

NOTICE OF PUBLIC INFORMATION

- 1. Name of the agency:** Arizona Health Care Cost Containment System (AHCCCS)
- 2. The Topic of the public information notice:** Graduate Medical Education (GME) funding for FY 2026
- 3. The public information relating to the topic:**
The State Fiscal Year (SFY) 2026 budget appropriates \$37.4 million for Graduate Medical Education. Of this amount, \$20.7 million is allocated for GME programs located in a county with less than 500,000 persons and \$16.7 million is allocated towards GME programs located in a county with more than 500,000 or more persons. The funds are to be used to reimburse direct and indirect costs, and this funding is to be used to supplement, but not supplant, voluntary payments made from political subdivisions for payments to hospitals that operate a GME program ([Laws 2025, Chapter 233, Section 11](#)). For GME programs located in a county with less than 500,000 persons, priority is to be given to programs at hospitals in counties with a higher percentage of persons residing in a health professional shortage area. Hospitals that will be participating in this program for SFY 2026 payments must submit requested information to AHCCCS no later than September 1, 2025.

In addition to this funding, AHCCCS is authorized pursuant to A.R.S. § 36-2903.01(G)(9)(f), to permit local, county and tribal governments and any university under the jurisdiction of the Arizona Board of Regents to provide additional matching funds to draw down federal dollars to support the costs of GME programs at designated hospitals via Intergovernmental Agreements. The pool structure and methodology used to determine a hospital's allocation are described in A.A.C. R9-22-712.05.

In order for the hospital to receive GME funds not included in the \$37.4 million appropriation, a hospital must partner with a local, county or tribal government or any university under the jurisdiction of the Arizona Board of Regents. A final, executed intergovernmental agreement must be received by AHCCCS no later than August 15, 2026 in order to receive 2026 GME funds.

More information can be obtained from the AHCCCS website at:
<https://www.azahcccs.gov/PlansProviders/RatesAndBilling/GMEpayments.html>.

Please direct any comments, which must be received no later than 5:00 p.m. on October 15, 2025, to:

Peter Moore
Reimbursement Administrator
Arizona Health Care Cost Containment System
GME@azahcccs.gov