



THE UNIVERSITY OF ARIZONA  
HEALTH NETWORK®

March 6, 2014

Mr. Thomas Betlach, Director  
Arizona Health Care Cost Containment System  
801 East Jefferson  
Phoenix, Arizona 85304

Re: FY 2015 Statewide Hospital Assessment

Dear Director Betlach,

First, I would like to thank you and your staff for your willingness to work with hospitals across the state to develop a fair and balanced hospital assessment model. In addition, I would like to take this opportunity on behalf of the University of Arizona Health Network (UAHN), to provide you with our comments on the proposed FY2015 Hospital Assessment Options.

During the hospital assessment working group meeting on February 27, 2014 your staff presented two new assessment models in addition to the current model (referred to as "Option 1") which we collectively developed through the working group process.

It is my understanding that the model referred to as "Option 2" was developed by Banner Health Systems in an attempt to provide an exemption from the current assessment model that is on par to the exemption for the Mayo Clinic. While we understand the desire to bring more equity to the assessment model we do not feel that Option 2 is heading the right direction. If we are trying to establish an equitable assessment model it is the opinion of UAHN that any facility benefitting from the Medicaid restoration and expansion should be included in the assessment. Further diluting the assessment pool only shifts a greater financial burden onto a smaller number of providers, many of which are safety net hospitals facing severe financial challenges.

The assessment model referred to as "Option 3" does not negatively impact UAHN but we do not feel that there is enough data to warrant the suggested change. It is our position that it is simply too premature to implement changes to the assessment structure absent a thorough analysis of the expansion and restoration payments flowing to hospitals.

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UAHN appreciates the opportunity to provide you and your staff feedback on the FY2015 assessment model. We support using Option 1 (the current model) for the FY2015 assessment. It is our opinion that any changes to the model must be based on utilization data collected over a period of at least one year.

Thank you for considering our position. UAHN is available if you or your staff have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Misty Hansen", written in a cursive style.

Misty Hansen  
Vice President & Chief Financial Officer  
The University of Arizona Health Network

cc:

Don Hughes, Policy Advisor, Health & Human Services, Office of the Governor  
Beth Lazare, Deputy Director, Arizona Health Care Cost Containment System  
Amy Upston, Hospital Finance Director, Arizona Health Care Cost Containment System