

August 7, 2025

The Honorable Warren Petersen
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

The Honorable Steve Montenegro
Arizona House of Representatives
1700 W. Washington
Phoenix, AZ 85007

The Honorable David Livingston
Arizona House of Representatives
1700 W. Washington
Phoenix, AZ 85007

The Honorable John Kavanagh
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

Richard Stavneak
Director of the Joint Legislative Budget Committee
1700 W. Washington
Phoenix, AZ 85007

SUBJECT: Arizona Health Care Cost Containment System Report on Community Health Center GME

Dear President Petersen, Speaker Montenegro, Representative Livingston, Senator Kavanagh, and Mr. Stavneak:

A.R.S. § 36-2907.06(1)(2) and A.R.S. § 36-2907.06(1)(3) include the following requirements:

The administration shall report to the joint legislative budget committee on or before July 1 of each year on the number of new residency positions as reported by the primary care graduate medical education programs for qualifying community health centers and rural health clinics pursuant to this paragraph.

The administration shall report to the president of the senate, the speaker of the house of

representatives and the director of the joint legislative budget committee on or before July 1 of each year on the amount of monies contributed and the number of residency positions funded by local, county and tribal governments and any university under the jurisdiction of the Arizona board of regents, including the amount of federal matching monies used.

The requirement under A.R.S. § 36-2907.06(I) for AHCCCS to establish a Medicaid-funded CHC GME payment program is “contingent on approval by the Centers for Medicare and Medicaid Services[(CMS)]”. AHCCCS is continuing efforts to obtain federal approval and move towards establishing the CHC GME program authorized under A.R.S. § 36-2907.06(I) using Medicaid funding. AHCCCS is currently working with CMS on multiple state plan amendments.

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 if you have any questions.

Sincerely,



Kristen Challacombe
Interim Director

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