

June 28, 2019

The Honorable Karen Fann  
Arizona State Senate  
1700 W. Washington  
Phoenix, AZ 85007

The Honorable Russell Bowers  
Arizona House of Representatives  
1700 W. Washington  
Phoenix, AZ 85007

Richard Stavneak, Director  
Joint Legislative Budget Committee  
1716 W. Adams  
Phoenix, AZ 85007

Dear President Fann, Speaker Bowers, and Mr. Stavneak:

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 sixteen GME hospitals.

Table 1 below shows the governmental contributors by recipient hospital.

**Table 1**

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

These contributions provided partial funding of **1,717** full-time residents training at those sixteen hospitals. The resident count reported here reflects all residents who were funded under subdivisions (a), (b), and (c) of the statute for the sixteen hospitals.

Table 2 below illustrates the amounts distributed.

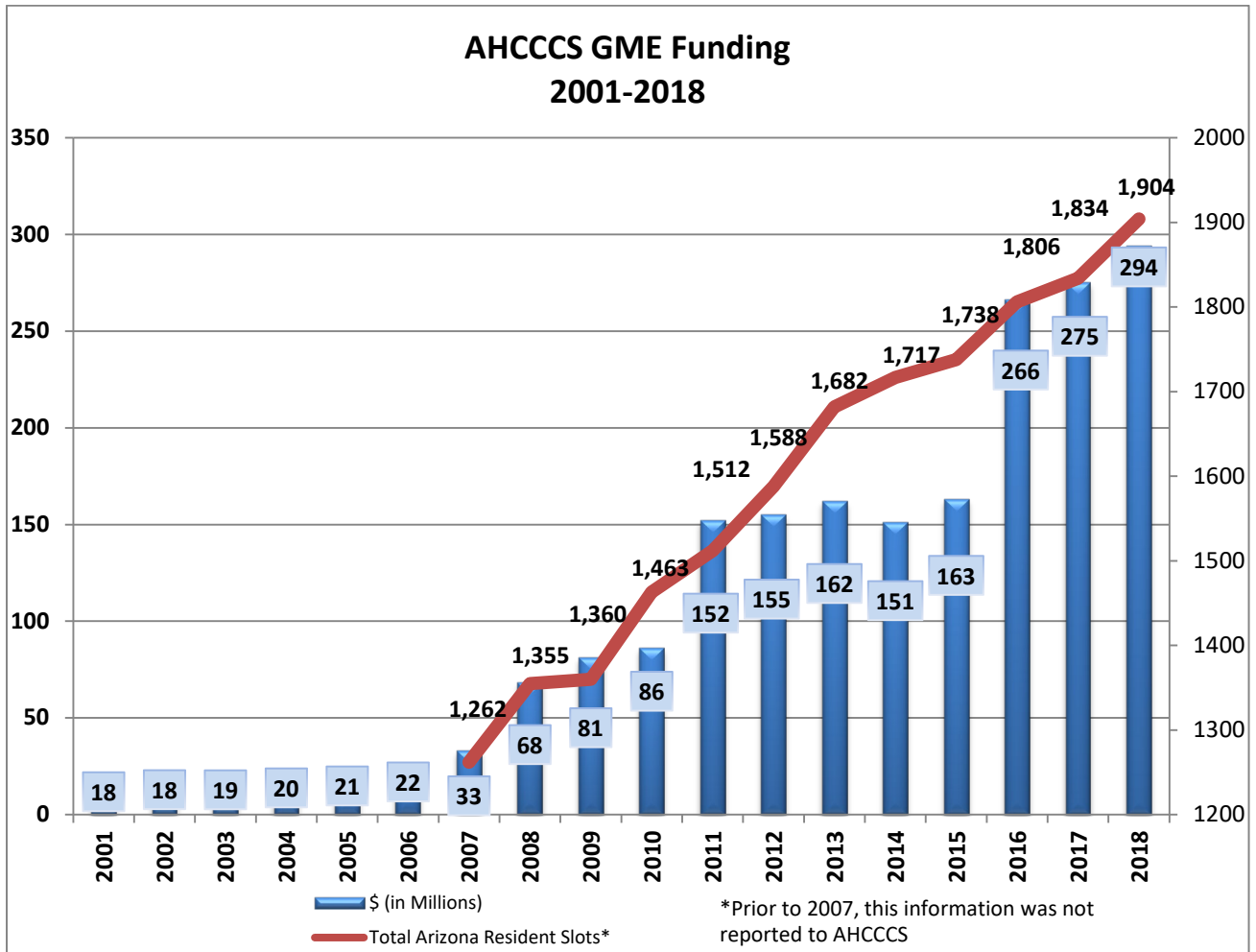
**Table 2**

<b>Recipient Hospital</b>	<b>Local Matching Funds</b>	<b>Federal Matching Funds</b>	<b>Total Distribution</b>
Abrazo Central Campus	\$878,297.68	\$2,023,007.74	\$2,901,305.42
Banner UMC Phoenix	\$13,258,200.89	\$30,537,986.69	\$43,796,187.58
Banner UMC South	\$5,579,764.71	\$12,852,028.85	\$18,431,793.56
Banner UMC Tucson	\$19,676,882.99	\$45,322,317.56	\$64,999,200.55
Canyon Vista Medical Center	\$750,985.03	\$1,729,764.94	\$2,480,749.97
HonorHealth John C Lincoln	\$446,500.64	\$1,028,437.46	\$1,474,938.10
HonorHealth Scottsdale Osborn	\$842,946.00	\$1,941,581.21	\$2,784,527.21
HonorHealth Scottsdale Shea	\$256,718.22	\$591,306.29	\$848,024.51
HonorHealth Scottsdale Thompson Peak	\$452,061.87	\$1,041,246.82	\$1,493,308.69
Kingman Regional Medical Center	\$987,451.23	\$2,274,424.17	\$3,261,875.40
Maricopa Medical Center	\$17,245,225.25	\$39,721,411.97	\$56,966,637.22
Mountain Vista Medical Center	\$2,048,634.71	\$4,718,677.90	\$6,767,312.61
Phoenix Children's Hospital*	\$11,572,428.03	\$26,655,098.69	\$38,227,526.72
St. Joseph's Hospital – Phoenix *	\$11,770,591.59	\$27,111,534.38	\$38,882,125.97
Tucson Medical Center	\$2,307,992.98	\$5,316,065.09	\$7,624,058.07
Yuma Regional Medical Center	\$807,731.77	\$1,860,471.28	\$2,668,203.05
<b>Totals</b>	<b>\$88,882,413.59</b>	<b>\$204,725,361.04</b>	<b>\$293,607,774.63</b>

\* St. Joseph – Phoenix hospital received funding from two partners - Arizona State University contributed \$8,270,591.59 and the University of Arizona contributed \$3,500,000.00 of local matching funds. Phoenix Children's Hospital received funding from two partners – Maricopa Integrated Health System contributed \$3,000,000.00 and University of Arizona contributed \$8,572,428.03 of local matching funds.

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 sixteen hospitals mentioned above.



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

Sincerely,

Jami Snyder  
Director

cc: Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting  
Christina Corieri, Governor's Office, Senior Policy Advisor