

February 18, 2016

The Honorable Don Shooter, Chairman
Joint Legislative Budget Committee
1716 West Adams
Phoenix, AZ 85007

SUBJECT: Arizona Health Care Cost Containment System Report on GME

Dear Senator Shooter:

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 FY 2015.

- For FY 2015, the state's GME programs reported a total of 1,738 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 422. This number represents the total number of residency positions funded under this subdivision in FY 2015 that were not funded by the state prior to establishment of this program, and is a decrease of 9 residency positions from FY 2014. 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 230. This number represents the total number of residency positions funded under this subdivision in FY 2015 that were not funded by the state prior to establishment of this program, and is an increase of 23 residency positions from FY 2014. Subdivision (c)(i) authorizes funding of direct GME costs for programs established on or after July 1, 2006.

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- 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 36. This is an increase of 5 residency positions from FY 2014. Subdivision (c)(ii) authorizes funding of indirect medical education costs, in addition to direct GME costs, for programs having resident rotations in rural areas.

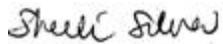
The table below illustrates the numbers reported.

Resident Positions	FY 2014	FY 2015	Change
Total Funded Residency Positions:			
▪ Pursuant to A.R.S. § 36-2903.01(G)(9)(b)	431	422	-9
▪ Pursuant to A.R.S. § 36-2903.01(G)(9)(c)(i)	207	230	23
Totals	638	652	14
Rural Funded Residency Positions:			
▪ Pursuant to A.R.S. § 36-2903.01(G)(9)(c)(ii)	31	36	5

- Based on a sample of Arizona training hospitals, AHCCCS estimates the number of FY 2015 funded residency positions resulting in physicians locating their practices in this state is 93.

Please feel free to contact me at (602) 417-4647 or shelli.silver@azahcccs.gov if you have any questions.

Sincerely,



Shelli Silver
Assistant Director
Division of Health Care Management

cc: The Honorable Justin Olson, Arizona House of Representatives
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