



January 18, 2013

Mr. Thomas Betlach
Director
AHCCCS
801 E. Jefferson Street
Phoenix, AZ 85034

Email: CityTax@azahcccs.gov

Dear Mr. Betlach:

As the seven urban safety net hospitals systems in Phoenix, we are pleased to provide our strong support for the Access to Care Ordinance that the City of Phoenix is proposing and has endorsed. As you know, this initiative will bring in more than \$260 million to the City to enhance the economy and support uncompensated care for Phoenix residents. Equally important, the Ordinance provides funding to restore AHCCCS coverage for certain low-income populations from around the state, which is a more cost-efficient way of providing care.

We sincerely appreciate all the hard work your agency has undertaken to help us in the development of this ordinance, and in working with the City of Phoenix to coordinate implementation.

We are also appreciative of state lawmakers and Governor Jan Brewer, who had the foresight to enact legislation authorizing political subdivisions to provide funding to qualify for federal matching monies in order to provide health care coverage to low-income persons who would have been eligible for AHCCCS.

You are well aware that thousands of uninsured individuals have sought care at hospitals across the state as a result of job losses and a slow economic recovery. Hospitals located within the City of Phoenix have experienced a significant spike in uncompensated care which now totals \$540 million. At the same time, state-level reductions in Medicaid eligibility, benefits and reimbursement are squeezing traditional hospital revenue sources. Without relief, access to high quality health care for all City residents is in jeopardy.

Using the authority enabled by the Legislature and Governor, Phoenix Mayor Greg Stanton and the Phoenix City Council approved a new economic development initiative designed to help hospitals in the City cover some of the impacts created by the sustained economic downturn. The ordinance authorizes a 6% assessment on net inpatient hospital revenues at designated acute care hospitals. The proceeds of the assessment will be transferred to AHCCCS to draw down additional federal matching funds.

We wholeheartedly support the Access to Care Ordinance and encourage AHCCCS to enter into an intergovernmental agreement with the City of Phoenix to implement this initiative, as well as work with CMS to secure its approval.

We believe this option will both help our residents and bring an added source of economic value to our region.

Sincerely,



Reginald M. Ballantyne III
Senior Corporate Officer
Vanguard Health Systems

John C. Lincoln Health Network



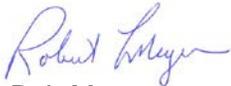

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