



AHCCCS

Our first care is your health care

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

Janet Napolitano, Governor
Anthony D. Rodgers, Director

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August 6, 2008

The Honorable Tim Bee
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

Dear President Bee:

Pursuant to A.R.S. § 36-2903.01(H)(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 (JLBC) on the amount of Graduate Medical Education (GME) money contributed and the number of residency positions funded by local, tribal and county governments, including the amount of federal matching monies used.

AHCCCS was required to submit a State Plan Amendment (SPA) incorporating the legislative changes to GME from the 2007 Session. Staff has been working throughout the year, with the Centers for Medicare and Medicaid Services (CMS) and with personnel from interested county governments, to satisfy this requirement. The SPA was approved by CMS on May 29, 2008. However, in addition to the SPA approval, CMS is requiring that Arizona provide copies of the intergovernmental transfer agreements, once those agreements are finalized and available for review. This review process is currently in progress. For this reason, no local monies have yet been contributed or matched.

AHCCCS is anticipating contributions from Maricopa and Pima counties for the indirect portion of GME programs at Maricopa Medical Center (MMC), University Medical Center, and University Physicians Healthcare Hospital at Kino. These contributions will provide partial funding of 546 full-time residents currently training at those three hospitals. The approved SPA allocates amounts for both Maricopa Integrated Health Systems and Pima County. AHCCCS projects that \$18,000,000 will be made available to MMC, including a local match of \$6,071,400 and \$11,928,600 in federal matching funds. AHCCCS further anticipates that \$10,838,055 will be made available to UMC and UPH, consisting of a \$3,655,676 contribution split equally between Pima County and the University of Arizona and \$7,182,379 in federal matching funds. Each of these local matches will be allowing us to leverage non-General Fund monies for the first-time to invest in physician training.

Should you have any questions please feel free to contact me at (602) 417-4680.

Sincerely,

Anthony D. Rodgers
Director

cc: The Honorable Speaker James Weiers, Arizona House of Representatives
Richard Stavneak, Director, Joint Legislative Budget Committee
January Contreras, Health Policy Advisor, Office of Governor Napolitano
James Apperson, Director, Office of Strategic Budgeting and Planning