68.109.130.52

Timestamp

Sent: 5/11/2026 9:57:53 AM
 Viewed: 5/11/2026 1:13:18 PM
 Signed: 5/11/2026 1:13:22 PM

Electronic Record and Signature Disclosure:
 Not Offered via Docusign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Tracey Thomas
 Tracey.Thomas@azahcccs.gov
 Procurement Mgr
 AHCCCS
 Security Level: Email, Account Authentication
 (None)

COPIED

Sent: 5/11/2026 9:57:54 AM

Electronic Record and Signature Disclosure:
 Not Offered via Docusign

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/11/2026 9:57:54 AM
Certified Delivered	Security Checked	5/11/2026 1:13:18 PM
Signing Complete	Security Checked	5/11/2026 1:13:22 PM
Completed	Security Checked	5/11/2026 1:13:22 PM

Payment Events

Status

Timestamps