

January 29, 2021

The Honorable Regina Cobb
Joint Legislative Budget Committee
1700 W. Washington
Phoenix, AZ 85007

The Honorable David Gowan
Joint Legislative Budget Committee
1700 W. Washington
Phoenix, AZ 85007

SUBJECT: Arizona Health Care Cost Containment System Report on GME

Dear Representative Cobb and Senator Gowan:

A.R.S. § 36-2903.01(G)(9)(e) includes the following requirements:

Each graduate medical education program that receives funding pursuant to subdivision (b) or (c) of this paragraph shall identify and report to the administration the number of new residency positions created by the funding provided in this paragraph, including positions in rural areas. The program shall also report information related to the number of funded residency positions that resulted in physicians locating their practice in this state. The administration shall report to the joint legislative budget committee by February 1 of each year on the number of new residency positions as reported by the graduate medical education programs.

Below please find the Graduate Medical Education (GME) statistics for fiscal year (FY) 2020:

- For FY 2020, the state's GME programs reported a total of 2,024 residents enrolled in allopathic and osteopathic training programs,
- These residency positions are typically funded through a combination of Medicaid dollars (AHCCCS GME payments), Medicare dollars, and other hospital fund sources,
- The number of new residency positions funded under A.R.S. § 36-2903.01(G)(9)(b) is 510. This number represents the total number of residency positions funded under this subdivision in FY 2020 that were not funded by the state prior to establishment of this program, and is an increase of 15 residency positions from FY 2019. Subdivision (b) authorizes funding of direct GME costs for programs and residency positions established after October 1, 1999 and before July 1, 2006,
- The number of new residency positions funded under A.R.S. § 36-2903.01(G)(9)(c)(i) is 408. This number represents the total number of residency positions funded under this subdivision in FY 2020 that were not funded by the state prior to establishment of this program, and is an increase of 35 residency positions from FY 2019. Subdivision (c)(i) authorizes funding of direct GME costs for programs established on or after July 1, 2006,

- Of the positions funded under (b) and (c)(i), and reported above, the number of new residency positions that are located in rural areas is 66. This is unchanged from FY 2019. Subdivision (c)(ii) authorizes funding of indirect medical education costs, in addition to direct GME costs, for programs having resident rotations in rural areas,

The table below illustrates the numbers reported.

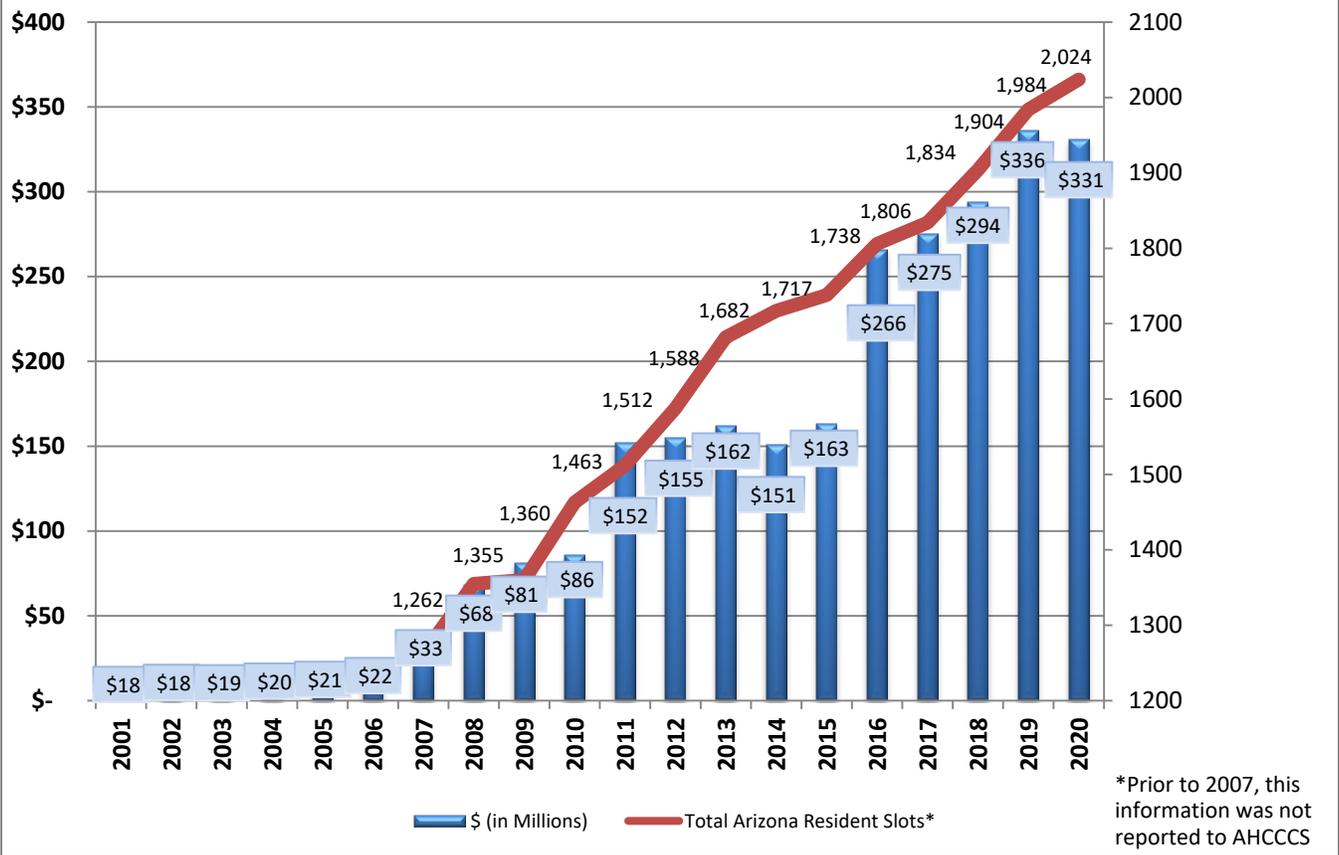
Resident Positions	FY 2019	FY 2020	Change
Total Funded Residency Positions:			
▪ Pursuant to A.R.S. § 36-2903.01(G)(9)(b)	495	510	15
▪ Pursuant to A.R.S. § 36-2903.01(G)(9)(c)(i)	373	408	35
Totals	868	918	50
Rural Funded Residency Positions:			
▪ Pursuant to A.R.S. § 36-2903.01(G)(9)(c)(ii)	66	66	0

- Based on a sample of Arizona training hospitals, AHCCCS estimates the number of FY 2020 funded residency positions resulting in physicians locating their practices in this state is 84.

These numbers do not include new and expanded positions which will be funded by the General Fund since the residencies did not start until FY 2021.

The chart on the next page illustrates the growth in the number of residents since 2007, together with the funding trend.

AHCCCS GME Funding FY 2001-2020



Please feel free to contact Shelli Silver, Deputy Director, at (602) 417-4647 or via email at shelli.silver@azahcccs.gov if you have any questions.

Sincerely,

Jami Snyder
Director

cc: Richard Stavneak, Director, Joint Legislative Budget Committee
 Matthew Gress, Director, Governor’s Office of Strategic Planning and Budgeting
 Christina Corieri, Senior Policy Advisor, Governor’s Office