

**Intent to Participate
Response to CMS Counter Proposal
Medicaid Section 115 Waiver Supporting Uncompensated Care
NOVEMBER 7, 2011**

This document has been prepared by interested Arizona Safety Net Hospitals (Maricopa Integrated Health System, Phoenix Children's Hospital, and the University of Arizona Health Network) in response to the CMS request for eligibility expansion of the State's CHIP Program (KidsCare) as a condition of approval for the proposed Safety Net Care Pool.

I. KidsCare Limited Expansion

Hospitals are proposing a statewide limited expansion of KidsCare to be funded at a level equal to eighteen percent of the participating entities' non-federal share of the proposed SNCP matching funds that will be used to fund the Arizona limited re-instatement of the KidsCare program. This will allow for approximately 19,300 new enrollees. (See attached Spreadsheet)

Rationale:

- Expands the current KidsCare population by an estimated 123% from the current enrollment of 15,734 (September 2011) restoring coverage to May 2010 levels.
- Participating hospitals would be funding the state portion of this expanded population with eligible local public qualifying funds.
- Arizona KidsCare population expansion addresses CMS' concerns regarding coverage.
- State budget cuts (2007 – current) disproportionately impact the safety net hospitals that are providing the highest percentage of care measured in terms of discharges within their MSA for AHCCCS and low-income uninsured patients and also sponsor multiple residency programs. The state's budget reductions hinder their ability to provide health care services and jeopardizes their short and long term viability.

Criteria:

- Applicable to all qualifying hospitals, including any that are not identified above for the duration of the program.
- Proposal is limited to a minimum of two years or as long as federal match process is available.
- Participation in SNCP match requires participation in funding of the KidsCare expansion at the agreed upon level.
- Consideration of funding limitations created by public match partners.
- "Eligible SNCP Providers" as stated in 'AHCCCS/Waiver Amended Proposal Supporting Uncompensated Care' to include duplication of Safety Net Hospital System section, modified for pediatric care and multiple pediatric residency programs.

- Eligible SNCP Providers as stated in “AHCCCS/Waiver Amended Proposal Supporting Uncompensated Care” will be prioritized to provide funding for category “a” “safety net hospital systems, including adult and pediatric” and category “b” rural or critical access hospitals” If remaining funding is available it shall be made available to category “c” DSH hospitals.

II. Arizona Health System Improvement Pool (AHSIP)

In response to the AHCCCS request for dollar amounts and programmatic identification, hospitals are providing the following examples of projects to be supported with these improvement pool funds.

Institution/System	Project Title	Description	Proposed Funding Level
Maricopa Integrated Health System	Electronic Health Record expansion	Development of a system wide Electronic Health Record increasing patient quality outcomes and efficiency of the workforce.	\$35 million (total project)
University of Arizona Health Network	Development of the Electronic Health Record & Creation of a Level III Trauma Center	Establish trauma services and an electronic health record system in a medically underserved area.	\$50 million (total project)
Phoenix Children’s Hospital	Emergency Department and Level 1 Trauma Center expansion	Improve efficiency, capacity and capability of states only pediatric Level 1 Trauma and Emergency Department, enhancing related teaching programs.	\$40 million (total project)

Criteria:

- Participation in KidsCare expansion.
- Participation in the initial SNCP program.
- Eligibility would continue for the duration of the funding terms of the projects.

Proposed SNCP/ KidsCare Limited Expansion Model:

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KidsCare rate 0.75

KidsCare PMPM 185.43

18% Sharing:

	Non-Fed SNCP Public Match	KidsCare			
		% Funding	Funding	Fed Total	Kids Covered
Maricopa Integrated Health System	33,223	18.0%	5,980	23,920	10,750
University of Arizona Health Network	13,700	18.0%	2,466	9,864	4,433
Phoenix Childrens Hospital	12,673	18.0%	2,281	9,124	4,100
Total	59,596	18.0%	10,727	42,908	19,283

18% funding is based on the estimated non-federal share of the proposed SNCP matching funds