

July 1, 2016

The Honorable Andy Biggs, President
 Arizona State Senate
 1700 West Washington
 Phoenix, Arizona 85007

Re: Arizona Health Care Cost Containment System Report on GME – Fiscal Year 2015

Dear President Biggs:

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 twelve GME hospitals.

Table 1 below shows the governmental contributors by recipient hospital.

Table 1

Government Contributor	Recipient Hospital
Maricopa Integrated Health System	Maricopa Medical Center
Hospital District No. One of Mohave County	Kingman Regional Medical Center
University of Arizona	<ul style="list-style-type: none"> • Banner UMC Phoenix • Banner UMC South • Banner UMC Tucson • John C Lincoln North Mountain • Phoenix Children's Hospital • Scottsdale Healthcare - Osborn • Scottsdale Healthcare - Shea • St. Joseph's Hospital - Phoenix • Tucson Medical Center • Yuma Regional Medical Center

These contributions provided partial funding of **1,541** full-time residents training at those twelve hospitals. The resident count reported here reflects all residents who were funded under subdivisions (a), (b), and (c) of the statute for the twelve hospitals.

Table 2 below illustrates the amounts distributed.

Table 2

Recipient Hospital	Local Matching Funds	Federal Matching Funds	Total Distribution
Banner UMC Phoenix	\$7,743,128.90	\$16,570,016.25	\$24,313,145.15
Banner UMC South	\$3,009,479.35	\$6,440,177.14	\$9,449,656.49
Banner UMC Tucson	\$14,020,004.24	\$30,002,302.81	\$44,022,307.05
John C Lincoln North Mountain	\$161,458.89	\$345,516.18	\$506,975.07
Kingman Regional Medical Center	\$582,061.69	\$1,245,590.99	\$1,827,652.68
Maricopa Medical Center	\$11,481,344.22	\$24,569,662.03	\$36,051,006.25
Phoenix Children's Hospital	\$4,802,111.00	\$10,276,344.13	\$15,078,455.13
Scottsdale Healthcare - Osborn	\$546,311.75	\$1,169,087.41	\$1,715,399.16
Scottsdale Healthcare - Shea	\$83,235.38	\$178,120.70	\$261,356.08
St. Joseph's Hospital - Phoenix	\$7,319,574.68	\$15,663,625.52	\$22,983,200.20
Tucson Medical Center	\$2,011,559.34	\$4,304,664.34	\$6,316,223.68
Yuma Regional Medical Center	\$148,792.47	\$318,410.51	\$467,202.98
Totals	\$51,909,061.91	\$111,083,518.01	\$162,992,579.92

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.

Since the inception of the local match funding, both GME funding and the total number of Arizona resident slots has grown significantly, as outlined in the chart below:

AHCCCS GME Funding 2001-2016



*Prior to 2007, this information was not reported to AHCCCS

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

Sincerely,

Thomas J. Betlach
Director

- cc: The Honorable Speaker David M. Gowan Sr., Arizona House of Representatives
- Richard Stavneak, Director, Joint Legislative Budget Committee
- Christina Corieri, Governor's Office, Policy Advisor for Health and Human Services
- Lorenzo Romero, Governor's Office of Strategic Planning & Budgeting