

**Janice K. Brewer, Governor**  
**Thomas J. Betlach, Director**

801 East Jefferson, Phoenix, AZ 85034  
PO Box 25520, Phoenix, AZ 85002  
Phone: 602 417 4000  
www.azahcccs.gov



*Our first care is your health care*  
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

---

December 20, 2013

Mr. Kent Monical  
President, Arizona Physicians IPA  
United Health Care  
1 East Washington Suite 900  
Phoenix, AZ 85004

**SUBJECT: Final Aged Pended Encounter Sanctions September 2013**

Dear Mr. Monical:

The attached information will provide the final aged pended encounter sanctions for the quarter ending September 2013. According to the Contract, Arizona Physicians IPA, Inc. 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 your preliminary sanction results, including a summary of encounters excluded from sanctions as AHCCCS error. The Contractor was provided an opportunity to review the preliminary results, and to provide input to items believed to be considered for sanction in error. Contractor input was considered in determining the final sanctionable encounters.

To recognize the ongoing efforts between AHCCCS Encounter staff and plan personnel to address aged pends, we have elected to waive 50% of the final sanction calculated for the quarter ending September 2013 as reflected on your sanctionable pended encounter summary. As a result of the reduction, the sanction for this quarter was revised from \$39,220 to \$19,610. Please note that it is not our intent to provide this discount on future sanctions.

December 20, 2013

Mr. Kent Monical

President, Arizona Physicians IPA

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.

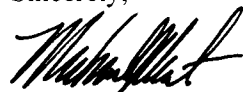
Enclosed is a summary of the final sanction results. Please retrieve your pended encounter sanction information from AHCCCS' FTP server.

- ◆ United Health Acute Sept. 2013 Final Sanctions.txt
- ◆ United Health Acute Sept 2013 Final Error Summary.pdf
- ◆ United Health Acute Sept. 2013 Final Age Category.pdf

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 pended encounter sanctions, please contact Gina Aker at [Gina.Aker@azahcccs.gov](mailto:Gina.Aker@azahcccs.gov) , (602) 417-4016.

Sincerely,



Michael Veit

Contracts & Purchasing, Administrator

Division of Business and Finance

Mail Drop #5700

cc: Shelli Silver  
Lori Petre  
Devra Navas  
Nancy Neroni  
Alvarez, Diana  
Aker, Gina