

July 11, 2025

The Honorable Warren Petersen  
President, Arizona State Senate  
1700 West Washington  
Phoenix, AZ 85007

The Honorable Steve Montenegro  
Speaker, Arizona House of Representatives  
1700 West Washington  
Phoenix, AZ 85007

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

**SUBJECT: Arizona Health Care Cost Containment System Report on GME**

Dear President Petersen, Speaker Montenegro, 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 34 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"> <li>• St. Joseph's Hospital – Phoenix</li> <li>• Phoenix Children's Hospital</li> <li>• Mayo 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 Baywood Medical Center</li> <li>• Banner Behavioral Health</li> <li>• Banner Boswell Hospital</li> <li>• Banner Casa Grande Medical Center</li> <li>• Banner Del Webb Hospital</li> <li>• Banner Desert Medical Center</li> <li>• Banner Estrella Medical Center</li> <li>• Banner Gateway Medical Center</li> <li>• Banner Heart Hospital</li> <li>• Banner Payson Medical Center</li> <li>• Banner Thunderbird Medical Center</li> <li>• Banner UMC Phoenix</li> <li>• Banner UMC South</li> <li>• Banner UMC Tucson</li> <li>• Dignity Chandler Regional Hospital</li> <li>• HonorHealth Deer Valley</li> <li>• HonorHealth John C Lincoln</li> <li>• HonorHealth Rehabilitation Hospital</li> <li>• Mercy Gilbert 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>• Tucson Medical Center</li> <li>• Yuma Regional Medical Center</li> </ul>
Valleywise Health	<ul style="list-style-type: none"> <li>• Abrazo Arrowhead Campus</li> <li>• Abrazo Central Campus</li> <li>• Abrazo West Campus</li> <li>• Canyon Vista Medical Center</li> <li>• HonorHealth Mountain Vista Medical Center</li> <li>• Phoenix Children's Hospital</li> </ul>

These contributions provided partial funding of **2,371** full-time residents training at those hospitals. The resident count reported here reflects all residents who were funded under subdivisions (a), (b), and (c) of the statute for the 34 hospitals.

Table 2 below illustrates the amounts distributed.

**Table 2**

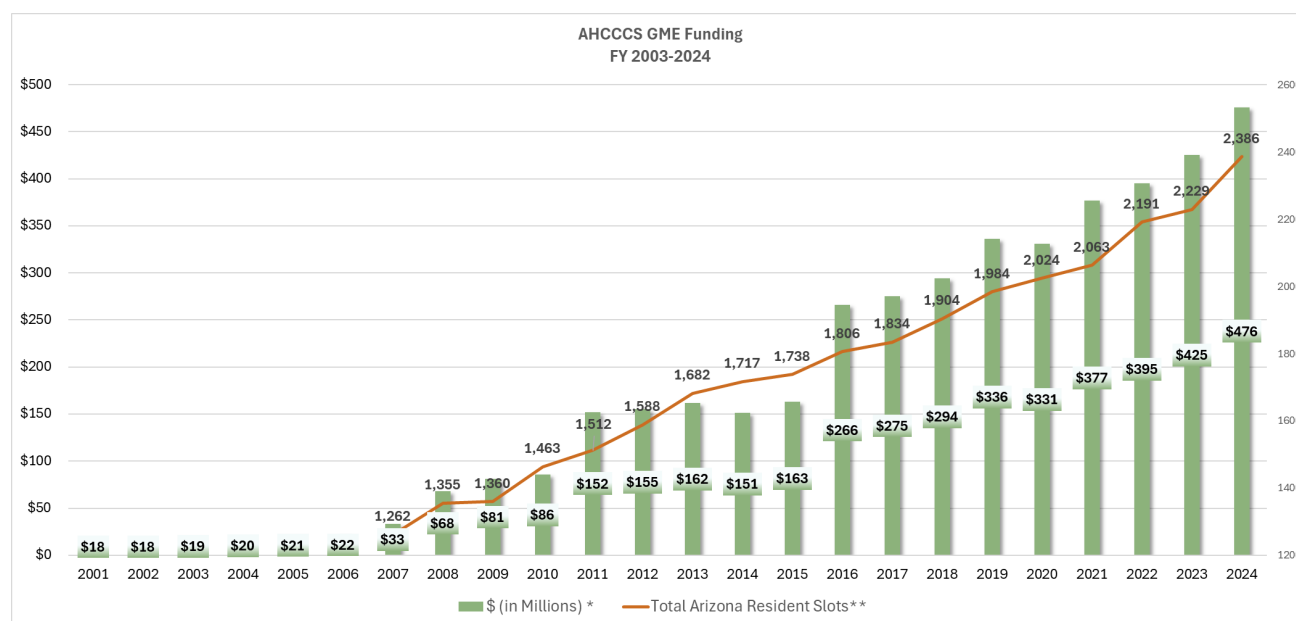
Recipient Hospital	Local Matching Funds	Federal Matching Funds	Total Distribution
Abrazo Arrowhead	\$2,899,058.23	\$6,191,035.78	\$9,090,094.01
Abrazo Central Campus	\$778,417.79	\$1,662,337.20	\$2,440,754.99
Abrazo West	\$2,208,545.30	\$4,716,422.33	\$6,924,967.63
Banner Baywood	\$2,150.72	\$4,592.95	\$6,743.67
Banner Behavioral Health	\$554,439.56	\$1,184,024.22	\$1,738,463.78
Banner Boswell Hospital	\$177,325.27	\$378,684.05	\$556,009.32
Banner Casa Grande	\$11,693.07	\$24,970.93	\$36,664.00
Banner Del Webb Hospital	\$47,711.71	\$101,889.96	\$149,601.67
Banner Desert Medical Center	\$630,360.84	\$1,346,156.65	\$1,976,517.49
Banner Estrella Medical Center	\$118,809.97	\$253,722.66	\$372,532.63
Banner Gateway Medical Center	\$198,566.03	\$424,044.38	\$622,610.41
Banner Heart Hospital	\$94,127.79	\$201,013.04	\$295,140.83
Banner Payson Medical Center	\$535,092.43	\$1,142,707.76	\$1,677,800.19
Banner Thunderbird Medical Center	\$319,274.70	\$681,821.80	\$1,001,096.50
Banner UMC Phoenix	\$19,417,838.96	\$41,467,444.29	\$60,885,283.25
Banner UMC South	\$5,891,496.37	\$12,581,487.46	\$18,472,983.83
Banner UMC Tucson	\$28,505,006.19	\$60,873,393.72	\$89,378,399.91
Canyon Vista Medical Center	\$1,147,633.81	\$2,450,810.37	\$3,598,444.18
Dignity Chandler Regional Hospital	\$785,014.53	\$1,676,424.78	\$2,461,439.31
HonorHealth Deer Valley	\$337,551.27	\$720,852.01	\$1,058,403.28
HonorHealth John C Lincoln	\$843,450.85	\$1,801,217.50	\$2,644,668.35
HonorHealth Rehabilitation	\$540,491.63	\$1,154,237.94	\$1,694,729.57
HonorHealth Scottsdale Osborn	\$1,649,789.37	\$3,523,180.36	\$5,172,969.73
HonorHealth Scottsdale Shea	\$1,049,628.07	\$2,241,515.84	\$3,291,143.91
HonorHealth Scottsdale Thompson Peak	\$1,629,471.26	\$3,479,790.34	\$5,109,261.60
Kingman Regional Medical Center	\$1,350,648.65	\$2,884,355.34	\$4,235,003.99
Mayo Clinic Hospital	\$6,500,000.00	\$13,880,967.33	\$20,380,967.33
Mercy Gilbert Medical Center	\$408,804.24	\$873,015.11	\$1,281,819.35
HonorHealth Mountain Vista Medical Center	\$2,404,498.43	\$5,134,886.80	\$7,539,385.23
Phoenix Children's Hospital *	\$19,948,097.76	\$42,599,829.67	\$62,547,927.43

St. Joseph's Hospital – Phoenix *	\$15,121,797.65	\$32,293,104.44	\$47,414,902.09
Tucson Medical Center	\$4,435,164.59	\$9,471,442.25	\$13,906,606.84
Valleywise Health Medical Center	\$24,914,988.02	\$53,206,789.88	\$78,121,777.90
Yuma Regional Medical Center	\$1,159,224.76	\$2,475,563.23	\$3,634,787.99
<b>Totals</b>	<b>\$146,616,169.82</b>	<b>\$313,103,732.37</b>	<b>\$459,719,902.19</b>

\* St. Joseph – Phoenix and Phoenix Children's Hospital received funding from multiple partners. For Phoenix Children's Hospital, Arizona State University (ASU) contributed \$14,500,000, University of Arizona (U of A) contributed \$3,048,097.76, and Valleywise Health contributed \$2,400,000. For St. Joseph -Phoenix, ASU contributed \$7,500,000.00 and U of A contributed \$7,621,797.65 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 34 hospitals mentioned above.



Please feel free to contact Joshua Worley, Acting Assistant Director, Division of Business and Finance, at (602) 417-4348 or via email at [Joshua.Worley@azahcccs.gov](mailto:Joshua.Worley@azahcccs.gov) if you have any questions.

Sincerely,

Marcus Johnson  
Deputy Director of Community Engagement & Regulatory Affairs

cc: Ben Henderson, Director, Governor's Office of Strategic Planning and Budgeting  
Meaghan Kramer, Health Policy Advisor, Office of the Governor