

January 22, 2019

Shawn Nau
Chief Executive Officer
Steward Health Choice Arizona
410 N. 44th Street, Ste. 900
Phoenix, AZ 85008

SUBJECT: Final Results of Sanctionable Pended Encounters June 2018

Dear Mr. Nau:

This attached information will provide the final aged pended encounter sanctions for the quarter ending June 2018. According to the Contract (YH14-0001-07), Steward Health Choice Arizona (HCA) 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 October 11, 2018. 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 preliminary sanctionable number of pended encounters for HCA was 7 and the final sanction number pended encounters for this quarter is 0. There is no final sanction dollar amount for HCA.

Even if sanctions are waived, the Contractor is liable for addressing all pended encounters (except those errors which have been identified as due to AHCCCS error or as being under review by AHCCCS). When error codes are identified as an AHCCCS error and are corrected, or are identified as being under AHCCCS review and then released, the Contractor is responsible for addressing any remaining error codes and will be afforded a new 120 day clock for resolution. However, the true age for these pended encounters will continue to appear on the Aging Reports.

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Enclosed is a listing of the waived error codes. Please retrieve your waived encounter sanction information from AHCCCS' FTP server. The path is `sftp.state.medicaid.us\HCA\OTHER\` and the file name:

- HCA June 2018 Final Sanctions.xlsx

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

Sincerely,



Meggan LaPorte, CPPO, MSW
Chief Procurement Officer
Division of Business and Finance
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