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**KATIE HOBBS**  
GOVERNOR

May 15, 2025

Cynthia J. Leach  
Administrator/Chief Executive Officer  
Mercy Care\_LTC  
4750 S. 44th Place  
Phoenix, AZ 85040

SUBJECT: Final Results of Sanctionable Pended Encounters December 2024

Dear Ms. Leach:

This attached information will provide the final aged, pended encounter sanctions for the quarter ending December 2024. According to the Contract YH18-0002-02, Mercy Care LTC is required to resolve all pended 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 pended 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 sanction results, including a summary of encounters excluded from sanctions as AHCCCS error, on February 20, 2025. The Contractor was provided 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 final sanction number pended encounters for this quarter is zero (0). There is no sanction for December 2024.

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If you have any questions regarding your pended encounter sanctions, please contact Gina Aker at Gina.Aker@azahcccs.gov, (602) 417-4016.

Sincerely

DocuSigned by:  
  
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Meggan LaPorte, CPPO, MSW  
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