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September 4, 2025

Ms. Francine Pechnik
Executive Director
UnitedHealthcare Community Plan - LTC
1 E Washington, Ste 800
Phoenix AZ 85004

RE: Annual Data Validation Audit CYE 2023 – Final Findings

Dear Ms. Pechnik:

As previously communicated, per Centers for Medicare & Medicaid Services (CMS) requirements, AHCCCS has been conducting the Annual Data Validation Audit for CYE23. The purpose of this correspondence is to notify the Contractor that AHCCCS has completed the Annual Data Validation Audit and to provide AHCCCS' final findings. Attached are the final results for Data Validation Annual Audit CYE23 for UnitedHealthcare Plan – LTC. The Annual Data Validation Audit was conducted in accordance with Contract YH18-0001-03 Section D, Encounter Data Reporting, and the [AHCCCS Data Validation Technical Document](#). The Audit included two sections: Study A for all professional services and Study B for all facility services. Study A and Study B measured the following:

- Claims 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 InClm) – reviewed for omission.
- Encounters reported in PMMIS but not included in the Contractor's claim submission (InEnc NotClm) – 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.

Final Findings:

For Study A InEnc NotClm, there were 53,239 possible omissions identified from a sample size of 1,327,553 encounters; a subsample of 214 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 9 omission errors, yielding an overall error rate of 0.17%.

For Study B InEnc NotClm, there were 2,853 possible omissions identified from a sample size of 57,826 encounters; a subsample of 147 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 13 omission errors, yielding an overall error rate of 0.44%.

For Study A Match, there were 1,274,314 encounter/claim matches identified from a sample size of 1,370,822 claims; a subsample of 150 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 3 timeliness errors, yielding an overall error rate of 0.00% for accuracy and 2.00% for timeliness.

For Study B Match, there were 54,973 encounter/claim matches identified from a sample size of 55,180 claims; a subsample of 150 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 5 accuracy errors and 3 timeliness errors, yielding an overall error rate of 3.33% for accuracy and 2.00% for timeliness.

For Study A NotEnc InCIm, there were 96,508 possible omissions identified from a sample size of 1,370,822 claims; a subsample of 315 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 27 omission errors, yielding an overall error rate of 0.60%.

For Study B NotEnc InCIm, there were 207 possible omissions identified from a sample size of 55,180 claims; a subsample of 207 was randomly selected. AHCCCS manually compared the supporting information provided by the Contractor to the adjudicated encounters within PMMIS resulting in 64 omission errors, yielding an overall error rate of 0.12%.

For each Study, if the error rate fell below the acceptable rate of 5%, no sanction was applied.

Monetary sanctions of \$5.00 were assessed per error (encounter omission, omission from the claim submission file, inaccurate record, or untimely record). The Contractor's error rates and sanction amounts for each Study are as follows.

STUDY	Error Rate	Sanction
A InEnc NotCIm	0.17%	\$0.00
A Match Accuracy	0.00%	\$0.00
A Match Timeliness	2.00%	\$0.00
A NotEnc InCIm	0.60%	\$0.00
B InEnc NotCIm	0.44%	\$0.00
B Match Accuracy	3.33%	\$0.00
B Match Timeliness	2.00%	\$0.00
B NotEnc InCIm	0.12%	\$0.00

Per the terms of the Contract, sanctions are not AHCCCS' exclusive remedy. Sanction amounts will be withheld from the Contractor's future capitation. In particular and without limiting possible future actions, if any legal action is brought against AHCCCS as the result of your non-compliance with the Contract, AHCCCS will seek compensation from you for any damages arising from such legal action including, but not limited to, AHCCCS' cost of representation, as well as the cost of any attorneys' fees and costs payable to the party bringing the action.

The Contractor may dispute the decision to impose a sanction in accordance with the process specified in AAC 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. MD 15013, 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.

Thank you for your ongoing cooperation.

If you have any questions, please contact Linda Oakley at (602) 417-4308 or by email at linda.oakley@azahcccs.gov.

Sincerely,

DocuSigned by:


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