

July 3, 2017

The Honorable Steve Yarborough, President
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

SUBJECT: Arizona Health Care Cost Containment System Report on GME – Fiscal Year 2016

Dear President Yarborough,

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 fifteen GME hospitals.

Table 1 below shows the governmental contributors by recipient hospital.

Table 1

Government Contributor	Recipient Hospital
Arizona State University	<ul style="list-style-type: none"> • St. Joseph’s Hospital – Phoenix
Maricopa Integrated Health System	<ul style="list-style-type: none"> • Abrazo Central Campus • Maricopa Medical Center • Mountain Vista Medical Center
Hospital District No. One of Mohave County	<ul style="list-style-type: none"> • Kingman Regional Medical Center
University of Arizona	<ul style="list-style-type: none"> • Banner UMC Phoenix • Banner UMC South • Banner UMC Tucson • HonorHealth John C Lincoln Medical Center • HonorHealth Scottsdale Osborn • HonorHealth Scottsdale Shea • HonorHealth Scottsdale Thompson Peak • Phoenix Children’s Hospital

	<ul style="list-style-type: none"> • St. Joseph's Hospital - Phoenix • Tucson Medical Center • Yuma Regional Medical Center
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These contributions provided partial funding of 1,612 full-time residents training at those fifteen hospitals. The resident count reported here reflects all residents who were funded under subdivisions (a), (b), and (c) of the statute for the fifteen hospitals.

Table 2 below illustrates the amounts distributed.

Table 2

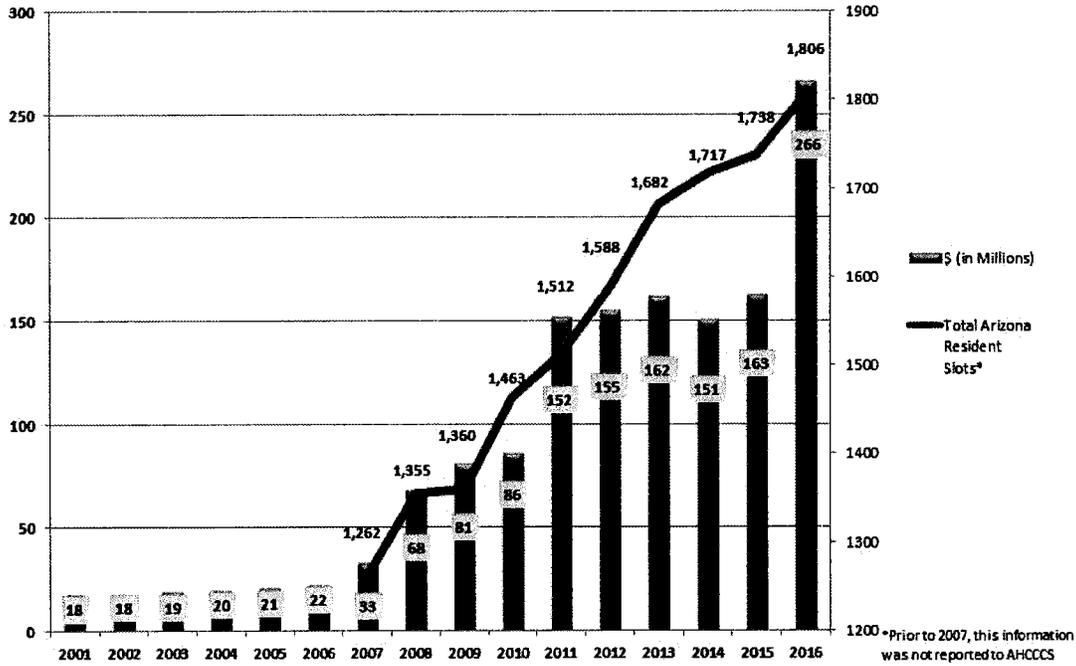
Recipient Hospital	Local Matching Funds	Federal Matching Funds	Total Distribution
Abrazo Central Campus	\$1,096,969.69	\$2,419,522.33	\$3,516,492.02
Banner UMC Phoenix	\$10,757,655.97	\$23,727,537.06	\$34,485,193.03
Banner UMC South	\$6,081,793.03	\$13,414,257.73	\$19,496,050.76
Banner UMC Tucson	\$17,832,088.63	\$39,331,202.39	\$57,163,291.02
HonorHealth John C Lincoln	\$809,444.87	\$1,785,345.53	\$2,594,790.40
HonorHealth Scottsdale Osborn	\$891,893.71	\$1,967,198.17	\$2,859,091.88
HonorHealth Scottsdale Shea	\$381,176.91	\$840,739.76	\$1,221,916.67
HonorHealth Scottsdale Thompson Peak	\$778,976.53	\$1,718,143.30	\$2,497,119.83
Kingman Regional Medical Center	\$955,689.35	\$2,107,908.50	\$3,063,597.85
Maricopa Medical Center	\$17,959,394.45	\$39,611,993.43	\$57,571,387.88
Mountain Vista Medical Center	\$1,387,857.50	\$3,061,116.69	\$4,448,974.19
Phoenix Children's Hospital	\$9,106,447.37	\$20,085,562.14	\$29,192,009.51
St. Joseph's Hospital – Phoenix *	\$10,932,362.62	\$24,112,877.39	\$35,045,240.01
Tucson Medical Center	\$3,161,560.10	\$6,973,269.53	\$10,134,829.63
Yuma Regional Medical Center	\$761,083.14	\$1,678,676.90	\$2,439,760.04
Totals	\$ 82,894,393.87	\$182,835,350.85	\$265,729,744.72

* St. Joseph – Phoenix hospital received funding from two partners. Arizona State University contributed \$7,732,362.62 of the local matching funds and the University of Arizona contributed \$3,200,000.

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 fifteen hospitals mentioned above.

AHCCCS GME Funding 2001-2016



Should you have any questions please feel free to contact me at (602) 417-4711.

Sincerely,

Thomas J. Betlach
Director

- cc: The Honorable Speaker J.D. Mesnard, Arizona House of Representatives
- Richard Stavneak, Director, Joint Legislative Budget Committee
- Christina Corieri, Governor's Office, Senior Policy Advisor
- Gretchen Martinez, Governor's Office, Senior Policy Advisor