

June 27, 2022

The Honorable Karen Fann  
Arizona State Senate  
1700 W. Washington  
Phoenix, AZ 85007

The Honorable Russell Bowers  
Arizona House of Representatives  
1700 W. Washington  
Phoenix, AZ 85007

Richard Stavneak, Director  
Joint Legislative Budget Committee  
1716 W. Adams  
Phoenix, AZ 85007

**SUBJECT: Arizona Health Care Cost Containment System Report on GME**

Dear President Fann, Speaker Bowers, and Mr. Stavneak:

Pursuant to A.R.S. § 36-2903.01(G)(9)(f), the Arizona Health Care Cost Containment System (AHCCCS) is required to annually report to the President of the Senate, the Speaker of the House of Representatives and to the Director of the Joint Legislative Budget Committee on the amount of Graduate Medical Education (GME) money contributed and the number of residency positions funded by local, tribal and county governments, and state universities, including the amount of federal matching monies used.

The Centers for Medicare and Medicaid Services (CMS) requires an annual State Plan Amendment (SPA) for implementation of this program, and further requires that Arizona provide copies of the intergovernmental transfer agreements once the agreements are finalized and available for review. AHCCCS received intergovernmental transfer agreements relating to 22 GME hospitals.

Table 1 below shows the governmental contributors by recipient hospital.

**Table 1**

<b>Government Contributor</b>	<b>Recipient Hospital</b>
Arizona State University	<ul style="list-style-type: none"><li>• St. Joseph’s Hospital – Phoenix</li><li>• Phoenix Children’s Hospital</li><li>• Mayo Hospital</li></ul>
City of Tucson	<ul style="list-style-type: none"><li>• Tucson Medical Center</li></ul>
Hospital District No. One of Mohave County	<ul style="list-style-type: none"><li>• Kingman Regional Medical Center</li></ul>
University of Arizona	<ul style="list-style-type: none"><li>• Banner Boswell Hospital</li><li>• Banner Del Webb Hospital</li><li>• Banner UMC Phoenix</li><li>• Banner UMC South</li><li>• Banner UMC Tucson</li><li>• HonorHealth John C Lincoln</li><li>• HonorHealth Rehabilitation Hospital</li><li>• HonorHealth Scottsdale Osborn</li><li>• HonorHealth Scottsdale Shea</li><li>• HonorHealth Scottsdale Thompson Peak</li><li>• Phoenix Children’s Hospital</li><li>• St. Joseph’s Hospital - Phoenix</li><li>• Yuma Regional Medical Center</li></ul>
Valleywise Health	<ul style="list-style-type: none"><li>• Abrazo Arrowhead Campus</li><li>• Abrazo Central Campus</li><li>• Abrazo West Campus</li><li>• Canyon Vista Medical Center</li><li>• Mountain Vista Medical Center</li><li>• Valleywise Health Medical Center</li></ul>

These contributions provided partial funding of **2,049** full-time residents training at those hospitals. The resident count reported here reflects all residents who were funded under subdivisions (a), (b), and (c) of the statute for the 22 hospitals.

Table 2 below illustrates the amounts distributed.

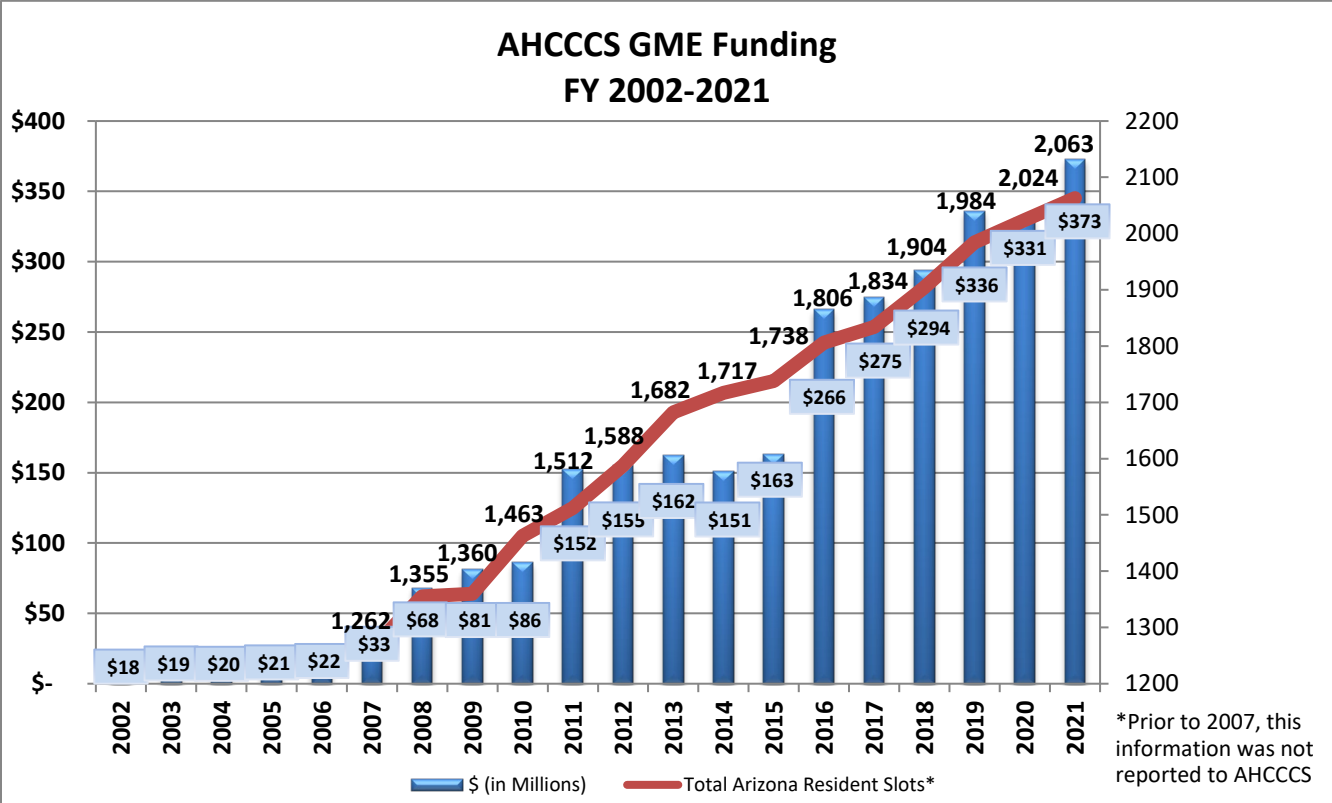
**Table 2**

<b>Recipient Hospital</b>	<b>Local Matching Funds</b>	<b>Federal Matching Funds</b>	<b>Total Distribution</b>
Abrazo Arrowhead	\$855,253.40	\$2,740,136.62	\$3,595,390.02
Abrazo Central Campus	\$656,107.72	\$2,102,096.03	\$2,758,203.75
Abrazo West	\$686,172.47	\$2,198,420.16	\$2,884,592.63
Banner Boswell Hospital	\$134,068.94	\$429,541.96	\$563,610.90
Banner Del Webb Hospital	\$19,235.10	\$61,627.10	\$80,862.20
Banner UMC Phoenix	\$12,145,401.12	\$38,912,512.16	\$51,057,913.28
Banner UMC South	\$5,334,668.91	\$17,091,684.88	\$22,426,353.79
Banner UMC Tucson	\$17,280,009.70	\$55,363,226.02	\$72,643,235.72
Canyon Vista Medical Center	\$727,115.07	\$2,329,595.69	\$3,056,710.76
HonorHealth Rehabilitation	\$471,711.57	\$1,511,311.31	\$1,983,022.88
HonorHealth John C Lincoln	\$325,204.03	\$1,041,917.47	\$1,367,121.50
HonorHealth Scottsdale Osborn	\$1,145,304.13	\$3,669,426.85	\$4,814,730.98
HonorHealth Scottsdale Shea	\$438,214.53	\$1,403,990.54	\$1,842,205.07
HonorHealth Scottsdale Thompson Peak	\$1,025,798.94	\$3,286,545.54	\$4,312,344.48
Kingman Regional Medical Center	\$846,976.32	\$2,713,617.77	\$3,560,594.09
Mayo Clinic Hospital	\$4,000,000.00	\$12,815,554.38	\$16,815,554.38
Mountain Vista Medical Center	\$1,823,774.77	\$5,843,171.18	\$7,666,945.95
Phoenix Children’s Hospital *	\$10,319,105.76	\$33,061,265.28	\$43,380,371.04
St. Joseph’s Hospital – Phoenix *	\$11,143,759.82	\$35,703,365.00	\$46,847,124.82
Tucson Medical Center	\$2,450,670.57	\$7,851,675.49	\$10,302,346.06
Valleywise Health Medical Center	\$16,188,696.21	\$51,866,779.17	\$68,055,475.38
Yuma Regional Medical Center	\$711,161.80	\$2,278,483.19	\$2,989,644.99
<b>Totals</b>	<b>\$88,728,410.88</b>	<b>\$284,275,943.79</b>	<b>\$373,004,354.67</b>

\* St. Joseph – Phoenix and Phoenix Children’s Hospital received funding from two partners - Arizona State University (ASU) and University of Arizona (U of A). For Phoenix Children’s Hospital, ASU contributed \$8,850,000.00 and U of A contributed \$1,469,105.76. For St. Joseph -Phoenix, ASU contributed \$5,571,880.00 and U of A contributed \$5,571,879.82 of local matching funds.

The contributions from these local match sources permit the State of Arizona to leverage non-General Fund monies to invest in critical physician training, with the goal of retaining the majority of these physicians in our state upon completion of their education.

Historical levels of GME funding and the total number of GME slots are displayed below. Please note that the chart below displays all GME slots, not just the ones funded by the 22 hospitals mentioned above.



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

Sincerely,

Jami Snyder  
Director

cc: Matthew Gress, Director, Governor’s Office of Strategic Planning and Budgeting  
Christina Corieri, Governor’s Office, Senior Advisor to the Governor