

Arizona Medicaid Access to Hospital Care – 2014 Evaluation

Prepared for:

Arizona Health Care Cost Containment System

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1 Introduction

Navigant Consulting, Inc. was engaged by the Arizona Health Care Cost Containment System (“AHCCCS”) to conduct an analysis of the current Medicaid payment methodology and rates paid for inpatient and outpatient hospital services relative to the efficiency, accessibility and the quality of care standards established under Federal requirements. The Federal requirements that apply to the methods states employ to pay for Medicaid services, which are described in U.S.C. § 1396a (a)(30)(A), specify that a state plan for Medical Assistance (referred to herein as Medicaid) provide such methods and procedures relating to the utilization of, and the payment for, care and services available under the plan as may be necessary to safeguard against unnecessary utilization of such care and services and to assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area.

In cases interpreting Section 30(A), the Ninth U.S. Circuit Court of Appeals held in 1997 that a state could not comply with Section 30(A) without "responsible cost studies, its own or others', that provide reliable data as a basis for its rate setting," reasoning that a state "cannot know that it is setting rates that are consistent with efficiency, economy, quality of care and access without considering the costs of providing such services."¹ We understand that in a subsequent ruling the Ninth Circuit Court held that if CMS did not conduct an analysis of (a)(30)(A) when approving a State Plan Amendment (SPA), the standards established in earlier Ninth Circuit decisions should apply.²

The Ninth Circuit’s interpretation may be affected by the March 31, 2015 U.S. Supreme Court ruling in the case “Armstrong, et al., v. Exceptional Child Center, et al”. In its decision, the U.S. Supreme Court ruled that the Supremacy Clause in the U.S. Constitution (which establishes the U.S. Constitution, federal statutes, and treaties as the supreme law of the land) “does not confer a private right of action, and that Medicaid providers cannot sue for an injunction requiring compliance with §30(a).”³

In addition to guidance from courts, on May 6, 2011, the Centers for Medicare and Medicaid Services (CMS) issued a proposed rule in the Federal Register to “create a standardized, transparent process for States to follow as part of their broader efforts to “assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area” as required by

¹ Orthopaedic Hospital v. Belshe, 103 F.3d 1495-96.

² Managed Pharmacy Care, 716 F.3d 1235.

³ http://www.supremecourt.gov/opinions/14pdf/14-15_d1oe.pdf

section 1902(a)(30)(A) of the Social Security Act (the Act)."⁴ The proposed rule included the following data measures to demonstrate sufficient access:

- (1) An estimate of Medicaid payments as a percentage of customary provider charges.
- (2) An estimate of Medicaid payments as a percentage of estimated payments under Medicare rates, average commercial payment rates, or the applicable Medicaid allowable cost of the services.
- (3) An estimate of the composite average percentage increase or decrease resulting from any proposed revision in payment rates.

We understand this proposed rule is not yet finalized and is slated for Final Action in September 2015.⁵

We also understand that on March 12, 2015, Arizona Senate Bill 1475 (Laws 2015, Chapter 14) was signed into law by the Governor, which in, Section 16 states that "for rates effective October 1, 2015 through September 30, 2016, the Arizona health care cost containment system administration may reduce payments up to an aggregate of five percent for all health care providers, excluding nursing facility, developmental disability and home and community based health care providers."⁶ The purpose of this report is to provide information to AHCCCS and the Executive Office as part of their future deliberations concerning the level of Medicaid payments for inpatient and outpatient hospital services.

2 Executive Summary

AHCCCS, at the direction of the Arizona State legislature, has implemented several changes to its Medicaid inpatient and outpatient hospital payments systems over the past four years. These changes, among others, included reductions in hospital payments by 5 percent effective April 1, 2011 and October 1, 2011. Subsequently, in an effort to enhance quality of care and efficient delivery of services, AHCCCS transitioned from a per diem reimbursement methodology and implemented a per discharge All-Patient Refined Diagnosis Related Groups (APR-DRG) inpatient payment model on October 1, 2014 (designed to be budget neutral in aggregate to the legacy system). In addition, effective January 1, 2014, AHCCCS began a hospital assessment program that restored Proposition 204 coverage for adults without dependent children ("Childless Adults") and provided Medicaid coverage up to 133 percent of Federal Poverty Limit (FPL). This assessment program resulted in a projected \$714.6 million Medicaid payment increase in SFY 2015 (or \$444.2 million net gain, when considering the full assessment cost).

⁴ Federal Register / Vol. 76, No. 88 / Friday, May 6, 2011 / Proposed Rules

⁵ <https://www.federalregister.gov/regulations/0938-AQ54/methods-for-assuring-access-to-covered-medicaid-services-cms-2328-f->

⁶ Senate Bill 1475, <http://www.azleg.gov/legtext/52leg/1r/laws/0014.pdf>

Given these changes in the level of payments as well as in the reimbursement methodology, AHCCCS wants to ensure that the hospital payments are consistent with efficiency, economy, and quality of care, and sufficient to enlist enough providers. AHCCCS must ensure that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area.

This report is intended to be used by AHCCCS and CMS in order to better understand the current level of Medicaid payments as well as the possible effect of the recent rate changes and the change in payment methodology on access to hospital care. Specifically, this report examines Medicaid cost coverage and comparison to payments under Medicare, using calendar year (CY) 2014 inpatient and outpatient Medicaid volume. In addition, this report examines hospital capacity, Medicaid utilization, and profitability during fiscal year ending (FYE) 2011 through 2013, for each Arizona provider. Finally, this report examines whether correlations exist between the cost of providing care and the patient outcomes, patient satisfaction, and effective processes of hospitals both within Arizona as well as nationwide.

Overall, we have the following key findings for Arizona hospitals:

- The 2014 aggregate Medicaid pay-to-cost ratios are estimated to be as follows:
 - Inpatient: **76.1** percent with supplemental payments, **55.3** percent without
 - Outpatient: **95.2** percent with supplemental payments, **85.5** percent without
 - Combined inpatient and outpatient: **83.2** percent with supplemental payments, **66.5** percent without
 - Combined inpatient and outpatient with proposed 5 percent payment reduction (applied to claim payments only): **79.8** percent with supplemental payments, **63.2** percent without

- The 2014 aggregate Medicaid to Medicare payment ratios are estimated to be as follows:
 - Inpatient: **79.3** percent with supplemental payments, **57.7** percent without
 - Outpatient: **86.5** percent with supplemental payments, **77.8** percent without
 - Combined inpatient and outpatient: **82.2** percent with supplemental payments, **65.7** percent without
 - Combined inpatient and outpatient with proposed 5 percent payment reduction (applied to claim payments only): **78.9** percent with supplemental payments, **62.4** percent without

- From 2011 to 2013, the statewide number of hospitals with Arizona Uniform Accounting Reports (UARs) remained the same, the number of beds decreased slightly and the unused bed capacity increased slightly.

- Statewide Medicaid utilization has decreased from **29.7** percent in 2011 to **25.6** percent in 2013. This is primarily due to the loss in Medicaid eligibility for the Proposition 204 Childless Adult population in 2013. We expect Medicaid utilization to increase in 2014 once cost report data becomes available.

- Statewide aggregate hospital margin percentage and total net income increased from 2011 to 2013.
- There is no statistical relationship between hospital normalized costs and the key CMS quality measures.

The last payment reduction by AHCCCS occurred in 2011. Since that time there have been no inpatient rate increases and a 1.2 percent outpatient fee schedule increase (on October 1, 2013). When pay-to-cost percentage estimates under current rates are considered along with our analysis of access to and quality of care, it does not appear that the overall payment levels have historically had a significant effect on access to quality hospital services in Arizona. It would be reasonable to assume that under current rates, access and quality will continue to be sufficient, and as such, it appears that the current payment system meets the Federal standards specified in 42 U.S.C. § 1396A (A)(30)(A).

We cannot predict how the proposed five percent Medicaid payment reduction would affect provider behavior and Medicaid recipient access to care. To maintain current hospital margin levels in light of these reductions, providers will likely need to find additional cost savings, further shift the cost of providing services to other payers, or both.

Hospitals where Medicaid represents a relatively small proportion of their total costs have greater ability to effectively “cost shift” to commercial payers of services, where payments are not determined legislatively or through some other public process, and otherwise constrained by State or Federal regulations. At the same time, it is more difficult for higher Medicaid utilization hospitals to adequately cost-shift to commercial payers. For these hospitals, to the extent that their need to cost-shift continues to increase, it will become increasingly important to evaluate and make difficult decisions related to maintaining unprofitable service lines.

It should be noted that this proposed five percent reduction will likely push the State’s Medicaid pay-to-cost ratios to the lower end of the ranges we have seen in our experience in other states. Given the results of our analyses, we recommend that for upcoming reductions to hospital payments, the State continue to carefully monitor any changes in access and quality so that appropriate responses can be made in a timely manner.

We also recommend that when applying payment reductions, AHCCCS consider targeting these reductions in ways that will mitigate the potential for impeding access to quality hospital services. These could include the implementation of payment incentive models intended to reduce unnecessary utilization of services, and other reductions based on the performance of providers and/or AHCCCS Managed Care Organization (MCO) plans, as opposed to across-the-board payment rate reductions.

It should also be noted that it is not possible to estimate the impact of the Medicaid expansion effective January 2014 until more data becomes available. While hospitals will receive more

revenue for newly eligible Medicaid patients, they will also incur additional costs for serving these patients.

3 AHCCCS Pay-to-Cost Analysis

In order to evaluate the percentage of costs reimbursed by Medicaid to Arizona hospitals, the level of payments under the new inpatient APR-DRG system and the outpatient fee schedule system were compared to the estimated costs of providing services reported by in-state providers in claims data with dates of services from January 1, 2014 through December 31, 2014.

Since the new inpatient APR-DRG payment system was implemented in October of 2014, it was necessary to simulate claim payments for CY 2014 inpatient Fee-For-Service (FFS) claims and MCO encounters under this new inpatient payment system. For DRG-exempt inpatient services and outpatient services, we used reported payments (since these payment systems have not been changed). In addition to the claim-based payments, Medicaid supplemental payments have been included in the pay-to-cost analysis (based on 2014 payments, except for the CAH supplemental payments, which are based on the increased 2015 payment pool). Note that the Medicaid supplemental payments include disproportionate share hospital (DSH) payments which are intended to take in consideration the circumstances of hospitals that care for a higher proportion of uninsured and Medicaid patients; this analysis does not include the cost of the uninsured population (the resulting payment to-cost ratios would be lower if uninsured costs were included).

Medicaid costs have been estimated at the detail line level following Medicare's standard detailed cost apportionment methodology. In this process, a provider's total costs (for all payers, including both patient service cost centers, general service and other non-patient reimbursable cost centers) are allocated to Medicaid inpatient and outpatient services. As such the Medicaid cost calculation represents the average costs of these services, including both the marginal cost and the fixed costs apportioned to the Medicaid service volume.

After estimating CY 2014 Medicaid inpatient and outpatient hospital costs and payments, we calculated Medicaid pay-to-cost percentages by dividing payments by allowable costs. The aggregate weighted average Medicaid pay-to-cost ratio was 76.1 percent for inpatient, 95.2 percent for outpatient and 83.2 percent for combined inpatient and outpatient. For inpatient the median provider cost coverage percentage was 63.1 percent and for outpatient the median provider pay-to-cost ratio was 87.9 percent.

These Medicaid pay-to-cost ratios include Medicaid supplemental payments, which are allocated between inpatient and outpatient hospital services. If supplemental payments are excluded from the calculation, the aggregate weighted average Medicaid pay-to-cost ratio is 55.3 percent for inpatient, 85.5 percent for outpatient and 66.5 percent for combined inpatient and outpatient.

Figure 3.1 below shows the ranges of aggregate estimated inpatient and outpatient Medicaid pay-to-cost ratios across hospitals when supplemental payments are included.

Figure 3.1 – Provider Ranges of Inpatient and Outpatient Medicaid Pay-to-Cost Ratios Including Supplemental Payments

Estimated Medicaid Pay-to-Cost Ratio	Inpatient		Outpatient	
	Hospital Count	Percent of Hospitals	Hospital Count	Percent of Hospitals
120% +	8	8.6%	7	9.5%
110% - 119%	2	2.2%	8	10.8%
100% - 109%	8	8.6%	7	9.5%
90% - 99%	5	5.4%	9	12.2%
80% - 89%	6	6.5%	19	25.7%
70% - 79%	6	6.5%	9	12.2%
60% - 69%	17	18.3%	7	9.5%
50% - 59%	25	26.9%	1	1.4%
40% - 49%	9	9.7%	4	5.4%
30% - 39%	3	3.2%	1	1.4%
< 30%	4	4.3%	2	2.7%
Total	93	100.0%	74	100.0%

Figure 3.2 shows the ranges of aggregate estimated inpatient and outpatient Medicaid pay-to-cost ratios when supplemental payments are excluded.

Figure 3.2 – Provider Ranges of Inpatient and Outpatient Medicaid Pay-to-Cost Ratios Excluding Supplemental Payments

Estimated Medicaid Pay-to-Cost Ratio	Inpatient		Outpatient	
	Hospital Count	Percent of Hospitals	Hospital Count	Percent of Hospitals
120% +	4	4.3%	1	1.4%
110% - 119%	0	0.0%	4	5.4%
100% - 109%	4	4.3%	5	6.8%
90% - 99%	3	3.2%	11	14.9%
80% - 89%	5	5.4%	23	31.1%
70% - 79%	4	4.3%	14	18.9%
60% - 69%	13	14.0%	7	9.5%
50% - 59%	23	24.7%	1	1.4%
40% - 49%	21	22.6%	5	6.8%
30% - 39%	9	9.7%	1	1.4%
< 30%	7	7.5%	2	2.7%
Total	93	100.0%	74	100.0%

See Exhibits 1A and 2A for a summary of estimated Medicaid pay-to-cost ratios by provider.

Figure 3.3 below shows the inpatient and outpatient Medicaid pay-to-cost ratios, including supplemental payments, by provider type. These provider types are based on the provider types identified for the hospital assessment program.

Figure 3.3 – Medicaid Pay-to-Cost Ratios by Provider Type Including Supplemental Payments

Provider Type	Number of Providers	Inpatient Medicaid Pay-to-Cost Ratio	Outpatient Medicaid Pay-to-Cost Ratios Ratio
Urban Acute Provider	28	67.6%	89.5%
Rural Acute Provider (non-Critical Access Hospitals)	13	64.8%	83.7%
Freestanding Children’s Provider	2	139.0%	108.3%
Critical Access Hospital (CAH)	11	87.9%	117.7%
LTAC Provider	7	43.1%	N/A
Small Psychiatric Providers and AZ State Hospital	7	98.6%	N/A
Large Psychiatric Provider	4	104.7%	N/A
Freestanding Rehabilitation Provider	7	87.8%	35.0%
Pediatric-Intensive General Acute Hospitals	2	75.3%	100.5%
Medium Pediatric-Intensive General Acute Hospital	6	66.3%	100.3%
Short Term Specialty Hospital	5	43.6%	103.6%
High Medicare/Out-of-State Patient Utilization Hospital	1	37.8%	57.0%
Total	93	76.1%	95.2%

Figure 3.4 below shows the inpatient and outpatient Medicaid pay-to-cost ratios, excluding supplemental payments, by provider type.

Figure 3.4 – Medicaid Pay-to-Cost Ratios by Provider Type Excluding Supplemental Payments

Provider Type	Number of Providers	Inpatient Medicaid Pay-to-Cost Ratio	Outpatient Medicaid Pay-to-Cost Ratios Ratio
Urban Acute Provider	28	57.0%	85.2%
Rural Acute Provider (non-Critical Access Hospitals)	13	55.6%	81.9%
Freestanding Children’s Provider	2	43.4%	79.0%
Critical Access Hospital (CAH)	11	33.2%	86.8%
LTAC Provider	7	43.1%	N/A
Small Psychiatric Providers and AZ State Hospital	7	98.6%	N/A
Large Psychiatric Provider	4	104.7%	N/A
Freestanding Rehabilitation Provider	7	87.8%	35.0%
Pediatric-Intensive General Acute Hospitals	2	51.7%	89.8%
Medium Pediatric-Intensive General Acute Hospital	6	51.8%	90.2%
Short Term Specialty Hospital	5	43.6%	103.6%
High Medicare/Out-of-State Patient Utilization Hospital	1	37.7%	56.3%
Total	93	55.3%	85.5%

See Exhibits 1B and 2B for more detail related to our analysis related to the estimated Medicaid pay-to-cost ratios by provider type.

As previously mentioned, Medicaid payments in the analyses include Medicaid supplemental payments made to providers in SFY 2014, except for CAH supplemental payments, which are based on the increased 2015-2016 supplemental payments (from \$1.7 million in 2014 to approximately \$10.5 million in 2015). Note that several additional changes will occur to Medicaid supplemental payments in 2015:

- In 2015 Disproportionate Share Hospital (DSH) supplemental payments will be reduced by approximately \$16 million. This reduction will remain in effect for 2016 as well.
- The State's largest freestanding children's hospital, Phoenix Children's, Hospital had a \$117 million Safety Net Care Pool (SNCP) supplemental payment in 2014. This SNCP payment is currently scheduled to expire on December 31, 2015; AHCCCS is working to extend this payment into future years, but will likely need to reduce future payments in order to receive CMS approval. Although our analysis shows that Phoenix Children's Hospital Medicaid pay-to-cost ratios for inpatient and outpatient are greater than 100 percent (due to their SFY 2014 SNCP payment), Phoenix Children's Hospital future Medicaid pay-to-cost ratios may be significantly lower in the event SNCP payments are reduced in 2016.

Figure 3.5 below shows the ranges of aggregate estimated combined inpatient and outpatient Medicaid pay-to-cost ratios across hospitals, without the proposed 5 percent claim payment reduction.

Figure 3.5 – Provider Ranges of Combined Inpatient and Outpatient Medicaid Pay-to-Cost Ratios Including Supplemental Payments

Estimated Medicaid Pay-to-Cost Ratio	Combined Inpatient and Outpatient	
	Hospital Count	Percent of Hospitals
120% +	9	9.7%
110% - 119%	1	1.1%
100% - 109%	6	6.5%
90% - 99%	12	12.9%
80% - 89%	11	11.8%
70% - 79%	20	21.5%
60% - 69%	17	18.3%
50% - 59%	11	11.8%
40% - 49%	2	2.2%
30% - 39%	1	1.1%
< 30%	3	3.2%
Total	93	100.0%

Figure 3.6 below shows the aggregate weighted average Medicaid pay-to-cost ratio for inpatient and outpatient services combined including supplemental payments, with and without the proposed 5 percent payment reduction. See Exhibit 5 for a summary of estimated Medicaid payment-to-cost ratio by provider.

Figure 3.6 – Combined Inpatient and Outpatient Pay-to-Cost Ratios

Statewide Aggregate Ratio Type	Combined Inpatient and Outpatient With Supplemental Payments	Combined Inpatient and Outpatient Without Supplemental Payments
Estimated Medicaid Pay-to-Cost Ratio without proposed 5 percent Medicaid Payment Reduction	83.2%	66.5%
Estimated Medicaid Pay-to-Cost Ratio with proposed 5 percent Medicaid Payment Reduction (applied to claim payments only)	79.8%	63.2%

We did not attempt to analyze the marginal costs associated with providing hospital services for purposes of this study, nor have we attempted to identify what marginal costs are for hospitals in the State of Arizona. It is reasonable to assume, however, that marginal cost of Medicaid service would be less than the total cost incurred by a hospital. To the extent that AHCCCS payments cover the marginal costs associated with Medicaid services (and cover a portion of the hospital’s fixed costs, which they would incur regardless of Medicaid volume), we would expect hospitals to be better off financially by continuing to participate with AHCCCS.

It is important to note that the CY 2014 Medicaid volume shown in the cost coverage analysis includes the Medicaid expansion population. Effective January 1, 2014, AHCCCS began a hospital assessment program that restored Proposition 204 Childless Adult eligibility and expanded Medicaid eligibility up to 133 percent of FPL. Without the hospital assessment program, providers would not have received an estimated \$714.6 million in Medicaid payments (or \$444.2 million net gain, when considering the full assessment cost) for these services, and would have incurred additional financial losses. The Medicaid cost coverage analysis does not consider the additional benefit providers have received from the assessment program; estimated cost coverage would have been significantly lower without the Medicaid payments for these populations funded by the assessment program.

It is also important to note that this analysis is based on a standardized cost apportionment methodology, using a single statewide revenue code crosswalk. Using provided-specific revenue code crosswalks and other provider-specific adjustments may result in a different cost calculation results.

4 AHCCCS Pay-to-Charge Analysis

Per CMS guidance, we have estimated payments under Medicare as a benchmark for Arizona Medicaid reimbursement levels. Using the same dataset as in the pay-to-cost ratio analysis described previously, we estimated payments under Medicare by calculating Medicare pay-to-charge ratios for inpatient and outpatient hospital services, which we calculated using data extracted from the most recently available Medicare cost report. We then multiplied the Medicare pay-to-charge ratios by inpatient and outpatient Medicaid charges to estimate what payments would have been under Medicare.

Figure 4.1 shows a comparison of aggregate pay-to-charge ratios for inpatient and outpatient with supplemental payments:

Figure 4.1 – Inpatient and Outpatient Pay-to-Charge Ratios Including Supplemental Payments

Statewide Aggregate Ratio Type (Without Proposed 5 Percent Medicaid Payment Reduction)	Inpatient	Outpatient
Medicaid Pay-to-Charge Ratio	22.0%	15.3%
Medicare Pay-to-Charge Ratio	27.7%	17.7%
Medicaid Payment to Medicare Payment Ratio	79.3%	86.5%

As shown in Figure 4.1, aggregate Medicaid inpatient payments are 79.3 percent of Medicare and outpatient payments are 86.5 percent of Medicare. The provider median Medicaid to Medicare payment ratio is 66.5 percent for inpatient and 78.1 percent for outpatient. Note that one Medicaid provider, Los Niños Hospital, does not submit Medicare cost reports; as such we could not estimate their payments under Medicare. Therefore the Medicare pay-to-charge ratios as well as the Medicaid to Medicare payment ratio do not include Los Niños Hospital. See Exhibits 3A and 4A for a summary of estimated Medicaid to Medicare payment ratio by provider.

Figure 4.2 shows a comparison of aggregate pay-to-charge ratios for inpatient and outpatient without supplemental payments:

Figure 4.2 – Inpatient and Outpatient Pay-to-Charge Ratios Excluding Supplemental Payments

Statewide Aggregate Ratio Type (Without Proposed 5 Percent Medicaid Payment Reduction)	Inpatient	Outpatient
Medicaid Pay-to-Charge Ratio	16.0%	13.8%
Medicare Pay-to-Charge Ratio	27.7%	17.7%
Medicaid Payment to Medicare Payment Ratio	57.7%	77.8%

Figure 4.3 shows a comparison of aggregate pay-to-charge ratios for inpatient and outpatient combined:

Figure 4.3 – Combined Inpatient and Outpatient Pay-to-Charge Ratios

Statewide Aggregate Ratio Type	Combined Inpatient and Outpatient With Supplemental Payments	Combined Inpatient and Outpatient Without Supplemental Payments
Estimated Medicaid Payment to Medicare Payment Ratio without proposed 5 percent Medicaid Payment Reduction	82.2%	65.7%
Estimated Medicaid Payment to Medicare Payment Ratio with proposed 5 percent Medicaid Payment Reduction (applied to claim payments only)	78.9%	62.4%

Figure 4.3 shows that in aggregate Medicaid inpatient and outpatient payment ratio without the proposed 5 percent decrease in claim payments is 82.2 percent of Medicare payments. The provider median Medicaid to Medicare Ratio is 75.8 percent. The aggregate Medicaid inpatient and outpatient payment ratio with the proposed 5 percent decrease to claim payments is approximately 78.9 percent. See Exhibit 6 for a summary of estimated combined inpatient and outpatient Medicaid and Medicare payment ratios by provider.

Like in the cost coverage analysis, there is wide range of Medicaid to Medicare payment ratios across Arizona hospitals. Figures 4.4 and 4.5 show the aggregate estimated inpatient and

outpatient Medicaid-to-Medicare payment ratios before the proposed 5 percent Medicaid claim payment reduction:

Figure 4.4 – Hospital Counts by Ranges of Medicaid-to-Medicare Payment Ratios Including Supplemental Payments

Estimated Medicaid-to-Medicare Payment Ratio	Inpatient		Outpatient	
	Hospital Count	Percent of Hospitals	Hospital Count	Percent of Hospitals
120% +	6	6.5%	7	9.6%
101% - 119%	4	4.3%	3	4.1%
100% - 109%	1	1.1%	5	6.8%
90% - 99%	4	4.3%	13	17.8%
80% - 89%	13	14.1%	8	11.0%
70% - 79%	12	13.0%	15	20.5%
60% - 79%	28	30.4%	13	17.8%
50% - 59%	9	9.8%	6	8.2%
40% - 49%	10	10.9%	1	1.4%
30% - 39%	3	3.3%	1	1.4%
< 30%	2	2.2%	1	1.4%
Total	92	100.0%	73	100.0%

Figure 4.5 – Provider Type Summary of Medicaid-to-Medicare Payment Ratios Including Supplemental Payments

Provider Type	Number of Providers	Inpatient Medicaid-to-Medicare Payment Ratio	Outpatient Medicaid-to-Medicare Payment Ratio
Urban Acute Provider	28	72.6%	72.8%
Non-CAH Rural Acute Provider	13	76.2%	88.2%
Freestanding Children’s Provider	1	166.1%	179.7%
CAH	11	96.3%	115.8%
LTAC Provider	7	37.4%	N/A
Small Psychiatric Providers and AZ State Hospital	7	84.6%	N/A
Large Psychiatric Provider	4	85.5%	N/A
Freestanding Rehabilitation Provider	7	60.9%	47.6%
Pediatric-Intensive General Acute Hospitals	2	75.8%	86.2%
Medium Pediatric-Intensive General Acute Hospital	6	63.1%	84.3%
Short Term Specialty Hospital	5	45.9%	90.7%
High Medicare/Out-of-State Patient Utilization Hospital	1	47.9%	77.6%
Total	92	79.3%	86.5%

Note this analysis is based on a highly aggregated Medicare payment estimation approach, using the same methodology approved by CMS for developing a Medicare payment-based hospital Upper Payment Limit demonstration. We would expect different Medicare payment estimates if we conducted a detailed repricing of Arizona Medicaid claims under the inpatient and outpatient Medicare payment methodologies.

5 Occupancy

In this section, we analyze the availability of hospital beds in Arizona as a way to determine if barriers to access exist for Medicaid recipients requiring hospital care. We analyze access to care using several measures over time; the number of available hospital beds in the state, hospital occupancy rates, the average numbers of unfilled beds, and Medicaid utilization percentages. Our analysis is based on data extracted from Form CMS 2552-10 and CMS 2552-96 Medicare cost reports. For providers without Medicare Cost Report data, data reported in the Uniform Accounting Report (UAR) was utilized in the analysis.

Figure 5.1 below shows the total number of hospitals in the State and the total numbers of available beds in the State.

Figure 5.1 – Number of Hospitals and Hospital Beds in Arizona

Hospital Fiscal Year	Number of UAR Reporting Hospitals	Number of Beds
2011	94	15,565
2012	95	15,494
2013	94	15,360

Figure 5.2 below shows the inpatient bed capacity in the State between 2011 and 2013, which is measured by the average occupancy rate and the number of unfilled beds on an annual and daily basis.

Figure 5.2 – Inpatient Acute Bed Occupancy Rates and Unfilled Beds in Arizona, 2011 – 2013

Hospital Fiscal Year	Average Occupancy Rate	Number of Unfilled Bed Days	Statewide Aggregate Average Number of Unfilled Beds Per Day
2011	62.3%	2,080,818	5,737
2012	60.5%	2,207,047	6,096
2013	59.8%	2,227,848	6,144

The average occupancy rate declined slightly over the period 2011 to 2013 while the number of unfilled bed days increased. On average for 2013, there were 6,144 unfilled inpatient beds across the state. See Exhibit 7 for a summary of hospital occupancy by provider.

For added context, it is also important to understand the extent to which the Medicaid population might affect capacity in the State. Figure 5.3, shows total inpatient patient days, total Medicaid patient days and the average Medicaid utilization rate (that is, Medicaid’s share of total inpatient patient days) from 2011 through 2013.

Figure 5.3 – Inpatient Medicaid Utilization in Arizona, 2011 – 2013

Hospital Fiscal Year	Total Number of Patient Days	Number of Medicaid Patient Days	Medicaid Utilization Percentage Based on Days
2011	3,578,081	953,347	29.7%
2012	3,566,321	805,605	25.4%
2013	3,524,381	797,251	25.6%

As shown in Figure 5.3, Medicaid patient days decreased and Medicaid utilization decreased slightly from 2011 to 2013. This is primarily due to the loss in Medicaid eligibility for the Proposition 204 Childless Adult population in that began in July 2011. We expect Medicaid eligibility to increase in 2014 once cost report data becomes available. See Exhibit 8 for a summary of hospital Medicaid utilization by provider.

Based on the analyses described in this section, it appears there is sufficient access to hospital service beds in Arizona. These findings are consistent with the Federal requirement that the

State’s payments be sufficient to enlist enough providers so that care and services are as available to Medicaid clients as they are to the general population in the geographic area.

6 Margins

To provide further context to Medicaid reimbursement levels, we analyzed hospital Medicaid services volume relative to overall hospital profitability. Our analysis was based on hospital data reported in the most recently available UAR on the Arizona Department of Health Services website. From this data we calculated net income and margin percentage, for both operating net income and total net income.

Note that total operating net income amounts reported in the UAR exclude the following “other income” lines in the UAR: investment income, extraordinary items, provision for income taxes and “other” non-operating gains and income. These “other income” UAR lines are included in the total net income reported in the UAR. The difference between total net income and operating net income is largely attributed to investment income (which increased from \$6.3 million in 2011 to \$156.8 million in 2013).

Using these data we compared Medicaid utilization to hospital net income and hospital operating margins. Operating margin is based on operating net income divided by operating net patient revenues, and total margin is based on total net income divided by total revenues. Our detailed analysis of Medicaid utilization and hospital profitability can be found in Exhibits 9 and 10.

Figure 6.1 shows the net income for in-state hospitals with more than 5,000 Medicaid patient days for the periods FYE 2011-2013.

Figure 6.1 –Total Net Income and Margin for Hospitals with Over 5,000 Medicaid Days

Hospital Fiscal Year	Total Net Income	Aggregate Hospital Margin
2011	\$539,334,144	4.8%
2012	\$422,245,262	4.2%
2013	\$618,528,197	5.8%

In FYE 2013, of the 35 high Medicaid utilization hospitals with more than 5,000 Medicaid patient days, 27 hospitals were profitable. In aggregate, this group recorded total net income of \$618.5 million in FYE 2013.

To provide context to each hospital's profitability, we also analyzed hospital operating margin percentages. Figure 6.2 shows the operating margin percentages for in-state hospitals with more than 5,000 Medicaid patient days for the periods FYE 2011-2013.

Figure 6.2 – Operating Margin for Hospitals with Over 5,000 Medicaid Days

Hospital Fiscal Year	Total Operating Income	Aggregate Operating Margin
2011	\$514,387,180	4.6%
2012	\$336,154,786	3.3%
2013	\$462,577,838	4.4%

In FYE 2013, for this group of 35 high Medicaid utilization hospitals 25 recorded a positive operating margin. In aggregate, this group recorded an operating margin of 4.4 percent in FYE 2013.

Figure 6.3 – FYE 2011 - 2013 Net Income for all Arizona Hospitals

Hospital Fiscal Year	Total Net Income	Aggregate Hospital Margin
2011	\$723,417,226	5.1%
2012	\$611,807,664	4.5%
2013	\$839,094,921	5.9%

Statewide, the 93 hospitals included in the analysis recorded aggregate total net income of \$839.1 million and a 5.9 percent hospital margin for FYE 2013.

Figure 6.4 – FYE 2011 - 2013 Operating Margin for all Arizona Hospitals

Hospital Fiscal Year	Total Operating Income	Aggregate Operating Margin
2011	\$686,901,032	4.9%
2012	\$535,766,537	4.0%
2013	\$684,090,549	4.9%

Statewide, the 94 hospitals who reported financial data with the State recorded an aggregate operating margin of 4.9 percent for FYE 2013. See Exhibits 9 and 10 for a summary of net income and margins by provider.

According to an American Hospital Association (AHA) analysis of industry-wide statistics, the nation’s hospitals recorded an aggregate 7.9 percent net margin and 5.7 percent operating margin in FYE 2013.⁷ Figure 4.5 below shows the AHA data for FYE 2011 through 2013:

Figure 6.5 – AHA Aggregate Total Hospital Margins and Operating Margins ⁸

Year	Aggregate Total Hospital Margins	Aggregate Operating Margins	Percent of Hospitals with Negative Total Margins	Percent of Hospitals with Negative Operating Margins	Aggregate Non-operating Gains as a Percentage of Total Net Revenue
2011	7.0%	5.5%	24.0%	28.4%	1.6%
2012	7.8%	6.5%	21.3%	25.9%	1.4%
2013	7.9%	5.7%	24.0%	30.5%	2.3%

While the profit margin data published in this report may be calculated somewhat differently from the operating margin information presented in this report, we believe this national figure provides additional context to the discussion of relative operating profitability in Arizona.

Note that profit margin figures shown in this report are reported by hospitals in the UAR and in AHA surveys. These figures should not be considered a comprehensive indicator of hospital financial performance, as they do not show other factors that impact hospital financial viability, such as long-term debt service requirements, cash position, liquidity of assets, future requirements for replacing plant and equipment, and other factors.

⁷ American Hospital Association, “Table 4.1: Aggregate Total Hospital Margins and Operating Margins, 1993 – 2013”, <http://www.aha.org/research/reports/tw/chartbook/ch4.shtml>.

⁸ Ibid.

7 Operating Cost and Quality

In the face of reduced revenue, hospitals may attempt to better control operating costs in order to protect margins. In order to assess whether lowering costs would necessarily lower quality, we conducted correlation analyses comparing hospital case mix adjusted average cost per discharge to three quality measures for Arizona hospitals and hospitals nationwide. These quality measures are based on hospital performance scores published on CMS' Hospital Compare website, and consist of the following weighted total scores:

- Clinical Process of Care domain: composed of 12 clinical process measures
- Patient Experience of Care domain: composed of 8 dimensions derived from the HCAHPS Survey
- Outcome domain: contains 3 mortality measures, 1 AHRQ Patient Safety Measure, and 1 healthcare associated infections measure

The CMS performance scores for each hospital were extracted from the most recently available CMS Hospital Compare quality measure database.

The performance scores were compared to each hospital's inpatient case mix adjusted average cost per discharge. For the Arizona hospital correlation analyses, we used the AHCCCS Medicaid CY 2014 inpatient average cost per discharge, adjusted by APR-DRG case mix. For hospitals nationwide, we used the most recently available Medicare case mix adjusted cost per discharge (based on Medicare Provider Analysis and Review (MEDPAR) data and Medicare Severity-Diagnosis Related Groups (MS-DRG) case mix) published in the CMS Provider-Specific File.

We summarized our correlation analyses in Exhibits 11A, 12A, and 13A, with scatterplots comparing each Arizona hospital's case mix adjusted average cost per discharge to one of the 3 quality measures. The resulting R-squared value per the least-squares regression line of each of these scatterplots is less than 0.1, which indicates no statistical relationship between hospital cost and quality. As such the regression line slope should not be interpreted as a meaningful "trend line" or proxy for a relationship. Exhibits 11B, 12B, and 13B show analogous graphs for hospitals nationally, with similar results. The resulting R-squared value is less than 0.1, indicating no statistical relationship between hospital cost and quality.

These Exhibits demonstrate providers have been able to achieve comparable higher quality scores, regardless of the normalized average cost to provide inpatient services. Likewise, there are providers with lower quality scores with both relatively higher and lower normalized average costs. As such we can assume a provider's normalized costs are not proxy for the quality of care they provide, per these CMS measures.

8 Background

The following AHCCCS inpatient payment methodology changes have occurred since the start of 2011:

- Rate changes effective April 1, 2011:
 - 5 percent rate reduction
 - 5 percent inpatient outlier cost-to-charge ratio (CCR) reduction

- Rate changes effective October 1, 2011:
 - 5 percent rate reduction
 - 5 percent inpatient outlier CCR reduction
 - 5 percent inpatient outlier threshold increase
 - Provider-specific outlier CCR changes for charge master increases
 - 25-day limit per member per year (approximately 7 percent inpatient payment reduction)

- Supplemental Payments: Proposition 202 supplemental payments have decreased approximately \$10 million in 2014 due to loss of federal matching funds (payments are now state-only). The Safety Net Care Pool (SNCP) payments have also been reduced from \$332 million to \$117 million (now only for Phoenix Children’s Hospital). As previously mentioned, SNCP is a time-limited program designed to be a “bridge” until Medicaid expansion occurred; AHCCCS was able to receive CMS approval to continue SNCP for Phoenix Children’s Hospital for a limited time because of Phoenix Children’s Hospital limited benefit from Medicaid expansion.

- Hospital inpatient APR-DRG system: Effective October 1, 2014, AHCCCS implemented a new APR-DRG payment system for inpatient acute services. This new per discharge system was designed to be budget neutral (in aggregate) to the legacy per diem inpatient payment system.

- Hospital assessment program: Effective January 1, 2014, AHCCCS began a hospital assessment program that restored Proposition 204 Childless Adult coverage and expanded Medicaid coverage up to 133 percent of FPL. The projected SFY 2015 Medicaid payment increase funded by the assessment is approximately \$714.6 million, and or a \$444.2 million net gain when considering the full assessment cost.

9 Data Reliance

In preparation of our analysis, we relied upon the accuracy of data and information provided to us. We have not audited this information, although we have reviewed it for reasonableness. If the underlying data or information is inaccurate or incomplete, the results of our review may likewise be inaccurate or incomplete. Data we have relied upon includes, but is not limited to:

- Arizona Medicaid CY 2014 inpatient and outpatient hospital FFS paid claims data and MCO encounter data, extracted by AHCCCS
- Arizona Medicaid SFY 2014 supplemental payments by hospital by year allocated between inpatient and outpatient, except for CAH supplemental payments based on SFY 2015 amounts, provided by AHCCCS
- Simulated payments under the new APR-DRG system effective October 1, 2014, calculated by Navigant
- Most recently available CMS Form 2552-10 Medicare cost report data, extracted from the December 31, 2014 Healthcare Cost Report Information System (HCRIS) release⁹
- UAR data published on the Arizona Department of Health Services website¹⁰
- CMS Provider Specific File, January 2015 quarterly release¹¹
- Total weighted Quality scores from the CMS Hospital Compare Database (March 2015)¹²

10 Methodology

Our methodology for the analyses described in this report and shown in the exhibits is described as follows.

Estimated Payment-to-Cost Analyses:

1. *CY 2014 Discharges/Claims:* Our analysis is based on Arizona Medicaid CY 2014 inpatient and outpatient hospital FFS paid claims data and MCO encounter data provided by AHCCCS. These claims and encounter data included reported payments and charges

⁹ <http://www.cms.gov/Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/Cost-Reports/Hospital-2010-form.html>

¹⁰ <http://www.azdhs.gov/plan/crr/cr/hospitals.htm>

¹¹ http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ProsperMedicareFeeSvcPmtGen/psf_text.html

¹² <http://www.medicare.gov/hospitalcompare/data/total-performance-scores.html>

along with other medical record information. Our analysis excluded out-of-state providers, IHS providers, Medicare dual-eligible crossover claims and acute services where we were unable to assign a valid APR-DRG.

2. *Medicaid Claim Payments:* For inpatient services paid under the new APR-DRG system (effective October 1, 2014), we simulated APR-DRG payments for the full CY 2014 dataset. To simulate payments we grouped claims under APR-DRG version 31, applied new system DRG base rates, and priced under the new system payment methodology using our SAS-based pricing program. Note that our simulated DRG payments reflect payments under FFS rates, and do not reflect DRG base rates adjustments negotiated by providers with the MCO plans.

For inpatient DRG exempt services and for all outpatient services, we used reported payments in the claims and encounter as the basis for the Medicaid payment.

3. *Medicaid Supplemental Payments:* Based on SFY 2014 Medicaid supplemental payment amounts, except for CAH supplemental payments which are based on SFY 2015 amounts, provided by AHCCCS. Supplemental payments have been allocated between inpatient and outpatient, and include:

- Disproportionate Share Hospital (DSH) payments
- Critical Access Hospital payments
- Rural Hospital Inpatient Fund
- Graduate Medical Education (GME) payments
- Proposition 202 Trauma and Emergency
- Safety Net Care Pool (SNCP) payments

4. *Total Medicaid Payments:* Based on sum of claim payments and supplemental payments

5. *Estimated Medicaid Costs:* Based on a cost calculation of claims and encounter data at the detail line level following Medicare's detailed cost apportionment methodology. For this calculation we took the following steps:

- Extracted Arizona hospital Medicare cost report data (from the CMS HCRIS database) for each hospital for the most recently available reporting period (FYE 2013 or 2014).
- Calculated hospital-specific routine per diems and ancillary CCRs for each standard Medicare cost center.
- Developed a single statewide standardized revenue code crosswalk that matches each revenue code to a standard cost center in the Medicare cost report. This crosswalk is based on revenue code crosswalks published by CMS.

- Using the revenue code crosswalk, matched each hospital's claim detail lines with ancillary revenue codes to an ancillary cost center CCR and detail lines with a routine revenue code to routine cost center cost per diem.
- Estimated ancillary costs of each claim by multiplying the ancillary claim detail line charges by the applicable ancillary CCR. For inpatient services we used reported covered charges in the claims and encounter data. For outpatient services we used total charges (combined covered and non-covered charges) in the claims and encounter data due to the high portion of charges that were non-covered (23 percent of total).
- Inpatient only - estimated routine costs of each claim by multiplying the routine claim detail line units by the applicable routine cost per diem.
- Subtotaled the estimated costs for each claim at the header level.

To reflect the additional costs related to the hospital assessment program, we allocated SFY 2015 assessment costs for each hospital to Medicaid inpatient services using the ratio of FYE 2011 Medicaid discharges to total discharges (FYE 2011 hospital discharges was the assessment unit basis in SFY 2015). As such for inpatient, total Medicaid costs were based on the sum of estimated claim costs claim payments and allocated assessment costs. We did not allocate assessment costs to outpatient services since it is a discharge based assessment; however we note there are Medicaid payments made for outpatient services funded by the assessment.

6. *Payment ratios*: Medicaid pay-to-cost ratio based on estimated Medicaid payments divided by estimated costs

Estimated Payment-to-Charge Analyses:

Estimated Medicaid pay-to-charge ratios were calculated using the same data as the Estimated Medicaid pay-to-costs ratios, with the following exceptions:

1. *Charges*: For inpatient services we used reported covered charges in the claims and encounter data. For outpatient services we used total charges (combined covered and non-covered charges) in the claims and encounter data due to the high portion of charges that were non-covered (23 percent of total).
2. *Estimated payments under Medicare*: We estimated payments under Medicare using an aggregate Medicare pay-to-charge ratio approach. We calculated for each hospital a Medicare inpatient and outpatient pay-to-charge ratio using data extracted from the most recently available Medicare cost report (extracted from the HCRIS dataset), as follows:
 - Inpatient Medicare pay-to-charge ratio:

- Medicare payments: Extracted from Worksheet E, Part A
- Medicare charges: Extracted from Worksheet D-4
- Outpatient Medicare pay-to-charge ratio:
 - Medicare payments: Extracted from Worksheet E, Part B
 - Medicare charges: Extracted from Worksheet D, Part V and VI

We calculated Medicare pay-to-charge ratios by dividing each hospital's Medicare inpatient payments by Medicare charges. We then multiplied these ratios by each hospital's Medicaid inpatient and outpatient charges, respectively.

3. *Payment ratios:*

- Medicare Pay to cost ratio: based on estimated payments under Medicare divided by estimated costs.
- Medicaid payment to Medicare payment ratio: based on estimated Medicaid estimated by estimated payments under Medicare.

Hospital Occupancy:

Hospital occupancy percentages are based on Arizona hospital Medicare cost report data (extracted from the CMS HCRIS database) for each hospital for the most recently available reporting period (FYE 2013 or 2014). Both the hospital occupancy and Medicaid utilization were calculated using data extracted from worksheet S-3, part I, as follows:

- Hospital occupancy: based on total patient days (all payer) divided by total bed days available.
- Medicaid utilization: based on Medicaid days divided by total patient days (all payer).
- Hospital beds: based on Medicare cost report data. Data was for providers missing Medicare cost report data was supplemented with UAR data.

See Exhibits 7 and 8 for detailed cost report references.

Hospital Margins:

Hospital margin percentages are based on Arizona UAR data (extracted from the Arizona Department of Health Services website) for each hospital. Both the hospital operating margin and total margin were calculated using data reported in the UAR, as follows:

- Operating margin: based on operating net income ("net income from operations" line in UAR) divided by operating net patient revenues ("total revenues, gains, and other support" line in UAR).

- Total margin: based on total net income (“excess of revenues over expenses” line in UAR) divided by total revenues (sum of “total revenues, gains, and other support” and “other income” lines in UAR).

Quality vs. Cost Comparison:

The comparison of hospital performance scores to each hospital’s inpatient case mix adjusted average cost per discharge was based on the following:

- The three quality measures (clinical process, patient experience and outcomes) were based on hospital performance scores from the most recently available CMS Hospital Compare quality measure database.
- Arizona hospital comparison AHCCCS Medicaid CY 2014 inpatient average cost per discharge (based on cost estimate process described previously), adjusted by APR-DRG case mix.
- Nationwide hospital comparison: Medicare case mix adjusted cost per discharge published in the CMS Provider-Specific File.

The correlation analyses were based on scatterplot graphs with a least-squares regression line.

11 Conclusion

Our analysis shows that under the current inpatient hospital payment system, AHCCCS pays for approximately 76.1 percent of estimated Medicaid costs based on CY 2014 Medicaid inpatient service volume. However, this percentage includes the impact of the SNCP supplemental funding that is available only to Phoenix Children’s Hospital, and which will not be funded by CMS beyond December 31, 2015. When excluding Phoenix Children’s Hospital from the analysis, the Medicaid pay-to-cost ratio for inpatient hospital services drops to 69.7 percent. For outpatient hospital services, AHCCCS pays approximately 95.2 percent of estimated Medicaid costs (93.5 percent when excluding Phoenix Children’s Hospital).¹³

When payment-to-cost percentage estimates under current rates are considered along with our analysis of access to and quality of care, it does not appear that the overall payment levels have historically had a significant effect on access to quality hospital services in Arizona. It would be reasonable to assume that under current rates, access and quality will continue to be sufficient, and as such, it appears that the current payment system meets the Federal standards specified

¹³ These estimates do not consider the benefit provided from the recent Medicaid expansion, where providers are receiving payment for services that would likely otherwise have been provided on a charity care basis.

in 42 U.S.C. § 1396A (A)(30)(A). At the same time, while it is not unreasonable to expect that Arizona hospitals will continue to provide care that is consistent with Federal quality standards, it is possible that at some point, if payments fail to keep pace with the rising costs of providing care, hospitals will be forced to make decisions regarding the services they can reasonably provide. There is a risk, that when faced with declining margins for service lines that are predominately funded by Medicaid, hospitals at some point may decide to discontinue those unprofitable service lines, or otherwise avoid serving Medicaid patients. When this situation occurs, access to care may be jeopardized.

We cannot predict with accuracy how the proposed five percent Medicaid payment reduction would affect provider behavior and Medicaid recipient access to care. We assume that a five percent reduction would accelerate the hospitals' need to evaluate operations relative to unprofitable Medicaid service lines. Exacerbating this situation is the fact that there have been virtually no rate increases since 2011¹⁴, while at the same time, forecasted hospital cost inflation will increase at an average rate of approximately 2.1 percent between 2011 and 2016, compounding to approximately 11 percent for that same time period¹⁵.

To maintain current hospital margin levels in light of these reductions, providers would likely need to find additional cost savings, further shift the cost of providing services to other payers, or both. Hospitals where Medicaid represents a relatively small proportion of their total costs have greater ability to effectively "cost shift" to commercial payers of services, where payments are not determined legislatively or through some other public process, and otherwise constrained by State or Federal regulations. Studies show that already, commercial payers are paying for more than their share of hospital costs through higher payment levels than those of the public payers. At the same time, it is more difficult for higher Medicaid utilization hospitals to adequately cost-shift to commercial payers. For these hospitals, to the extent that their need to cost-shift continues to increase, it will become increasingly important to evaluate and make difficult decisions related to maintaining unprofitable service lines.

When considering payments in relation to costs in the context of potential impacts on access to quality care, it is also helpful to consider the marginal costs of providing services. In general terms, the marginal cost of providing a hospital service would be the additional costs associated with providing the next similar hospital service. This concept is important because there are costs incurred at hospitals that are fixed, which would not increase when additional services are provided. It is reasonable to assume that if the payment for a service exceeds the marginal cost of providing the service, that a hospital should be willing to provide the service and accept that payment even if it was less than the total cost of the service, because amounts received in excess

¹⁴ The last inpatient payment change made by AHCCCS was a reduction in 2011 (no inpatient rate changes have been applied since). A 1.2 percent outpatient fee schedule increase was made in October 2013.

¹⁵ Inflation calculated by Navigant using CMS Market Basket Index Levels prepared for CMS by IHS Global Insights as of March 24, 2015. Index values used for calculation were from Q2 2011 and Q2 2016.

of the marginal costs would offset a portion of the fixed costs that are incurred regardless. Faced with new rate reductions, hospitals may reach a point where the marginal costs associated with high Medicaid volume service lines are not sufficiently covered by Medicaid payments. Note that we did not attempt to analyze the marginal costs associated with providing hospital services for purposes of this study, nor have we attempted to identify what marginal costs are for hospitals in the State of Arizona.

It should be noted that the proposed 5 percent reduction would likely push the State's Medicaid pay-to-cost ratios to the lowest end of the ranges we have seen in our experience in other states. Given the results of our analyses, we recommend that for this and any additional future reductions to hospital payments, the State continue to carefully monitor any changes in access and quality so that appropriate responses can be made in a timely manner. We also recommend that when applying payment reductions, AHCCCS consider payment incentive models that target reductions based on the performance of providers and/or MCO plans, as opposed to across-the-board payment rate reductions.

Arizona Health Care Cost Containment System
Inpatient Payment-to-Cost Analysis by Provider - CY 2014
Exhibit 1A

Medicare ID	Provider Name	CY 2014 IP Discharges	Total Simulated Medicaid IP Claim Payments	CY 2014 Medicaid IP Supplemental Payments	Total Estimated Medicaid IP Payments	Estimated Medicaid IP Claim Costs Plus Medicaid Assessment Cost	Estimated IP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare IP Payment to Cost Ratio
								Estimated Medicaid IP Payment to Cost Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	Estimated Medicaid IP Payment to Cost Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	
								G = B / E	H = B / F	I = D / E	J = D / F	
A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E		
032008	ACUITY SPECIALTY HOSPITAL SUN CITY	1	4,858	-	4,858	8,881	13,818	54.7%	35.2%	54.7%	35.2%	155.6%
030107	ARIZONA SPINE AND JOINT	4	18,081	-	18,081	51,797	51,049	34.9%	35.4%	34.9%	35.4%	98.6%
030094	ARROWHEAD HOSPITAL	3,621	10,858,824	1,906	10,860,730	18,389,469	16,613,879	59.0%	65.4%	59.1%	65.4%	90.3%
034024	AURORA BEHAVIORAL HEALTH	1,925	9,946,788	-	9,946,788	8,229,465	11,840,458	120.9%	84.0%	120.9%	84.0%	143.9%
034028	Aurora Behavioral Healthcare-Tempe	1,023	5,959,310	-	5,959,310	5,649,339	7,189,836	105.5%	82.9%	105.5%	82.9%	127.3%
030112	AZ ORTHOPEDIC SURGICAL HO	27	142,040	-	142,040	350,960	317,554	40.5%	44.7%	40.5%	44.7%	90.5%
034021	AZ STATE HOSPITAL	10	642,775	-	642,775	817,185	1,494,439	78.7%	43.0%	78.7%	43.0%	182.9%
030002	BANNER - UNIVERSITY MED CTR PHOENIX	10,182	45,717,553	21,843,543	67,561,096	87,772,697	89,738,902	52.1%	50.9%	77.0%	75.3%	102.2%
030111	BANNER - UNIVERSITY MED CTR SOUTH	1,437	6,610,284	8,100,776	14,711,059	12,116,289	20,841,092	54.6%	31.7%	121.4%	70.6%	172.0%
030064	BANNER - UNIVERSITY MED CTR TUCSON	5,739	36,614,664	37,160,001	73,774,665	72,192,205	82,453,926	50.7%	44.4%	102.2%	89.5%	114.2%
030088	BANNER BAYWOOD MEDICAL CN	2,420	10,034,877	15,390	10,050,266	16,549,028	15,212,203	60.6%	66.0%	60.7%	66.1%	91.9%
034004	BANNER BEHAVIORIAL HEALTH	1,301	6,446,571	-	6,446,571	7,047,112	7,878,536	91.5%	81.8%	91.5%	81.8%	111.8%
030061	BANNER BOSWELL MED CTR	927	6,095,870	13,319	6,109,189	8,361,802	8,843,705	72.9%	68.9%	73.1%	69.1%	105.8%
030016	BANNER CASA GRANDE MED CTR	939	3,223,389	77,915	3,301,304	6,921,533	4,178,758	46.6%	77.1%	47.7%	79.0%	60.4%
030093	BANNER DEL E WEBB MED CTR	2,356	8,861,891	17,332	8,879,223	15,479,910	12,377,866	57.2%	71.6%	57.4%	71.7%	80.0%
030065	BANNER DESERT MEDICAL CEN	9,994	45,552,576	437,440	45,990,016	86,804,765	75,504,802	52.5%	60.3%	53.0%	60.9%	87.0%
030115	BANNER ESTRELLA MEDICAL	6,242	20,930,176	454,725	21,384,901	32,166,686	33,365,542	65.1%	62.7%	66.5%	64.1%	103.7%
030122	BANNER GATEWAY MEDICAL CT	3,579	11,057,875	9,871	11,067,745	24,831,532	15,106,473	44.5%	73.2%	44.6%	73.3%	60.8%
030126	BANNER GOLDFIELD MD CTR	104	406,576	151,039	557,615	893,827	696,339	45.5%	58.4%	62.4%	80.1%	77.9%
030105	BANNER HEART HOSPITAL	235	1,413,482	-	1,413,482	3,107,276	2,991,080	45.5%	47.3%	45.5%	47.3%	96.3%
030130	BANNER IRONWOOD MEDICAL CENTER	987	2,881,707	1,067,590	3,949,297	8,822,090	3,581,733	32.7%	80.5%	44.8%	110.3%	40.6%
030089	BANNER THUNDERBIRD MEDICA	8,939	37,723,985	379,799	38,103,784	73,025,529	55,813,595	51.7%	67.6%	52.2%	68.3%	76.4%
031301	BENSON HOSPITAL	43	106,689	80,748	187,437	296,529	297,392	36.0%	35.9%	63.2%	63.0%	100.3%
030011	CARONDELET ST JOSEPHS-TUC	2,568	10,082,309	11,928	10,094,237	20,313,425	15,750,102	49.6%	64.0%	49.7%	64.1%	77.5%
030010	CARONDELET ST MARYS HOSP	2,025	11,839,083	172,811	12,011,894	18,689,028	21,288,531	63.3%	55.6%	64.3%	56.4%	113.9%
030036	CHANDLER REGIONAL MED.CTR	3,546	14,382,499	14,737	14,397,237	25,146,658	17,166,166	57.2%	83.8%	57.3%	83.9%	68.3%
031314	COBRE VALLEY COMM HOSP	393	795,925	1,437,713	2,233,638	2,229,481	2,017,523	35.7%	39.5%	100.2%	110.7%	90.5%
034027	Community Counseling Centers, Inc at PineView Hospital	228	869,278	-	869,278	1,710,582	1,308,217	50.8%	66.4%	50.8%	66.4%	76.5%
031312	COPPER QUEEN HOSPITAL	43	113,985	99,185	213,170	275,599	344,450	41.4%	33.1%	77.3%	61.9%	125.0%
032004	CORNERSTONE HOSPITAL OF S	1	3,886	-	3,886	56,189	62,580	6.9%	6.2%	6.9%	6.2%	111.4%
030092	DEER VALLEY MEDICAL CENTER	1,528	8,132,145	134,635	8,266,780	14,579,464	12,367,196	55.8%	65.8%	56.7%	66.8%	84.8%
030023	FLAGSTAFF MEDICAL CENTER	2,062	12,055,220	430,918	12,486,138	25,444,220	25,631,604	47.4%	47.0%	49.1%	48.7%	100.7%
030132	FLORENCE HOSPITAL AT ANTHEM	75	279,336	159,668	439,004	824,460	674,182	33.9%	41.4%	53.2%	65.1%	81.8%
030120	GILBERT HOSPITAL, L.L.C.	79	246,215	3,061	249,275	1,369,905	589,156	18.0%	41.8%	18.2%	42.3%	43.0%
030069	HAVASU REG MED CENTER LLC	967	3,885,683	4,327	3,890,010	6,220,025	4,617,759	62.5%	84.1%	62.5%	84.2%	74.2%
034020	HAVEN SENIOR HORIZONS	44	286,578	-	286,578	298,985	333,954	95.9%	85.8%	95.9%	85.8%	111.7%
033037	HEALTHSOUTH E.VALLEY REHA	23	266,624	-	266,624	309,222	457,120	86.2%	58.3%	86.2%	58.3%	147.8%
033025	HEALTHSOUTH MERIDIAN PT.	10	76,351	-	76,351	85,958	123,612	88.8%	61.8%	88.8%	61.8%	143.8%
033028	HEALTHSOUTH REHAB INST.	16	186,428	-	186,428	182,454	264,546	102.2%	70.5%	102.2%	70.5%	145.0%
033032	HEALTHSOUTH VALLEY OF SUN	11	140,154	-	140,154	140,018	210,596	100.1%	66.6%	100.1%	66.6%	150.4%
033029	HLTHSOUTH REHAB.HOSP.OF.S	13	112,335	-	112,335	137,907	151,458	81.5%	74.2%	81.5%	74.2%	109.8%
031313	HOLY CROSS HOSPITAL-ARIZ	347	585,180	1,115,355	1,700,535	1,854,460	1,494,048	31.6%	39.2%	91.7%	113.8%	80.6%
030014	JOHN C. LINCOLN MEDICAL CENTER	2,302	16,006,283	200,203	16,206,487	27,830,777	26,981,288	57.5%	59.3%	58.2%	60.1%	96.9%
032000	KINDRED HOSP AZ-NORTHWEST	3	45,241	-	45,241	209,690	221,869	21.6%	20.4%	21.6%	20.4%	105.8%
032002	KINDRED HOSPITAL-TUCSON	4	97,283	-	97,283	147,571	151,098	65.9%	64.4%	65.9%	64.4%	102.4%
030055	KINGMAN REGIONAL MED CTR	1,802	7,288,371	1,030,414	8,318,786	13,228,197	12,600,646	55.1%	57.8%	62.9%	66.0%	95.3%
030067	LA PAZ REGIONAL HOSPITAL	32	115,842	181,779	297,621	278,828	290,754	41.5%	39.8%	106.7%	102.4%	104.3%
031311	LITTLE COLORADO MED CTR	218	546,637	1,385,321	1,931,958	1,600,846	1,396,915	34.1%	39.1%	120.7%	138.3%	87.3%
033301	LOS NINOS HOSPITAL	148	876,781	924,077	1,800,858	1,395,811	N/A	62.8%	N/A	129.0%	N/A	N/A
030022	MARICOPA MEDICAL CENTER	7,466	35,682,216	26,659,710	62,341,927	73,622,661	110,573,081	48.5%	32.3%	84.7%	56.4%	150.2%

**Arizona Health Care Cost Containment System
Inpatient Payment-to-Cost Analysis by Provider - CY 2014
Exhibit 1A**

Medicare ID	Provider Name	CY 2014 IP Discharges	Total Simulated Medicaid IP Claim Payments	CY 2014 Medicaid IP Supplemental Payments	Total Estimated Medicaid IP Payments	Estimated Medicaid IP Claim Costs Plus Medicaid Assessment Cost	Estimated IP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare IP Payment to Cost Ratio
								Estimated Medicaid IP Payment to Cost Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	Estimated Medicaid IP Payment to Cost Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
030001	MARYVALE HOSPITAL MED CTR	1,691	6,359,659	239,042	6,598,701	11,483,785	13,519,462	55.4%	47.0%	57.5%	48.8%	117.7%
030103	MAYO CLINIC HOSPITAL	174	2,106,367	633	2,107,000	5,580,080	4,401,991	37.7%	47.9%	37.8%	47.9%	78.9%
030119	MERCY GILBERT MED CENTER	1,837	7,114,363	9,902	7,124,265	13,365,656	7,853,129	53.2%	90.6%	53.3%	90.7%	58.8%
033036	MOUNTAIN VALLEY REG REHAB	21	222,778	-	222,778	301,436	450,711	73.9%	49.4%	73.9%	49.4%	149.5%
030121	MOUNTAIN VISTA MED CTR	1,447	7,739,187	6,169	7,745,356	12,268,630	10,441,345	63.1%	74.1%	63.1%	74.2%	85.1%
030068	MT. GRAHAM REG. MED. CTR.	796	1,706,618	608,200	2,314,817	4,073,998	2,941,524	41.9%	58.0%	56.8%	78.7%	72.2%
031302	NORTHERN COCHISE HOSPITAL	43	109,480	119,164	228,644	266,681	271,157	41.1%	40.4%	85.7%	84.3%	101.7%
030085	NORTHWEST MEDICAL CENTER	3,687	11,626,502	5,282	11,631,783	20,119,677	16,324,259	57.8%	71.2%	57.8%	71.3%	81.1%
030114	ORO VALLEY HOSPITAL	205	1,189,036	1,423	1,190,459	2,539,288	2,286,545	46.8%	52.0%	46.9%	52.1%	90.0%
030131	ORTHOPEDIC AND SPINE INPATIENT SURGI	41	230,185	-	230,185	635,662	574,648	36.2%	40.1%	36.2%	40.1%	90.4%
031304	PAGE HOSPITAL	313	578,751	560,444	1,139,195	2,076,674	2,002,511	27.9%	28.9%	54.9%	56.9%	96.4%
030083	PARADISE VALLEY HOSPITAL	1,088	4,002,110	29,895	4,032,006	7,632,193	6,181,720	52.4%	64.7%	52.8%	65.2%	81.0%
030033	PAYSON HOSPITAL CORP.	394	2,039,734	800,424	2,840,158	2,448,066	1,710,887	83.3%	119.2%	116.0%	166.0%	69.9%
030030	PHOENIX BAPTIST HOSPITAL	4,129	15,098,202	93,291	15,191,493	24,890,301	25,197,219	60.7%	59.9%	61.0%	60.3%	101.2%
033302	PHOENIX CHILDREN'S HOSP	5,374	49,260,582	109,603,119	158,863,701	114,220,602	95,649,822	43.1%	51.5%	139.1%	166.1%	83.7%
032006	PROMISE HOSPITAL OF PHX	4	28,286	-	28,286	103,633	82,877	27.3%	34.1%	27.3%	34.1%	80.0%
030038	SCOTTSDALE OSBORN MEDICAL CENTER	1,972	9,198,919	1,570,085	10,769,005	20,366,255	17,013,000	45.2%	54.1%	52.9%	63.3%	83.5%
030087	SCOTTSDALE SHEA MEDICAL CENTER	1,699	6,527,484	306,219	6,833,703	13,439,997	8,935,389	48.6%	73.1%	50.8%	76.5%	66.5%
030123	SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	135	727,817	266	728,083	1,384,377	1,139,162	52.6%	63.9%	52.6%	63.9%	82.3%
032001	SELECT SPECIALTY HOSP-PHX	4	123,707	-	123,707	192,899	302,546	64.1%	40.9%	64.1%	40.9%	156.8%
032005	SELECT SPECIALTY-PHX D/T	3	31,077	-	31,077	57,646	59,682	53.9%	52.1%	53.9%	52.1%	103.5%
030043	SIERRA VISTA REG HLTH CTR	863	2,194,074	1,036,211	3,230,286	4,740,859	4,752,802	46.3%	46.2%	68.1%	68.0%	100.3%
034022	SONORA BEHAVIORAL HEALTH	1,005	5,573,844	-	5,573,844	4,561,733	6,383,793	122.2%	87.3%	122.2%	87.3%	139.9%
031303	SOUTHEAST MEDICAL CENTER	24	56,691	100,748	157,439	132,056	120,623	42.9%	47.0%	119.2%	130.5%	91.3%
030024	ST JOSEPH'S HOSPITAL-PHX	8,749	48,655,667	24,068,393	72,724,060	75,419,245	73,923,129	64.5%	65.8%	96.4%	98.4%	98.0%
034013	ST LUKE'S BEHAVIORAL HOSP	1,714	11,457,552	-	11,457,552	12,075,598	12,982,314	94.9%	88.3%	94.9%	88.3%	107.5%
030062	SUMMIT HEALTHCARE REG.MED	1,159	3,047,227	1,720,038	4,767,265	7,103,761	4,928,892	42.9%	61.8%	67.1%	96.7%	69.4%
030108	SURGICAL SPECIALTY HOSP	2	11,470	-	11,470	20,899	21,405	54.9%	53.6%	54.9%	53.6%	102.4%
030037	TEMPE ST. LUKE'S HOSPITAL	1,505	8,516,641	135,844	8,652,485	12,714,497	13,368,935	67.0%	63.7%	68.1%	64.7%	105.1%
034023	The Guidance Center, Inc.	211	645,732	-	645,732	728,725	1,045,485	88.6%	61.8%	88.6%	61.8%	143.5%
030006	TUCSON MEDICAL CENTER	8,815	30,478,076	6,327,327	36,805,403	52,877,652	59,683,206	57.6%	51.1%	69.6%	61.7%	112.9%
034026	VALLEY HOSPITAL	693	5,515,556	-	5,515,556	4,574,155	6,353,692	120.6%	86.8%	120.6%	86.8%	138.9%
030117	VALLEY VIEW MEDICAL CENT	594	1,795,083	970,536	2,765,618	2,650,360	2,410,717	67.7%	74.5%	104.3%	114.7%	91.0%
030007	VERDE VALLEY MEDICAL CTR.	916	3,694,333	1,435,490	5,129,823	7,931,120	5,563,873	46.6%	66.4%	64.7%	92.2%	70.2%
030110	WEST VALLEY HOSPITAL MED	2,537	8,547,195	129,568	8,676,763	13,702,165	13,909,219	62.4%	61.4%	63.3%	62.4%	101.5%
030101	WESTERN AZ REG MED CTR	696	7,081,025	23	7,081,048	5,347,559	4,162,406	132.4%	170.1%	132.4%	170.1%	77.8%
031315	WHITE MNTN REG MED CNTR	39	112,639	76,262	188,901	382,893	323,441	29.4%	34.8%	49.3%	58.4%	84.5%
031300	WICKENBURG COMMUNITY HOSP	9	23,158	25,093	48,250	81,728	88,315	28.3%	26.2%	59.0%	54.6%	108.1%
034025	WINDHAVEN PSYCHIATRIC HOS	386	1,289,894	-	1,289,894	1,649,257	256,731	78.2%	502.4%	78.2%	502.4%	15.6%
030012	YAVAPAI REG MED CENTER	259	1,555,150	5	1,555,154	2,808,610	2,245,625	55.4%	69.3%	55.4%	69.3%	80.0%
030118	YRMC EAST	1,563	4,081,255	1,470,710	5,551,965	9,723,313	6,277,152	42.0%	65.0%	57.1%	88.4%	64.6%
030013	YUMA REGIONAL MED CENTER	4,449	14,590,366	806,041	15,396,407	26,348,485	20,399,467	55.4%	71.5%	58.4%	75.5%	77.4%
033034	YUMA REHABILITATION HOSPI	9	76,002	-	76,002	73,937	116,626	102.8%	65.2%	102.8%	65.2%	157.7%
Total		149,243	681,268,179	256,033,085	937,301,264	1,231,164,477	N/A	55.3%	N/A	76.1%	N/A	N/A
Total Excluding Los Ninos (033301)		149,095	680,391,398	255,109,008	935,500,406	1,229,768,666	1,180,128,862	55.3%	57.7%	76.1%	79.3%	96.0%
Total Excluding Los Ninos (033301) and PCH (033302)		143,721	631,130,816	145,505,889	776,636,705	1,115,548,064	1,180,128,862	56.6%	53.5%	69.6%	65.8%	105.8%

Note: Estimated claim costs are based on a statewide standardized revenue code crosswalk; using a provider-specific revenue code crosswalk would result in different cost estimates than shown in the analysis.

Arizona Health Care Cost Containment System
Inpatient Payment-to-Cost Analysis by Provider - CY 2014
Exhibit 1B - Summary by Provider Type

Provider Type	Number of Providers	CY 2014 IP Discharges	Total Simulated Medicaid IP Claim Payments	CY 2014 Medicaid IP Supplemental Payments	Total Estimated Medicaid IP Payments	Estimated Medicaid IP Claim Costs Plus Medicaid Assessment Cost	Estimated IP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare IP Payment to Cost Ratio
								Estimated Medicaid IP Payment to Cost Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	Estimated Medicaid IP Payment to Cost Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
Urban Acute Provider	28	72,856	312,792,226	58,510,655	371,302,881	549,129,289	511,655,140	57.0%	61.1%	67.6%	72.6%	93.2%
Non-CAH Rural Acute Provider	13	11,551	49,972,483	8,265,540	58,238,023	89,812,137	76,441,832	55.6%	65.4%	64.8%	76.2%	85.1%
Freestanding Children's Provider	2	5,522	50,137,363	110,527,197	160,664,559	115,616,413	95,649,822	43.4%	51.5%	139.0%	166.1%	83.7%
CAH	11	1,504	3,144,974	5,181,813	8,326,787	9,475,776	8,647,130	33.2%	36.4%	87.9%	96.3%	91.3%
LTAC Provider	7	20	334,337	-	334,337	776,510	894,471	43.1%	37.4%	43.1%	37.4%	115.2%
Small Psychiatric Providers and AZ State Hospital	7	2,595	15,209,123	-	15,209,123	15,428,228	17,982,353	98.6%	84.6%	98.6%	84.6%	116.6%
Large Psychiatric Provider	4	5,945	33,424,755	-	33,424,755	31,913,908	39,085,101	104.7%	85.5%	104.7%	85.5%	122.5%
Freestanding Rehabilitation Provider	7	103	1,080,671	-	1,080,671	1,230,934	1,774,669	87.8%	60.9%	87.8%	60.9%	144.2%
Pediatric-Intensive General Acute Hospitals	2	15,733	82,167,240	37,597,442	119,764,681	158,996,970	157,958,728	51.7%	52.0%	75.3%	75.8%	99.3%
Medium Pediatric Intensive General Acute Hospitals	6	32,931	129,083,382	35,949,807	165,033,189	249,037,638	261,681,890	51.8%	49.3%	66.3%	63.1%	105.1%
Short Term Specialty Hospital	5	309	1,815,258	-	1,815,258	4,166,595	3,955,736	43.6%	45.9%	43.6%	45.9%	94.9%
High Medicare/Out-of State Patient Utilization Hospital	1	174	2,106,367	633	2,107,000	5,580,080	4,401,991	37.7%	47.9%	37.8%	47.9%	78.9%
Total	93	149,243	681,268,179	256,033,085	937,301,264	1,231,164,477	N/A	55.3%	N/A	76.1%	N/A	N/A
Total Excluding Los Ninos (033301)	92	149,095	680,391,398	255,109,008	935,500,406	1,229,768,666	1,180,128,862	55.3%	57.7%	76.1%	79.3%	96.0%
Total Excluding Los Ninos (033301) and PCH (033302)	91	143,721	631,130,816	145,505,889	776,636,705	1,115,548,064	1,180,128,862	56.6%	53.5%	69.6%	65.8%	105.8%

Note: Estimated payments under Medicare, Medicare pay-to-cost ratio, and Medicaid-to-Medicare payment ratio for the freestanding children's provider type reflect data for Phoenix Children's Hospital only, since Medicare data for Los Ninos Hospital is not available.

Note: Estimated claim costs are based on a statewide standardized revenue code crosswalk; using a provider-specific revenue code crosswalk would result in different cost estimates than shown in the analysis.

**Arizona Health Care Cost Containment System
Outpatient Payment-to-Cost Analysis by Provider - CY 2014
Exhibit 2A**

Medicare ID	Provider Name	CY 2014 OP Claims	Total Medicaid OP Claim Payments	CY 2014 Medicaid OP Supplemental Payments	Total Estimated Medicaid OP Payments	Estimated Medicaid OP Claim Costs	Estimated OP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare OP Payment to Cost Ratio
								Estimated Medicaid OP Payment to Cost Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	Estimated Medicaid OP Payment to Cost Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
030107	ARIZONA SPINE AND JOINT	9	19,733	-	19,733	22,250	28,778	88.7%	68.6%	88.7%	68.6%	129.3%
030094	ARROWHEAD HOSPITAL	12,139	6,728,595	6,306	6,734,901	6,248,840	9,189,945	107.7%	73.2%	107.8%	73.3%	147.1%
030112	AZ ORTHOPEDIC SURGICAL HO	263	526,529	-	526,529	393,458	585,730	133.8%	89.9%	133.8%	89.9%	148.9%
030002	BANNER - UNIVERSITY MED CTR PHOENIX	29,233	19,220,852	2,291,224	21,512,076	24,289,993	31,009,104	79.1%	62.0%	88.6%	69.4%	127.7%
030111	BANNER - UNIVERSITY MED CTR SOUTH	60,130	13,332,916	602,050	13,934,966	16,630,532	23,382,231	80.2%	57.0%	83.8%	59.6%	140.6%
030064	BANNER - UNIVERSITY MED CTR TUCSON	64,967	37,357,826	8,468,244	45,826,070	37,887,723	42,177,637	98.6%	88.6%	121.0%	108.7%	111.3%
030088	BANNER BAYWOOD MEDICAL CN	12,488	6,196,306	26,287	6,222,593	8,234,242	10,156,439	75.3%	61.0%	75.6%	61.3%	123.3%
030061	BANNER BOSWELL MED CTR	7,049	4,370,293	17,651	4,387,944	4,546,926	8,344,559	96.1%	52.4%	96.5%	52.6%	183.5%
030016	BANNER CASA GRANDE MED CTR	15,909	5,435,572	50,382	5,485,954	5,951,004	5,609,212	91.3%	96.9%	92.2%	97.8%	94.3%
030093	BANNER DEL E WEBB MED CTR	15,488	9,013,803	22,969	9,036,771	10,445,808	14,106,349	86.3%	63.9%	86.5%	64.1%	135.0%
030065	BANNER DESERT MEDICAL CEN	62,495	35,024,133	200,259	35,224,391	42,757,612	51,812,461	81.9%	67.6%	82.4%	68.0%	121.2%
030115	BANNER ESTRELLA MEDICAL	34,919	15,766,603	245,947	16,012,550	19,615,683	23,918,612	80.4%	65.9%	81.6%	66.9%	121.9%
030122	BANNER GATEWAY MEDICAL CT	16,506	8,204,914	29,517	8,234,431	13,310,695	16,145,356	61.6%	50.8%	61.9%	51.0%	121.3%
030126	BANNER GOLDFIELD MD CTR	5,042	1,815,535	-	1,815,535	2,519,011	2,545,123	72.1%	71.3%	72.1%	71.3%	101.0%
030105	BANNER HEART HOSPITAL	151	584,146	-	584,146	589,539	661,394	99.1%	88.3%	99.1%	88.3%	112.2%
030130	BANNER IRONWOOD MEDICAL CENTER	9,468	4,771,663	37,058	4,808,721	7,634,200	4,635,925	62.5%	102.9%	63.0%	103.7%	60.7%
030089	BANNER THUNDERBIRD MEDICA	42,751	22,268,264	154,434	22,422,698	29,390,417	38,291,579	75.8%	58.2%	76.3%	58.6%	130.3%
031301	BENSON HOSPITAL	3,476	1,306,083	402,671	1,708,754	1,804,511	1,760,464	72.4%	74.2%	94.7%	97.1%	97.6%
030011	CARONDELET ST JOSEPHS-TUC	13,758	7,180,608	24,621	7,205,230	8,210,738	9,228,740	87.5%	77.8%	87.8%	78.1%	112.4%
030010	CARONDELET ST MARYS HOSP	26,760	14,125,955	101,245	14,227,200	15,907,136	19,070,330	88.8%	74.1%	89.4%	74.6%	119.9%
030036	CHANDLER REGIONAL MED.CTR	26,688	10,630,504	49,775	10,680,279	16,396,167	14,849,247	64.8%	71.6%	65.1%	71.9%	90.6%
031314	COBRE VALLEY COMM HOSP	10,291	4,545,198	1,414,090	5,959,288	4,603,934	4,392,953	98.7%	103.5%	129.4%	135.7%	95.4%
031312	COPPER QUEEN HOSPITAL	9,342	2,375,438	810,106	3,185,545	2,818,457	3,266,201	84.3%	72.7%	113.0%	97.5%	115.9%
030092	DEER VALLEY MEDICAL CENTER	26,369	12,197,030	123,381	12,320,412	12,636,501	17,112,054	96.5%	71.3%	97.5%	72.0%	135.4%
030023	FLAGSTAFF MEDICAL CENTER	14,687	8,516,231	777,790	9,294,021	11,438,601	8,294,217	74.5%	102.7%	81.3%	112.1%	72.5%
030132	FLORENCE HOSPITAL AT ANTHEM	4,597	1,986,715	4,702	1,991,417	3,072,103	2,191,932	64.7%	90.6%	64.8%	90.9%	71.3%
030120	GILBERT HOSPITAL, L.L.C.	6,244	1,974,638	6,318	1,980,956	4,580,231	2,859,316	43.1%	69.1%	43.3%	69.3%	62.4%
030069	HAVASU REG MED CENTER LLC	11,205	6,457,825	14,314	6,472,139	7,287,603	7,119,033	88.6%	90.7%	88.8%	90.9%	97.7%
033037	HEALTHSOUTH E.VALLEY REHA	9	835	-	835	2,001	1,079	41.7%	77.4%	41.7%	77.4%	53.9%
033025	HEALTHSOUTH MERIDIAN PT.	16	1,943	-	1,943	8,280	3,673	23.5%	52.9%	23.5%	52.9%	44.4%
033028	HEALTHSOUTH REHAB INST.	80	11,866	-	11,866	27,580	11,491	43.0%	103.3%	43.0%	103.3%	41.7%
033032	HEALTHSOUTH VALLEY OF SUN	9	1,457	-	1,457	3,501	4,620	41.6%	31.5%	41.6%	31.5%	132.0%
031313	HOLY CROSS HOSPITAL-ARIZ	8,818	4,015,713	1,927,693	5,943,406	3,863,643	3,767,716	103.9%	106.6%	153.8%	157.7%	97.5%
030014	JOHN C. LINCOLN MEDICAL CENTER	25,389	14,438,402	2,800,190	17,238,592	14,989,390	20,386,120	96.3%	70.8%	115.0%	84.6%	136.0%
030055	KINGMAN REGIONAL MED CTR	32,710	13,550,900	633,776	14,184,676	15,686,118	15,594,117	86.4%	86.9%	90.4%	91.0%	99.4%
030067	LA PAZ REGIONAL HOSPITAL	2,569	1,043,766	416,471	1,460,237	1,034,472	1,143,074	100.9%	91.3%	141.2%	127.7%	110.5%
031311	LITTLE COLORADO MED CTR	5,322	3,173,240	1,100,250	4,273,490	3,530,069	3,485,805	89.9%	91.0%	121.1%	122.6%	98.7%
033301	LOS NINOS HOSPITAL	912	1,832,536	455,143	2,287,679	1,954,959	N/A	93.7%	N/A	117.0%	N/A	N/A
030022	MARICOPA MEDICAL CENTER	211,598	43,302,530	13,000,134	56,302,664	37,404,007	42,493,936	115.8%	101.9%	150.5%	132.5%	113.6%
030001	MARYVALE HOSPITAL MED CTR	24,314	7,336,116	148,394	7,484,510	6,564,228	9,823,382	111.8%	74.7%	114.0%	76.2%	149.7%
030103	MAYO CLINIC HOSPITAL	1,508	1,610,961	20,477	1,631,438	2,861,748	2,102,654	56.3%	76.6%	57.0%	77.6%	73.5%
030119	MERCY GILBERT MED CENTER	10,503	5,875,432	25,166	5,900,598	7,757,212	8,523,421	75.7%	68.9%	76.1%	69.2%	109.9%
033036	MOUNTAIN VALLEY REG REHAB	60	6,695	-	6,695	23,699	28,295	28.3%	23.7%	28.3%	23.7%	119.4%
030121	MOUNTAIN VISTA MED CTR	10,020	6,902,692	15,678	6,918,370	7,862,426	9,941,480	87.8%	69.4%	88.0%	69.6%	126.4%
030068	MT. GRAHAM REG. MED. CTR.	12,350	4,204,111	20,406	4,224,516	6,608,391	4,094,134	63.6%	102.7%	63.9%	103.2%	62.0%
031302	NORTHERN COCHISE HOSPITAL	2,981	1,399,399	432,799	1,832,199	1,673,929	1,871,137	83.6%	74.8%	109.5%	97.9%	111.8%
030085	NORTHWEST MEDICAL CENTER	34,884	10,646,638	17,839	10,664,477	13,085,418	14,121,387	81.4%	75.4%	81.5%	75.5%	107.9%
030114	ORO VALLEY HOSPITAL	5,193	1,919,891	4,805	1,924,697	2,168,914	2,665,584	88.5%	72.0%	88.7%	72.2%	122.9%
030131	ORTHOPEDIC AND SPINE INPATIENT SURGI	64	213,649	-	213,649	258,175	238,646	82.8%	89.5%	82.8%	89.5%	92.4%
031304	PAGE HOSPITAL	6,098	2,770,576	878,057	3,648,633	3,217,883	3,798,383	86.1%	72.9%	113.4%	96.1%	118.0%

**Arizona Health Care Cost Containment System
Outpatient Payment-to-Cost Analysis by Provider - CY 2014
Exhibit 2A**

Medicare ID	Provider Name	CY 2014 OP Claims	Total Medicaid OP Claim Payments	CY 2014 Medicaid OP Supplemental Payments	Total Estimated Medicaid OP Payments	Estimated Medicaid OP Claim Costs	Estimated OP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare OP Payment to Cost Ratio
								Estimated Medicaid OP Payment to Cost Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	Estimated Medicaid OP Payment to Cost Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
030083	PARADISE VALLEY HOSPITAL	12,356	4,741,967	28,087	4,770,054	5,574,866	7,524,849	85.1%	63.0%	85.6%	63.4%	135.0%
030033	PAYSON HOSPITAL CORP.	7,537	2,777,245	4,156	2,781,401	3,481,300	3,205,554	79.8%	86.6%	79.9%	86.8%	92.1%
030030	PHOENIX BAPTIST HOSPITAL	34,150	13,643,040	70,085	13,713,125	13,577,384	19,960,363	100.5%	68.4%	101.0%	68.7%	147.0%
033302	PHOENIX CHILDREN'S HOSP	114,466	64,304,203	24,035,872	88,340,075	81,750,434	49,160,535	78.7%	130.8%	108.1%	179.7%	60.1%
030038	SCOTTSDALE OSBORN MEDICAL CENTER	13,355	7,895,328	2,814,011	10,709,339	10,780,358	11,758,079	73.2%	67.1%	99.3%	91.1%	109.1%
030087	SCOTTSDALE SHEA MEDICAL CENTER	6,683	4,300,949	23,266	4,324,215	5,549,037	6,281,316	77.5%	68.5%	77.9%	68.8%	113.2%
030123	SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	1,499	1,222,137	5,713	1,227,850	1,826,122	1,615,141	66.9%	75.7%	67.2%	76.0%	88.4%
030043	SIERRA VISTA REG HLTH CTR	9,629	4,186,270	5,130	4,191,399	4,475,713	9,179,498	93.5%	45.6%	93.6%	45.7%	205.1%
031303	SOUTHEAST MEDICAL CENTER	3,530	1,341,807	413,524	1,755,331	1,662,021	1,416,826	80.7%	94.7%	105.6%	123.9%	85.2%
030024	ST JOSEPH'S HOSPITAL-PHX	39,785	24,343,206	3,341,475	27,684,681	25,104,668	28,965,265	97.0%	84.0%	110.3%	95.6%	115.4%
030062	SUMMIT HEALTHCARE REG.MED	18,423	9,738,269	33,534	9,771,803	13,220,958	11,618,224	73.7%	83.8%	73.9%	84.1%	87.9%
030108	SURGICAL SPECIALITY HOSP	68	156,115	-	156,115	183,970	139,439	84.9%	112.0%	84.9%	112.0%	75.8%
030037	TEMPE ST. LUKE'S HOSPITAL	24,075	11,755,092	79,000	11,834,091	11,220,157	15,682,979	104.8%	75.0%	105.5%	75.5%	139.8%
030006	TUCSON MEDICAL CENTER	50,358	21,712,181	108,769	21,820,950	28,211,351	38,292,025	77.0%	56.7%	77.3%	57.0%	135.7%
030117	VALLEY VIEW MEDICAL CENT	10,987	3,790,921	10,848	3,801,769	4,840,189	4,098,977	78.3%	92.5%	78.5%	92.7%	84.7%
030007	VERDE VALLEY MEDICAL CTR.	13,855	5,348,864	24,300	5,373,164	6,663,964	5,102,173	80.3%	104.8%	80.6%	105.3%	76.6%
030110	WEST VALLEY HOSPITAL MED	25,899	10,433,948	70,912	10,504,860	9,086,626	13,779,394	114.8%	75.7%	115.6%	76.2%	151.6%
030101	WESTERN AZ REG MED CTR	11,206	5,376,561	34,685	5,411,246	4,808,793	5,926,462	111.8%	90.7%	112.5%	91.3%	123.2%
031315	WHITE MNTN REG MED CNTR	2,598	906,017	288,049	1,194,066	1,961,838	1,829,568	46.2%	49.5%	60.9%	65.3%	93.3%
031300	WICKENBURG COMMUNITY HOSP	1,342	583,867	276,276	860,143	855,798	748,691	68.2%	78.0%	100.5%	114.9%	87.5%
030012	YAVAPAI REG MED CENTER	5,643	2,966,822	7,130	2,973,952	3,576,269	3,558,406	83.0%	83.4%	83.2%	83.6%	99.5%
030118	YRMC EAST	17,527	7,717,973	15,641	7,733,614	8,084,020	7,776,455	95.5%	99.2%	95.7%	99.4%	96.2%
030013	YUMA REGIONAL MED CENTER	39,627	21,602,308	273,355	21,875,663	25,470,818	26,438,747	84.8%	81.7%	85.9%	82.7%	103.8%
033034	YUMA REHABILITATION HOSPI	10	1,705	-	1,705	4,859	2,290	35.1%	74.5%	35.1%	74.5%	47.1%
Total		1,402,439	617,040,052	69,742,438	686,782,490	721,781,469	N/A	85.5%	N/A	95.2%	N/A	N/A
Total Excluding Los Ninos (033301)		1,401,527	615,207,516	69,287,296	684,494,812	719,826,511	790,906,315	85.5%	77.8%	95.1%	86.5%	109.9%
Total Excluding Los Ninos (033301) and PCH (033302)		1,287,061	550,903,313	45,251,424	596,154,737	638,076,076	790,906,315	86.3%	69.7%	93.4%	75.4%	124.0%

Note: Estimated claim costs are based on a statewide standardized revenue code crosswalk; using a provider-specific revenue code crosswalk would result in different cost estimates than shown in the analysis.

**Arizona Health Care Cost Containment System
Outpatient Payment to Cost Analysis by Provider - CY 2014
Exhibit 2B - Summary by Provider Type**

Provider Type	Number of Providers	CY 2014 OP Claims	Total Medicaid OP Claim Payments	CY 2014 Medicaid OP Supplemental Payments	Total Estimated Medicaid OP Payments	Estimated Medicaid OP Claim Costs	Estimated OP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare OP Payment to Cost Ratio
								Estimated Medicaid OP Payment to Cost Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	Estimated Medicaid OP Payment to Cost Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
Urban Acute Provider	28	563,258	256,855,283	13,010,406	269,865,690	301,357,563	370,947,585	85.2%	69.2%	89.5%	72.8%	123.1%
Non-CAH Rural Acute Provider	13	169,183	74,165,126	1,616,451	75,781,577	90,557,914	85,945,130	81.9%	86.3%	83.7%	88.2%	94.9%
Freestanding Children's Provider	2	115,378	66,136,739	24,491,014	90,627,754	83,705,393	49,160,535	79.0%	130.8%	108.3%	179.7%	60.1%
CAH	11	56,367	23,461,105	8,359,987	31,821,093	27,026,554	27,480,819	86.8%	85.4%	117.7%	115.8%	101.7%
LTAC Provider	0	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Small Psychiatric Providers and AZ State Hospital	0	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Large Psychiatric Provider	0	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Freestanding Rehabilitation Provider	6	184	24,502	-	24,502	69,920	51,447	35.0%	47.6%	35.0%	47.6%	73.6%
Pediatric-Intensive General Acute Hospitals	2	127,462	72,381,958	8,668,503	81,050,461	80,645,335	93,990,098	89.8%	77.0%	100.5%	86.2%	116.5%
Medium Pediatric Intensive General Acute Hospitals	6	368,544	120,904,205	13,575,599	134,479,804	134,109,650	159,574,059	90.2%	75.8%	100.3%	84.3%	119.0%
Short Term Specialty Hospital	5	555	1,500,172	-	1,500,172	1,447,392	1,653,987	103.6%	90.7%	103.6%	90.7%	114.3%
High Medicare/Out-of State Patient Utilization Hospital	1	1,508	1,610,961	20,477	1,631,438	2,861,748	2,102,654	56.3%	76.6%	57.0%	77.6%	73.5%
Total	74	1,402,439	617,040,052	69,742,438	686,782,490	721,781,469	N/A	85.5%	N/A	95.2%	N/A	N/A
Total Excluding Los Ninos (033301)	73	1,401,527	615,207,516	69,287,296	684,494,812	719,826,511	790,906,315	85.5%	77.8%	95.1%	86.5%	109.9%
Total Excluding Los Ninos (033301) and PCH (033302)	72	1,287,061	550,903,313	45,251,424	596,154,737	638,076,076	790,906,315	86.3%	69.7%	93.4%	75.4%	124.0%

Note: Estimated payments under Medicare, Medicare pay-to-cost ratio, and Medicaid-to-Medicare payment ratio for the freestanding children's provider type reflect data for Phoenix Children's Hospital only, since Medicare data for Los Ninos Hospital is not available.
Note: Estimated claim costs are based on a statewide standardized revenue code crosswalk; using a provider-specific revenue code crosswalk would result in different cost estimates than shown in the analysis.

Arizona Health Care Cost Containment System
Inpatient Payment-to-Charges Analysis by Provider - CY 2014
Exhibit 3A

Medicare ID	Provider Name	CY 2014 IP Discharges	Total Simulated Medicaid IP Claim Payments	CY 2014 Medicaid IP Supplemental Payments	Total Estimated Medicaid IP Payments	CY 2014 Medicaid IP Charges	Estimated IP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare IP Payment to Charges Ratio
								Estimated Medicaid IP Payment to Charges Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	Estimated Medicaid IP Payment to Charges Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
032008	ACUITY SPECIALTY HOSPITAL SUN CITY	1	4,858	-	4,858	39,409	13,818	12.3%	35.2%	12.3%	35.2%	35.1%
030107	ARIZONA SPINE AND JOINT	4	18,081	-	18,081	176,782	51,049	10.2%	35.4%	10.2%	35.4%	28.9%
030094	ARROWHEAD HOSPITAL	3,621	10,858,824	1,906	10,860,730	58,983,145	16,613,879	18.4%	65.4%	18.4%	65.4%	28.2%
034024	AURORA BEHAVIORAL HEALTH	1,925	9,946,788	-	9,946,788	22,806,005	11,840,458	43.6%	84.0%	43.6%	84.0%	51.9%
034028	Aurora Behavioral Healthcare-Tempe	1,023	5,959,310	-	5,959,310	13,606,114	7,189,836	43.8%	82.9%	43.8%	82.9%	52.8%
030112	AZ ORTHOPEDIC SURGICAL HO	27	142,040	-	142,040	1,595,977	317,554	8.9%	44.7%	8.9%	44.7%	19.9%
034021	AZ STATE HOSPITAL	10	642,775	-	642,775	734,640	1,494,439	87.5%	43.0%	87.5%	43.0%	203.4%
030002	BANNER - UNIVERSITY MED CTR PHOENIX	10,182	45,717,553	21,843,543	67,561,096	297,550,247	89,738,902	15.4%	50.9%	22.7%	75.3%	30.2%
030111	BANNER - UNIVERSITY MED CTR SOUTH	1,437	6,610,284	8,100,776	14,711,059	38,068,187	20,841,092	17.4%	31.7%	38.6%	70.6%	54.7%
030064	BANNER - UNIVERSITY MED CTR TUCSON	5,739	36,614,664	37,160,001	73,774,665	274,267,916	82,453,926	13.3%	44.4%	26.9%	89.5%	30.1%
030088	BANNER BAYWOOD MEDICAL CN	2,420	10,034,877	15,390	10,050,266	72,884,114	15,212,203	13.8%	66.0%	13.8%	66.1%	20.9%
034004	BANNER BEHAVIORIAL HEALTH	1,301	6,446,571	-	6,446,571	18,732,625	7,878,536	34.4%	81.8%	34.4%	81.8%	42.1%
030061	BANNER BOSWELL MED CTR	927	6,095,870	13,319	6,109,189	40,269,142	8,843,705	15.1%	68.9%	15.2%	69.1%	22.0%
030016	BANNER CASA GRANDE MED CTR	939	3,223,389	77,915	3,301,304	15,426,928	4,178,758	20.9%	77.1%	21.4%	79.0%	27.1%
030093	BANNER DEL E WEBB MED CTR	2,356	8,861,891	17,332	8,879,223	52,288,268	12,377,866	16.9%	71.6%	17.0%	71.7%	23.7%
030065	BANNER DESERT MEDICAL CEN	9,994	45,552,576	437,440	45,990,016	286,160,809	75,504,802	15.9%	60.3%	16.1%	60.9%	26.4%
030115	BANNER ESTRELLA MEDICAL	6,242	20,930,176	454,725	21,384,901	145,162,867	33,365,542	14.4%	62.7%	14.7%	64.1%	23.0%
030122	BANNER GATEWAY MEDICAL CT	3,579	11,057,875	9,871	11,067,745	74,845,334	15,106,473	14.8%	73.2%	14.8%	73.3%	20.2%
030126	BANNER GOLDFIELD MD CTR	104	406,576	151,039	557,615	3,419,215	696,339	11.9%	58.4%	16.3%	80.1%	20.4%
030105	BANNER HEART HOSPITAL	235	1,413,482	-	1,413,482	17,767,396	2,991,080	8.0%	47.3%	8.0%	47.3%	16.8%
030130	BANNER IRONWOOD MEDICAL CENTER	987	2,881,707	1,067,590	3,949,297	15,660,552	3,581,733	18.4%	80.5%	25.2%	110.3%	22.9%
030089	BANNER THUNDERBIRD MEDICA	8,939	37,723,985	379,799	38,103,784	229,170,070	55,813,595	16.5%	67.6%	16.6%	68.3%	24.4%
031301	BENSON HOSPITAL	43	106,689	80,748	187,437	317,182	297,392	33.6%	35.9%	59.1%	63.0%	93.8%
030011	CARONDELET ST JOSEPHS-TUC	2,568	10,082,309	11,928	10,094,237	64,621,441	15,750,102	15.6%	64.0%	15.6%	64.1%	24.4%
030010	CARONDELET ST MARYS HOSP	2,025	11,839,083	172,811	12,011,894	72,253,463	21,288,531	16.4%	55.6%	16.6%	56.4%	29.5%
030036	CHANDLER REGIONAL MED.CTR	3,546	14,382,499	14,737	14,397,237	101,060,464	17,166,166	14.2%	83.8%	14.2%	83.9%	17.0%
031314	COBRE VALLEY COMM HOSP	393	795,925	1,437,713	2,233,638	3,404,611	2,017,523	23.4%	39.5%	65.6%	110.7%	59.3%
034027	Community Counseling Centers, Inc at PineView Hospital	228	869,278	-	869,278	1,480,704	1,308,217	58.7%	66.4%	58.7%	66.4%	88.4%
031312	COPPER QUEEN HOSPITAL	43	113,985	99,185	213,170	525,231	344,450	21.7%	33.1%	40.6%	61.9%	65.6%
032004	CORNERSTONE HOSPITAL OF S	1	3,886	-	3,886	186,564	62,580	2.1%	6.2%	2.1%	6.2%	33.5%
030092	DEER VALLEY MEDICAL CENTER	1,528	8,132,145	134,635	8,266,780	62,767,688	12,367,196	13.0%	65.8%	13.2%	66.8%	19.7%
030023	FLAGSTAFF MEDICAL CENTER	2,062	12,055,220	430,918	12,486,138	62,909,429	25,631,604	19.2%	47.0%	19.8%	48.7%	40.7%
030132	FLORENCE HOSPITAL AT ANTHEM	75	279,336	159,668	439,004	1,884,608	674,182	14.8%	41.4%	23.3%	65.1%	35.8%
030120	GILBERT HOSPITAL, L.L.C.	79	246,215	3,061	249,275	2,347,942	589,156	10.5%	41.8%	10.6%	42.3%	25.1%
030069	HAVASU REG MED CENTER LLC	967	3,885,683	4,327	3,890,010	24,940,331	4,617,759	15.6%	84.1%	15.6%	84.2%	18.5%
034020	HAVEN HORIZONS	44	286,578	-	286,578	503,223	333,954	56.9%	85.8%	56.9%	85.8%	66.4%
033037	HEALTHSOUTH E.VALLEY REHA	23	266,624	-	266,624	614,120	457,120	43.4%	58.3%	43.4%	58.3%	74.4%
033025	HEALTHSOUTH MERIDIAN PT.	10	76,351	-	76,351	152,611	123,612	50.0%	61.8%	50.0%	61.8%	81.0%
033028	HEALTHSOUTH REHAB INST.	16	186,428	-	186,428	381,257	264,546	48.9%	70.5%	48.9%	70.5%	69.4%
033032	HEALTHSOUTH VALLEY OF SUN	11	140,154	-	140,154	287,633	210,596	48.7%	66.6%	48.7%	66.6%	73.2%
033029	HLTHSOUTH REHAB.HOSP.OF.S	13	112,335	-	112,335	217,367	151,458	51.7%	74.2%	51.7%	74.2%	69.7%
031313	HOLY CROSS HOSPITAL-ARIZ	347	585,180	1,115,355	1,700,535	3,773,955	1,494,048	15.5%	39.2%	45.1%	113.8%	39.6%
030014	JOHN C. LINCOLN MEDICAL CENTER	2,302	16,006,283	200,203	16,206,487	133,094,585	26,981,288	12.0%	59.3%	12.2%	60.1%	20.3%
032000	KINDRED HOSP AZ-NORTHWEST	3	45,241	-	45,241	669,612	221,869	6.8%	20.4%	6.8%	20.4%	33.1%
032002	KINDRED HOSPITAL-TUCSON	4	97,283	-	97,283	388,103	151,098	25.1%	64.4%	25.1%	64.4%	38.9%
030055	KINGMAN REGIONAL MED CTR	1,802	7,288,371	1,030,414	8,318,786	53,534,703	12,600,646	13.6%	57.8%	15.5%	66.0%	23.5%
030067	LA PAZ REGIONAL HOSPITAL	32	115,842	181,779	297,621	585,948	290,754	19.8%	39.8%	50.8%	102.4%	49.6%
031311	LITTLE COLORADO MED CTR	218	546,637	1,385,321	1,931,958	4,202,579	1,396,915	13.0%	39.1%	46.0%	138.3%	33.2%
033301	LOS NINOS HOSPITAL	148	876,781	924,077	1,800,858	4,946,561	N/A	17.7%	N/A	36.4%	N/A	N/A
030022	MARICOPA MEDICAL CENTER	7,466	35,682,216	26,659,710	62,341,927	297,477,151	110,573,081	12.0%	32.3%	21.0%	56.4%	37.2%

**Arizona Health Care Cost Containment System
Inpatient Payment-to-Charges Analysis by Provider - CY 2014
Exhibit 3A**

Medicare ID	Provider Name	CY 2014 IP Discharges	Total Simulated Medicaid IP Claim Payments	CY 2014 Medicaid IP Supplemental Payments	Total Estimated Medicaid IP Payments	CY 2014 Medicaid IP Charges	Estimated IP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare IP Payment to Charges Ratio
								Estimated Medicaid IP Payment to Charges Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	Estimated Medicaid IP Payment to Charges Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
030001	MARYVALE HOSPITAL MED CTR	1,691	6,359,659	239,042	6,598,701	35,756,036	13,519,462	17.8%	47.0%	18.5%	48.8%	37.8%
030103	MAYO CLINIC HOSPITAL	174	2,106,367	633	2,107,000	12,122,335	4,401,991	17.4%	47.9%	17.4%	47.9%	36.3%
030119	MERCY GILBERT MED CENTER	1,837	7,114,363	9,902	7,124,265	46,455,317	7,853,129	15.3%	90.6%	15.3%	90.7%	16.9%
033036	MOUNTAIN VALLEY REG REHAB	21	222,778	-	222,778	574,658	450,711	38.8%	49.4%	38.8%	49.4%	78.4%
030121	MOUNTAIN VISTA MED CTR	1,447	7,739,187	6,169	7,745,356	57,778,080	10,441,345	13.4%	74.1%	13.4%	74.2%	18.1%
030068	MT. GRAHAM REG. MED. CTR.	796	1,706,618	608,200	2,314,817	5,927,231	2,941,524	28.8%	58.0%	39.1%	78.7%	49.6%
031302	NORTHERN COCHISE HOSPITAL	43	109,480	119,164	228,644	424,560	271,157	25.8%	40.4%	53.9%	84.3%	63.9%
030085	NORTHWEST MEDICAL CENTER	3,687	11,626,502	5,282	11,631,783	90,999,877	16,324,259	12.8%	71.2%	12.8%	71.3%	17.9%
030114	ORO VALLEY HOSPITAL	205	1,189,036	1,423	1,190,459	11,061,546	2,286,545	10.7%	52.0%	10.8%	52.1%	20.7%
030131	ORTHOPEDIC AND SPINE INPATIENT SURGI	41	230,185	-	230,185	1,522,058	574,648	15.1%	40.1%	15.1%	40.1%	37.8%
031304	PAGE HOSPITAL	313	578,751	560,444	1,139,195	2,200,751	2,002,511	26.3%	28.9%	51.8%	56.9%	91.0%
030083	PARADISE VALLEY HOSPITAL	1,088	4,002,110	29,895	4,032,006	22,099,639	6,181,720	18.1%	64.7%	18.2%	65.2%	28.0%
030033	PAYSON HOSPITAL CORP.	394	2,039,734	800,424	2,840,158	11,841,047	1,710,887	17.2%	119.2%	24.0%	166.0%	14.4%
030030	PHOENIX BAPTIST HOSPITAL	4,129	15,098,202	93,291	15,191,493	80,122,142	25,197,219	18.8%	59.9%	19.0%	60.3%	31.4%
033302	PHOENIX CHILDREN'S HOSP	5,374	49,260,582	109,603,119	158,863,701	308,215,617	95,649,822	16.0%	51.5%	51.5%	166.1%	31.0%
032006	PROMISE HOSPITAL OF PHX	4	28,286	-	28,286	267,769	82,877	10.6%	34.1%	10.6%	34.1%	31.0%
030038	SCOTTSDALE OSBORN MEDICAL CENTER	1,972	9,198,919	1,570,085	10,769,005	79,957,393	17,013,000	11.5%	54.1%	13.5%	63.3%	21.3%
030087	SCOTTSDALE SHEA MEDICAL CENTER	1,699	6,527,484	306,219	6,833,703	48,750,965	8,935,389	13.4%	73.1%	14.0%	76.5%	18.3%
030123	SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	135	727,817	266	728,083	6,074,039	1,139,162	12.0%	63.9%	12.0%	63.9%	18.8%
032001	SELECT SPECIALTY HOSP-PHX	4	123,707	-	123,707	660,026	302,546	18.7%	40.9%	18.7%	40.9%	45.8%
032005	SELECT SPECIALTY-PHX D/T	3	31,077	-	31,077	147,162	59,682	21.1%	52.1%	21.1%	52.1%	40.6%
030043	SIERRA VISTA REG HLTH CTR	863	2,194,074	1,036,211	3,230,286	12,191,943	4,752,802	18.0%	46.2%	26.5%	68.0%	39.0%
034022	SONORA BEHAVIORAL HEALTH	1,005	5,573,844	-	5,573,844	11,933,462	6,383,793	46.7%	87.3%	46.7%	87.3%	53.5%
031303	SOUTHEAST MEDICAL CENTER	24	56,691	100,748	157,439	206,495	120,623	27.5%	47.0%	76.2%	130.5%	58.4%
030024	ST JOSEPH'S HOSPITAL-PHX	8,749	48,655,667	24,068,393	72,724,060	287,562,684	73,923,129	16.9%	65.8%	25.3%	98.4%	25.7%
034013	ST LUKE'S BEHAVIORAL HOSP	1,714	11,457,552	-	11,457,552	47,511,864	12,982,314	24.1%	88.3%	24.1%	88.3%	27.3%
030062	SUMMIT HEALTHCARE REG.MED	1,159	3,047,227	1,720,038	4,767,265	13,888,460	4,928,892	21.9%	61.8%	34.3%	96.7%	35.5%
030108	SURGICAL SPECIALTY HOSP	2	11,470	-	11,470	52,178	21,405	22.0%	53.6%	22.0%	53.6%	41.0%
030037	TEMPE ST. LUKE'S HOSPITAL	1,505	8,516,641	135,844	8,652,485	63,948,262	13,368,935	13.3%	63.7%	13.5%	64.7%	20.9%
034023	The Guidance Center, Inc.	211	645,732	-	645,732	1,091,249	1,045,485	59.2%	61.8%	59.2%	61.8%	95.8%
030006	TUCSON MEDICAL CENTER	8,815	30,478,076	6,327,327	36,805,403	167,122,462	59,683,206	18.2%	51.1%	22.0%	61.7%	35.7%
034026	VALLEY HOSPITAL	693	5,515,556	-	5,515,556	17,951,392	6,353,692	30.7%	86.8%	30.7%	86.8%	35.4%
030117	VALLEY VIEW MEDICAL CENT	594	1,795,083	970,536	2,765,618	12,489,700	2,410,717	14.4%	74.5%	22.1%	114.7%	19.3%
030007	VERDE VALLEY MEDICAL CTR.	916	3,694,333	1,435,490	5,129,823	23,135,482	5,563,873	16.0%	66.4%	22.2%	92.2%	24.0%
030110	WEST VALLEY HOSPITAL MED	2,537	8,547,195	129,568	8,676,763	50,232,580	13,909,219	17.0%	61.4%	17.3%	62.4%	27.7%
030101	WESTERN AZ REG MED CTR	696	7,081,025	23	7,081,048	42,561,783	4,162,406	16.6%	170.1%	16.6%	170.1%	9.8%
031315	WHITE MNTN REG MED CNTR	39	112,639	76,262	188,901	460,259	323,441	24.5%	34.8%	41.0%	58.4%	70.3%
031300	WICKENBURG COMMUNITY HOSP	9	23,158	25,093	48,250	144,472	88,315	16.0%	26.2%	33.4%	54.6%	61.1%
034025	WINDHAVEN PSYCHIATRIC HOS	386	1,289,894	-	1,289,894	2,288,696	256,731	56.4%	502.4%	56.4%	502.4%	11.2%
030012	YAVAPAI REG MED CENTER	259	1,555,150	5	1,555,154	8,499,863	2,245,625	18.3%	69.3%	18.3%	69.3%	26.4%
030118	YRMC EAST	1,563	4,081,255	1,470,710	5,551,965	19,003,423	6,277,152	21.5%	65.0%	29.2%	88.4%	33.0%
030013	YUMA REGIONAL MED CENTER	4,449	14,590,366	806,041	15,396,407	77,955,369	20,399,467	18.7%	71.5%	19.8%	75.5%	26.2%
033034	YUMA REHABILITATION HOSPI	9	76,002	-	76,002	149,910	116,626	50.7%	65.2%	50.7%	65.2%	77.8%
Total		149,243	681,268,179	256,033,085	937,301,264	4,262,485,041	N/A	16.0%	N/A	22.0%	N/A	N/A
Total Excluding Los Ninos (033301)		149,095	680,391,398	255,109,008	935,500,406	4,257,538,480	1,180,128,862	16.0%	57.7%	22.0%	79.3%	27.7%
Total Excluding Los Ninos (033301) and PCH (033302)		143,721	631,130,816	145,505,889	776,636,705	3,949,322,864	1,180,128,862	16.0%	53.5%	19.7%	65.8%	29.9%

**Arizona Health Care Cost Containment System
Inpatient Payment-to-Charge Analysis by Provider - CY 2014
Exhibit 3B - Summary by Provider Type**

Provider Type	Number of Providers	CY 2014 IP Discharges	Total Simulated Medicaid IP Claim Payments	CY 2014 Medicaid IP Supplemental Payments	Total Estimated Medicaid IP Payments	CY 2014 Medicaid IP Charges	Estimated IP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare IP Payment to Charges Ratio
								Estimated Medicaid IP Payment to Charges Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	Estimated Medicaid IP Payment to Charges Ratio	Medicaid IP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
Urban Acute Provider	28	72,856	312,792,226	58,510,655	371,302,881	2,065,789,643	511,655,140	15.1%	61.1%	18.0%	72.6%	24.8%
Non-CAH Rural Acute Provider	13	11,551	49,972,483	8,265,540	58,238,023	290,766,114	76,441,832	17.2%	65.4%	20.0%	76.2%	26.3%
Freestanding Children's Provider	2	5,522	50,137,363	110,527,197	160,664,559	313,162,178	95,649,822	16.0%	51.5%	51.3%	166.1%	31.0%
CAH	11	1,504	3,144,974	5,181,813	8,326,787	16,246,042	8,647,130	19.4%	36.4%	51.3%	96.3%	53.2%
LTAC Provider	7	20	334,337	-	334,337	2,358,645	894,471	14.2%	37.4%	14.2%	37.4%	37.9%
Small Psychiatric Providers and AZ State Hospital	7	2,595	15,209,123	-	15,209,123	37,656,017	17,982,353	40.4%	84.6%	40.4%	84.6%	47.8%
Large Psychiatric Provider	4	5,945	33,424,755	-	33,424,755	100,983,955	39,085,101	33.1%	85.5%	33.1%	85.5%	38.7%
Freestanding Rehabilitation Provider	7	103	1,080,671	-	1,080,671	2,377,556	1,774,669	45.5%	60.9%	45.5%	60.9%	74.6%
Pediatric-Intensive General Acute Hospitals	2	15,733	82,167,240	37,597,442	119,764,681	560,428,725	157,958,728	14.7%	52.0%	21.4%	75.8%	28.2%
Medium Pediatric Intensive General Acute Hospitals	6	32,931	129,083,382	35,949,807	165,033,189	839,479,439	261,681,890	15.4%	49.3%	19.7%	63.1%	31.2%
Short Term Specialty Hospital	5	309	1,815,258	-	1,815,258	21,114,392	3,955,736	8.6%	45.9%	8.6%	45.9%	18.7%
High Medicare/Out-of State Patient Utilization Hospital	1	174	2,106,367	633	2,107,000	12,122,335	4,401,991	17.4%	47.9%	17.4%	47.9%	36.3%
Total	93	149,243	681,268,179	256,033,085	937,301,264	4,262,485,041	N/A	16.0%	N/A	22.0%	N/A	N/A
Total Excluding Los Ninos (033301)	92	149,095	680,391,398	255,109,008	935,500,406	4,257,538,480	1,180,128,862	16.0%	57.7%	22.0%	79.3%	27.7%
Total Excluding Los Ninos (033301) and PCH (033302)	91	143,721	631,130,816	145,505,889	776,636,705	3,949,322,864	1,180,128,862	16.0%	53.5%	19.7%	65.8%	29.9%

Note: Estimated payments under Medicare, Medicare pay-to-charge ratio, and Medicaid-to-Medicare payment ratio for the freestanding children's provider type reflect data for Phoenix Children's Hospital only, since Medicare data for Los Ninos Hospital is not available.

**Arizona Health Care Cost Containment System
Outpatient Payment-to-Charges Analysis by Provider - CY 2014
Exhibit 4A**

Medicare ID	Provider Name	CY 2014 OP Claims	Total OP Medicaid Claim Payments	CY 2014 Medicaid OP Supplemental Payments	Total Estimated Medicaid OP Payments	CY 2014 Medicaid OP Charges	Estimated OP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare OP Payment to Charges Ratio
								Estimated Medicaid OP Payment to Charges Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	Estimated Medicaid OP Payment to Charges Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
030107	ARIZONA SPINE AND JOINT	9	19,733	-	19,733	99,697	28,778	19.8%	68.6%	19.8%	68.6%	28.9%
030094	ARROWHEAD HOSPITAL	12,139	6,728,595	6,306	6,734,901	47,385,614	9,189,945	14.2%	73.2%	14.2%	73.3%	19.4%
030112	AZ ORTHOPEDIC SURGICAL HO	263	526,529	-	526,529	3,770,968	585,730	14.0%	89.9%	14.0%	89.9%	15.5%
030002	BANNER - UNIVERSITY MED CTR PHOENIX	29,233	19,220,852	2,291,224	21,512,076	156,388,334	31,009,104	12.3%	62.0%	13.8%	69.4%	19.8%
030111	BANNER - UNIVERSITY MED CTR SOUTH	60,130	13,332,916	602,050	13,934,966	80,026,732	23,382,231	16.7%	57.0%	17.4%	59.6%	29.2%
030064	BANNER - UNIVERSITY MED CTR TUCSON	64,967	37,357,826	8,468,244	45,826,070	213,867,000	42,177,637	17.5%	88.6%	21.4%	108.7%	19.7%
030088	BANNER BAYWOOD MEDICAL CN	12,488	6,196,306	26,287	6,222,593	60,339,507	10,156,439	10.3%	61.0%	10.3%	61.3%	16.8%
030061	BANNER BOSWELL MED CTR	7,049	4,370,293	17,651	4,387,944	46,114,914	8,344,559	9.5%	52.4%	9.5%	52.6%	18.1%
030016	BANNER CASA GRANDE MED CTR	15,909	5,435,572	50,382	5,485,954	31,721,932	5,609,212	17.1%	96.9%	17.3%	97.8%	17.7%
030093	BANNER DEL E WEBB MED CTR	15,488	9,013,803	22,969	9,036,771	101,533,584	14,106,349	8.9%	63.9%	8.9%	64.1%	13.9%
030065	BANNER DESERT MEDICAL CEN	62,495	35,024,133	200,259	35,224,391	257,873,036	51,812,461	13.6%	67.6%	13.7%	68.0%	20.1%
030115	BANNER ESTRELLA MEDICAL	34,919	15,766,603	245,947	16,012,550	181,235,878	23,918,612	8.7%	65.9%	8.8%	66.9%	13.2%
030122	BANNER GATEWAY MEDICAL CT	16,506	8,204,914	29,517	8,234,431	82,874,184	16,145,356	9.9%	50.8%	9.9%	51.0%	19.5%
030126	BANNER GOLDFIELD MD CTR	5,042	1,815,535	-	1,815,535	16,902,607	2,545,123	10.7%	71.3%	10.7%	71.3%	15.1%
030105	BANNER HEART HOSPITAL	151	584,146	-	584,146	4,010,887	661,394	14.6%	88.3%	14.6%	88.3%	16.5%
030130	BANNER IRONWOOD MEDICAL CENTER	9,468	4,771,663	37,058	4,808,721	40,487,882	4,635,925	11.8%	102.9%	11.9%	103.7%	11.5%
030089	BANNER THUNDERBIRD MEDICA	42,751	22,268,264	154,434	22,422,698	195,667,131	38,291,579	11.4%	58.2%	11.5%	58.6%	19.6%
031301	BENSON HOSPITAL	3,476	1,306,083	402,671	1,708,754	3,638,258	1,760,464	35.9%	74.2%	47.0%	97.1%	48.4%
030011	CARONDELET ST JOSEPHS-TUC	13,758	7,180,608	24,621	7,205,230	53,927,956	9,228,740	13.3%	77.8%	13.4%	78.1%	17.1%
030010	CARONDELET ST MARYS HOSP	26,760	14,125,955	101,245	14,227,200	108,688,085	19,070,330	13.0%	74.1%	13.1%	74.6%	17.5%
030036	CHANDLER REGIONAL MED.CTR	26,688	10,630,504	49,775	10,680,279	123,010,254	14,849,247	8.6%	71.6%	8.7%	71.9%	12.1%
031314	COBRE VALLEY COMM HOSP	10,291	4,545,198	1,414,090	5,959,288	11,767,141	4,392,953	38.6%	103.5%	50.6%	135.7%	37.3%
031312	COPPER QUEEN HOSPITAL	9,342	2,375,438	810,106	3,185,545	13,686,093	3,266,201	17.4%	72.7%	23.3%	97.5%	23.9%
030092	DEER VALLEY MEDICAL CENTER	26,369	12,197,030	123,381	12,320,412	99,199,611	17,112,054	12.3%	71.3%	12.4%	72.0%	17.3%
030023	FLAGSTAFF MEDICAL CENTER	14,687	8,516,231	777,790	9,294,021	36,541,743	8,294,217	23.3%	102.7%	25.4%	112.1%	22.7%
030132	FLORENCE HOSPITAL AT ANTHEM	4,597	1,986,715	4,702	1,991,417	19,290,718	2,191,932	10.3%	90.6%	10.3%	90.9%	11.4%
030120	GILBERT HOSPITAL, L.L.C.	6,244	1,974,638	6,318	1,980,956	23,169,447	2,859,316	8.5%	69.1%	8.5%	69.3%	12.3%
030069	HAVASU REG MED CENTER LLC	11,205	6,457,825	14,314	6,472,139	48,053,894	7,119,033	13.4%	90.7%	13.5%	90.9%	14.8%
033037	HEALTHSOUTH E.VALLEY REHA	9	835	-	835	5,175	1,079	16.1%	77.4%	16.1%	77.4%	20.8%
033025	HEALTHSOUTH MERIDIAN PT.	16	1,943	-	1,943	19,247	3,673	10.1%	52.9%	10.1%	52.9%	19.1%
033028	HEALTHSOUTH REHAB INST.	80	11,866	-	11,866	60,222	11,491	19.7%	103.3%	19.7%	103.3%	19.1%
033032	HEALTHSOUTH VALLEY OF SUN	9	1,457	-	1,457	8,953	4,620	16.3%	31.5%	16.3%	31.5%	51.6%
031313	HOLY CROSS HOSPITAL-ARIZ	8,818	4,015,713	1,927,693	5,943,406	18,323,787	3,767,716	21.9%	106.6%	32.4%	157.7%	20.6%
030014	JOHN C. LINCOLN MEDICAL CENTER	25,389	14,438,402	2,800,190	17,238,592	112,962,951	20,386,120	12.8%	70.8%	15.3%	84.6%	18.0%
030055	KINGMAN REGIONAL MED CTR	32,710	13,550,900	633,776	14,184,676	91,550,143	15,594,117	14.8%	86.9%	15.5%	91.0%	17.0%
030067	LA PAZ REGIONAL HOSPITAL	2,569	1,043,766	416,471	1,460,237	4,033,067	1,143,074	25.9%	91.3%	36.2%	127.7%	28.3%
031311	LITTLE COLORADO MED CTR	5,322	3,173,240	1,100,250	4,273,490	18,069,535	3,485,805	17.6%	91.0%	23.7%	122.6%	19.3%
033301	LOS NINOS HOSPITAL	912	1,832,536	455,143	2,287,679	3,824,175	N/A	47.9%	N/A	59.8%	N/A	N/A
030022	MARICOPA MEDICAL CENTER	211,598	43,302,530	13,000,134	56,302,664	282,639,773	42,493,936	15.3%	101.9%	19.9%	132.5%	15.0%
030001	MARYVALE HOSPITAL MED CTR	24,314	7,336,116	148,394	7,484,510	65,643,475	9,823,382	11.2%	74.7%	11.4%	76.2%	15.0%
030103	MAYO CLINIC HOSPITAL	1,508	1,610,961	20,477	1,631,438	9,094,059	2,102,654	17.7%	76.6%	17.9%	77.6%	23.1%
030119	MERCY GILBERT MED CENTER	10,503	5,875,432	25,166	5,900,598	71,309,564	8,523,421	8.2%	68.9%	8.3%	69.2%	12.0%
033036	MOUNTAIN VALLEY REG REHAB	60	6,695	-	6,695	54,925	28,295	12.2%	23.7%	12.2%	23.7%	51.5%
030121	MOUNTAIN VISTA MED CTR	10,020	6,902,692	15,678	6,918,370	71,431,586	9,941,480	9.7%	69.4%	9.7%	69.6%	13.9%
030068	MT. GRAHAM REG. MED. CTR.	12,350	4,204,111	20,406	4,224,516	18,558,500	4,094,134	22.7%	102.7%	22.8%	103.2%	22.1%
031302	NORTHERN COCHISE HOSPITAL	2,981	1,399,399	432,799	1,832,199	4,587,925	1,871,137	30.5%	74.8%	39.9%	97.9%	40.8%
030085	NORTHWEST MEDICAL CENTER	34,884	10,646,638	17,839	10,664,477	105,089,461	14,121,387	10.1%	75.4%	10.1%	75.5%	13.4%
030114	ORO VALLEY HOSPITAL	5,193	1,919,891	4,805	1,924,697	19,997,364	2,665,584	9.6%	72.0%	9.6%	72.2%	13.3%
030131	ORTHOPEDIC AND SPINE INPATIENT SURGI	64	213,649	-	213,649	960,895	238,646	22.2%	89.5%	22.2%	89.5%	24.8%
031304	PAGE HOSPITAL	6,098	2,770,576	878,057	3,648,633	9,592,074	3,798,383	28.9%	72.9%	38.0%	96.1%	39.6%

**Arizona Health Care Cost Containment System
Outpatient Payment-to-Charges Analysis by Provider - CY 2014
Exhibit 4A**

Medicare ID	Provider Name	CY 2014 OP Claims	Total OP Medicaid Claim Payments	CY 2014 Medicaid OP Supplemental Payments	Total Estimated Medicaid OP Payments	CY 2014 Medicaid OP Charges	Estimated OP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare OP Payment to Charges Ratio
								Estimated Medicaid OP Payment to Charges Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	Estimated Medicaid OP Payment to Charges Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
030083	PARADISE VALLEY HOSPITAL	12,356	4,741,967	28,087	4,770,054	39,930,650	7,524,849	11.9%	63.0%	11.9%	63.4%	18.8%
030033	PAYSON HOSPITAL CORP.	7,537	2,777,245	4,156	2,781,401	34,446,949	3,205,554	8.1%	86.6%	8.1%	86.8%	9.3%
030030	PHOENIX BAPTIST HOSPITAL	34,150	13,643,040	70,085	13,713,125	100,578,196	19,960,363	13.6%	68.4%	13.6%	68.7%	19.8%
033302	PHOENIX CHILDREN'S HOSP	114,466	64,304,203	24,035,872	88,340,075	289,189,357	49,160,535	22.2%	130.8%	30.5%	179.7%	17.0%
030038	SCOTTSDALE OSBORN MEDICAL CENTER	13,355	7,895,328	2,814,011	10,709,339	73,127,316	11,758,079	10.8%	67.1%	14.6%	91.1%	16.1%
030087	SCOTTSDALE SHEA MEDICAL CENTER	6,683	4,300,949	23,266	4,324,215	37,962,570	6,281,316	11.3%	68.5%	11.4%	68.8%	16.5%
030123	SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	1,499	1,222,137	5,713	1,227,850	10,583,367	1,615,141	11.5%	75.7%	11.6%	76.0%	15.3%
030043	SIERRA VISTA REG HLTH CTR	9,629	4,186,270	5,130	4,191,399	23,393,913	9,179,498	17.9%	45.6%	17.9%	45.7%	39.2%
031303	SOUTHEAST MEDICAL CENTER	3,530	1,341,807	413,524	1,755,331	4,075,268	1,416,826	32.9%	94.7%	43.1%	123.9%	34.8%
030024	ST JOSEPH'S HOSPITAL-PHX	39,785	24,343,206	3,341,475	27,684,681	188,522,351	28,965,265	12.9%	84.0%	14.7%	95.6%	15.4%
030062	SUMMIT HEALTHCARE REG.MED	18,423	9,738,269	33,534	9,771,803	58,385,447	11,618,224	16.7%	83.8%	16.7%	84.1%	19.9%
030108	SURGICAL SPECIALITY HOSP	68	156,115	-	156,115	651,630	139,439	24.0%	112.0%	24.0%	112.0%	21.4%
030037	TEMPE ST. LUKE'S HOSPITAL	24,075	11,755,092	79,000	11,834,091	99,305,850	15,682,979	11.8%	75.0%	11.9%	75.5%	15.8%
030006	TUCSON MEDICAL CENTER	50,358	21,712,181	108,769	21,820,950	133,702,447	38,292,025	16.2%	56.7%	16.3%	57.0%	28.6%
030117	VALLEY VIEW MEDICAL CENT	10,987	3,790,921	10,848	3,801,769	36,107,696	4,098,977	10.5%	92.5%	10.5%	92.7%	11.4%
030007	VERDE VALLEY MEDICAL CTR.	13,855	5,348,864	24,300	5,373,164	31,273,735	5,102,173	17.1%	104.8%	17.2%	105.3%	16.3%
030110	WEST VALLEY HOSPITAL MED	25,899	10,433,948	70,912	10,504,860	81,096,428	13,779,394	12.9%	75.7%	13.0%	76.2%	17.0%
030101	WESTERN AZ REG MED CTR	11,206	5,376,561	34,685	5,411,246	67,454,340	5,926,462	8.0%	90.7%	8.0%	91.3%	8.8%
031315	WHITE MNTN REG MED CNTR	2,598	906,017	288,049	1,194,066	3,228,643	1,829,568	28.1%	49.5%	37.0%	65.3%	56.7%
031300	WICKENBURG COMMUNITY HOSP	1,342	583,867	276,276	860,143	2,085,440	748,691	28.0%	78.0%	41.2%	114.9%	35.9%
030012	YAVAPAI REG MED CENTER	5,643	2,966,822	7,130	2,973,952	18,231,345	3,558,406	16.3%	83.4%	16.3%	83.6%	19.5%
030118	YRMC EAST	17,527	7,717,973	15,641	7,733,614	46,853,619	7,776,455	16.5%	99.2%	16.5%	99.4%	16.6%
030013	YUMA REGIONAL MED CENTER	39,627	21,602,308	273,355	21,875,663	126,496,758	26,438,747	17.1%	81.7%	17.3%	82.7%	20.9%
033034	YUMA REHABILITATION HOSPI	10	1,705	-	1,705	12,001	2,290	14.2%	74.5%	14.2%	74.5%	19.1%
Total		1,402,439	617,040,052	69,742,438	686,782,490	4,475,785,260	N/A	13.8%	N/A	15.3%	N/A	N/A
Total Excluding Los Ninos (033301)		1,401,527	615,207,516	69,287,296	684,494,812	4,471,961,085	790,906,315	13.8%	77.8%	15.3%	86.5%	17.7%
Total Excluding Los Ninos (033301) and PCH (033302)		1,287,061	550,903,313	45,251,424	596,154,737	4,182,771,728	790,906,315	13.2%	69.7%	14.3%	75.4%	18.9%

Arizona Health Care Cost Containment System
Outpatient Payment-to-Charge Analysis by Provider - CY 2014
Exhibit 4B - Summary by Provider Type

Provider Type	Number of Providers	CY 2014 OP Claims	Total OP Medicaid Claim Payments	CY 2014 Medicaid OP Supplemental Payments	Total Estimated Medicaid OP Payments	CY 2014 Medicaid OP Charges	Estimated OP Payments Under Medicare	Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare OP Payment to Charges Ratio
								Estimated Medicaid OP Payment to Charges Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	Estimated Medicaid OP Payment to Charges Ratio	Medicaid OP Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	G = B / E	H = B / F	I = D / E	J = D / F	K = F / E
Urban Acute Provider	28	563,258	256,855,283	13,010,406	269,865,690	2,263,251,259	370,947,585	11.3%	69.2%	11.9%	72.8%	16.4%
Non-CAH Rural Acute Provider	13	169,183	74,165,126	1,616,451	75,781,577	512,622,243	85,945,130	14.5%	86.3%	14.8%	88.2%	16.8%
Freestanding Children's Provider	2	115,378	66,136,739	24,491,014	90,627,754	293,013,532	49,160,535	22.6%	130.8%	30.9%	179.7%	17.0%
CAH	11	56,367	23,461,105	8,359,987	31,821,093	93,087,232	27,480,819	25.2%	85.4%	34.2%	115.8%	29.5%
LTAC Provider	0	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Small Psychiatric Providers and AZ State Hospital	0	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Large Psychiatric Provider	0	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Freestanding Rehabilitation Provider	6	184	24,502	-	24,502	160,523	51,447	15.3%	47.6%	15.3%	47.6%	32.0%
Pediatric-Intensive General Acute Hospitals	2	127,462	72,381,958	8,668,503	81,050,461	471,740,036	93,990,098	15.3%	77.0%	17.2%	86.2%	19.9%
Medium Pediatric Intensive General Acute Hospitals	6	368,544	120,904,205	13,575,599	134,479,804	823,322,298	159,574,059	14.7%	75.8%	16.3%	84.3%	19.4%
Short Term Specialty Hospital	5	555	1,500,172	-	1,500,172	9,494,077	1,653,987	15.8%	90.7%	15.8%	90.7%	17.4%
High Medicare/Out-of State Patient Utilization Hospital	1	1,508	1,610,961	20,477	1,631,438	9,094,059	2,102,654	17.7%	76.6%	17.9%	77.6%	23.1%
Total	74	1,402,439	617,040,052	69,742,438	686,782,490	4,475,785,260	N/A	13.8%	N/A	15.3%	N/A	N/A
Total Excluding Los Ninos (033301)	73	1,401,527	615,207,516	69,287,296	684,494,812	4,471,961,085	790,906,315	13.8%	77.8%	15.3%	86.5%	17.7%
Total Excluding Los Ninos (033301) and PCH (033302)	72	1,287,061	550,903,313	45,251,424	596,154,737	4,182,771,728	790,906,315	13.2%	69.7%	14.3%	75.4%	18.9%

Note: Estimated payments under Medicare, Medicare pay-to-charge ratio, and Medicaid-to-Medicare payment ratio for the freestanding children's provider type reflect data for Phoenix Children's Hospital only, since Medicare data for Los Ninos Hospital is not available.

Arizona Health Care Cost Containment System
Combined Inpatient and Outpatient Payment-to-Cost Analysis by Provider - CY 2014
Exhibit 5

Medicare ID	Provider Name	Combined Inpatient and Outpatient Payments and Costs						Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare Payment to Cost Ratio
		CY 2014 Claims/ Discharges	Combined Total Simulated Medicaid Claim Payments	Combined CY 2014 Medicaid Supplemental Payments	Combined Estimated Medicaid Claim Payments and Supplemental Payments	Estimated Medicaid Claim Costs Plus Medicaid Assessment Costs	Estimated Payments Under Medicare	Estimated Medicaid Payment to Cost Ratio	Medicaid Payment as a Percentage of Medicare Payment	Estimated Medicaid Payment to Cost Ratio	Medicaid Payment as a Percentage of Medicare Payment	
032008	ACUITY SPECIALTY HOSPITAL SUN CITY	1	4,858	-	4,858	8,881	13,818	54.7%	35.2%	54.7%	35.2%	155.6%
030107	ARIZONA SPINE AND JOINT	13	37,814	-	37,814	74,048	79,827	51.1%	47.4%	51.1%	47.4%	107.8%
030094	ARROWHEAD HOSPITAL	15,760	17,587,419	8,212	17,595,631	24,638,309	25,803,824	71.4%	68.2%	71.4%	68.2%	104.7%
034024	AURORA BEHAVIORAL HEALTH	1,925	9,946,788	-	9,946,788	8,229,465	11,840,458	120.9%	84.0%	120.9%	84.0%	143.9%
034028	Aurora Behavioral Healthcare-Tempe	1,023	5,959,310	-	5,959,310	5,649,339	7,189,836	105.5%	82.9%	105.5%	82.9%	127.3%
030112	AZ ORTHOPEDIC SURGICAL HO	290	668,569	-	668,569	744,418	903,285	89.8%	74.0%	89.8%	74.0%	121.3%
034021	AZ STATE HOSPITAL	10	642,775	-	642,775	817,185	1,494,439	78.7%	43.0%	78.7%	43.0%	182.9%
030002	BANNER - UNIVERSITY MED CTR PHOENIX	39,415	64,938,404	24,134,767	89,073,171	112,062,690	120,748,006	57.9%	53.8%	79.5%	73.8%	107.8%
030111	BANNER - UNIVERSITY MED CTR SOUTH	61,567	19,943,199	8,702,826	28,646,025	28,746,821	44,223,323	69.4%	45.1%	99.6%	64.8%	153.8%
030064	BANNER - UNIVERSITY MED CTR TUCSON	70,706	73,972,489	45,628,245	119,600,735	110,079,929	124,631,563	67.2%	59.4%	108.6%	96.0%	113.2%
030088	BANNER BAYWOOD MEDICAL CN	14,908	16,231,183	41,676	16,272,859	24,783,270	25,368,642	65.5%	64.0%	65.7%	64.1%	102.4%
034004	BANNER BEHAVIORIAL HEALTH	1,301	6,446,571	-	6,446,571	7,047,112	7,878,536	91.5%	81.8%	91.5%	81.8%	111.8%
030061	BANNER BOSWELL MED CTR	7,976	10,466,163	30,970	10,497,133	12,908,727	17,188,264	81.1%	60.9%	81.3%	61.1%	133.2%
030016	BANNER CASA GRANDE MED CTR	16,848	8,658,960	128,297	8,787,257	12,872,537	9,787,971	67.3%	88.5%	68.3%	89.8%	76.0%
030093	BANNER DEL E WEBB MED CTR	17,844	17,875,694	40,300	17,915,994	25,925,717	26,484,215	68.9%	67.5%	69.1%	67.6%	102.2%
030065	BANNER DESERT MEDICAL CEN	72,489	80,576,708	637,699	81,214,407	129,562,377	127,317,263	62.2%	63.3%	62.7%	63.8%	98.3%
030115	BANNER ESTRELLA MEDICAL	41,161	36,696,779	700,672	37,397,451	51,782,369	57,284,154	70.9%	64.1%	72.2%	65.3%	110.6%
030122	BANNER GATEWAY MEDICAL CT	20,085	19,262,789	39,388	19,302,177	38,142,227	31,251,829	50.5%	61.6%	50.6%	61.8%	81.9%
030126	BANNER GOLDFIELD MD CTR	5,146	2,222,111	151,039	2,373,150	3,412,838	3,241,462	65.1%	68.6%	69.5%	73.2%	95.0%
030105	BANNER HEART HOSPITAL	386	1,997,628	-	1,997,628	3,696,815	3,652,474	54.0%	54.7%	54.0%	54.7%	98.8%
030130	BANNER IRONWOOD MEDICAL CENTER	10,455	7,653,370	1,104,648	8,758,018	16,456,290	8,217,657	46.5%	93.1%	53.2%	106.6%	49.9%
030089	BANNER THUNDERBIRD MEDICA	51,690	59,992,249	534,233	60,526,482	102,415,946	94,105,174	58.6%	63.8%	59.1%	64.3%	91.9%
031301	BENSON HOSPITAL	3,519	1,412,772	483,419	1,896,191	2,101,041	2,057,856	67.2%	68.7%	90.3%	92.1%	97.9%
030011	CARONDELET ST JOSEPHS-TUC	16,326	17,262,917	36,549	17,299,466	28,524,164	24,978,843	60.5%	69.1%	60.6%	69.3%	87.6%
030010	CARONDELET ST MARYS HOSP	28,785	25,965,038	274,056	26,239,094	34,596,164	40,358,861	75.1%	64.3%	75.8%	65.0%	116.7%
030036	CHANDLER REGIONAL MED.CTR	30,234	25,013,003	64,513	25,077,516	41,542,825	32,015,413	60.2%	78.1%	60.4%	78.3%	77.1%
031314	COBRE VALLEY COMM HOSP	10,684	5,341,123	2,851,803	8,192,926	6,833,414	6,410,476	78.2%	83.3%	119.9%	127.8%	93.8%
034027	Community Counseling Centers, Inc at PineView Hospital	228	869,278	-	869,278	1,710,582	1,308,217	50.8%	66.4%	50.8%	66.4%	76.5%
031312	COPPER QUEEN HOSPITAL	9,385	2,489,423	909,292	3,398,715	3,094,056	3,610,651	80.5%	68.9%	109.8%	94.1%	116.7%
032004	CORNERSTONE HOSPITAL OF S	1	3,886	-	3,886	56,189	62,580	6.9%	6.2%	6.9%	6.2%	111.4%
030092	DEER VALLEY MEDICAL CENTER	27,897	20,329,176	258,016	20,587,192	27,215,964	29,479,250	74.7%	69.0%	75.6%	69.8%	108.3%
030023	FLAGSTAFF MEDICAL CENTER	16,749	20,571,452	1,208,708	21,780,159	36,882,821	33,925,821	55.8%	60.6%	59.1%	64.2%	92.0%
030132	FLORENCE HOSPITAL AT ANTHEM	4,672	2,266,051	164,370	2,430,421	3,896,563	2,866,114	58.2%	79.1%	62.4%	84.8%	73.6%
030120	GILBERT HOSPITAL, L.L.C.	6,323	2,220,853	9,379	2,230,231	5,950,136	3,448,471	37.3%	64.4%	37.5%	64.7%	58.0%
030069	HAVASU REG MED CENTER LLC	12,172	10,343,508	18,641	10,362,149	13,507,627	11,736,792	76.6%	88.1%	76.7%	88.3%	86.9%
034020	HAVEN SENIOR HORIZONS	44	286,578	-	286,578	298,985	333,954	95.9%	85.8%	95.9%	85.8%	111.7%
033037	HEALTHSOUTH E.VALLEY REHA	32	267,459	-	267,459	311,224	458,199	85.9%	58.4%	85.9%	58.4%	147.2%
033025	HEALTHSOUTH MERIDIAN PT.	26	78,294	-	78,294	94,238	127,285	83.1%	61.5%	83.1%	61.5%	135.1%
033028	HEALTHSOUTH REHAB INST.	96	198,294	-	198,294	210,035	276,037	94.4%	71.8%	94.4%	71.8%	131.4%
033032	HEALTHSOUTH VALLEY OF SUN	20	141,611	-	141,611	143,519	215,216	98.7%	65.8%	98.7%	65.8%	150.0%
033029	HLTHSOUTH REHAB.HOSP.OF.S	13	112,335	-	112,335	137,907	151,458	81.5%	74.2%	81.5%	74.2%	109.8%
031313	HOLY CROSS HOSPITAL-ARIZ	9,165	4,600,893	3,043,048	7,643,941	5,718,103	5,261,765	80.5%	87.4%	133.7%	145.3%	92.0%
030014	JOHN C. LINCOLN MEDICAL CENTER	27,691	30,444,685	3,000,393	33,445,078	42,820,168	47,367,408	71.1%	64.3%	78.1%	70.6%	110.6%
032000	KINDRED HOSP AZ-NORTHWEST	3	45,241	-	45,241	209,690	221,869	21.6%	20.4%	21.6%	20.4%	105.8%
032002	KINDRED HOSPITAL-TUCSON	4	97,283	-	97,283	147,571	151,098	65.9%	64.4%	65.9%	64.4%	102.4%
030055	KINGMAN REGIONAL MED CTR	34,512	20,839,272	1,664,190	22,503,462	28,914,316	28,194,764	72.1%	73.9%	77.8%	79.8%	97.5%
030067	LA PAZ REGIONAL HOSPITAL	2,601	1,159,608	598,250	1,757,858	1,313,301	1,433,827	88.3%	80.9%	133.9%	122.6%	109.2%
031311	LITTLE COLORADO MED CTR	5,540	3,719,877	2,485,571	6,205,448	5,130,914	4,882,719	72.5%	76.2%	120.9%	127.1%	95.2%
033301	LOS NINOS HOSPITAL	1,060	2,709,317	1,379,220	4,088,537	3,350,770	N/A	80.9%	N/A	122.0%	N/A	N/A
030022	MARICOPA MEDICAL CENTER	219,064	78,984,746	39,659,845	118,644,591	111,026,668	153,067,017	71.1%	51.6%	106.9%	77.5%	137.9%
030001	MARYVALE HOSPITAL MED CTR	26,005	13,695,775	387,436	14,083,211	18,048,013	23,342,843	75.9%	58.7%	78.0%	60.3%	129.3%
030103	MAYO CLINIC HOSPITAL	1,682	3,717,328	21,110	3,738,438	8,441,828	6,504,645	44.0%	57.1%	44.3%	57.5%	77.1%

**Arizona Health Care Cost Containment System
Combined Inpatient and Outpatient Payment-to-Cost Analysis by Provider - CY 2014
Exhibit 5**

Medicare ID	Provider Name	Combined Inpatient and Outpatient Payments and Costs						Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare Payment to Cost Ratio
		CY 2014 Claims/ Discharges	Combined Total Simulated Medicaid Claim Payments	Combined CY 2014 Medicaid Supplemental Payments	Combined Estimated Medicaid Claim Payments and Supplemental Payments	Estimated Medicaid Claim Costs Plus Medicaid Assessment Costs	Estimated Payments Under Medicare	Estimated Medicaid Payment to Cost Ratio	Medicaid Payment as a Percentage of Medicare Payment	Estimated Medicaid Payment to Cost Ratio	Medicaid Payment as a Percentage of Medicare Payment	
030119	MERCY GILBERT MED CENTER	12,340	12,989,795	35,068	13,024,863	21,122,868	16,376,550	61.5%	79.3%	61.7%	79.5%	77.5%
033036	MOUNTAIN VALLEY REG REHAB	81	229,473	-	229,473	325,135	479,005	70.6%	47.9%	70.6%	47.9%	147.3%
030121	MOUNTAIN VISTA MED CTR	11,467	14,641,879	21,847	14,663,726	20,131,056	20,382,825	72.7%	71.8%	72.8%	71.9%	101.3%
030068	MT. GRAHAM REG. MED. CTR.	13,146	5,910,728	628,605	6,539,334	10,682,389	7,035,658	55.3%	84.0%	61.2%	92.9%	65.9%
031302	NORTHERN COCHISE HOSPITAL	3,024	1,508,879	551,964	2,060,843	1,940,610	2,142,294	77.8%	70.4%	106.2%	96.2%	110.4%
030085	NORTHWEST MEDICAL CENTER	38,571	22,273,140	23,121	22,296,261	33,205,095	30,445,646	67.1%	73.2%	67.1%	73.2%	91.7%
030114	ORO VALLEY HOSPITAL	5,398	3,108,928	6,228	3,115,156	4,708,202	4,952,129	66.0%	62.8%	66.2%	62.9%	105.2%
030131	ORTHOPEDIC AND SPINE INPATIENT SURGI	105	443,834	-	443,834	893,837	813,294	49.7%	54.6%	49.7%	54.6%	91.0%
031304	PAGE HOSPITAL	6,411	3,349,327	1,438,501	4,787,828	5,294,557	5,800,894	63.3%	57.7%	90.4%	82.5%	109.6%
030083	PARADISE VALLEY HOSPITAL	13,444	8,744,078	57,982	8,802,060	13,207,059	13,706,568	66.2%	63.8%	66.6%	64.2%	103.8%
030033	PAYSON HOSPITAL CORP.	7,931	4,816,979	804,579	5,621,559	5,929,366	4,916,441	81.2%	98.0%	94.8%	114.3%	82.9%
030030	PHOENIX BAPTIST HOSPITAL	38,279	28,741,242	163,376	28,904,618	38,467,685	45,157,582	74.7%	63.6%	75.1%	64.0%	117.4%
033302	PHOENIX CHILDREN'S HOSP	119,840	113,564,785	133,638,991	247,203,776	195,971,036	144,810,357	57.9%	78.4%	126.1%	170.7%	73.9%
032006	PROMISE HOSPITAL OF PHX	4	28,286	-	28,286	103,633	82,877	27.3%	34.1%	27.3%	34.1%	80.0%
030038	SCOTTSDALE OSBORN MEDICAL CENTER	15,327	17,094,247	4,384,097	21,478,344	31,146,613	28,771,079	54.9%	59.4%	69.0%	74.7%	92.4%
030087	SCOTTSDALE SHEA MEDICAL CENTER	8,382	10,828,433	329,485	11,157,918	18,989,034	15,216,705	57.0%	71.2%	58.8%	73.3%	80.1%
030123	SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	1,634	1,949,954	5,980	1,955,933	3,210,499	2,754,303	60.7%	70.8%	60.9%	71.0%	85.8%
032001	SELECT SPECIALTY HOSP-PHX	4	123,707	-	123,707	192,899	302,546	64.1%	40.9%	64.1%	40.9%	156.8%
032005	SELECT SPECIALTY-PHX D/T	3	31,077	-	31,077	57,646	59,682	53.9%	52.1%	53.9%	52.1%	103.5%
030043	SIERRA VISTA REG HLTH CTR	10,492	6,380,344	1,041,341	7,421,685	9,216,572	13,932,299	69.2%	45.8%	80.5%	53.3%	151.2%
034022	SONORA BEHAVIORAL HEALTH	1,005	5,573,844	-	5,573,844	4,561,733	6,383,793	122.2%	87.3%	122.2%	87.3%	139.9%
031303	SOUTHEAST MEDICAL CENTER	3,554	1,398,498	514,273	1,912,771	1,794,077	1,537,449	78.0%	91.0%	106.6%	124.4%	85.7%
030024	ST JOSEPH'S HOSPITAL-PHX	48,534	72,998,873	27,409,868	100,408,741	100,523,912	102,888,395	72.6%	70.9%	99.9%	97.6%	102.4%
034013	ST LUKE'S BEHAVIORAL HOSP	1,714	11,457,552	-	11,457,552	12,075,598	12,982,314	94.9%	88.3%	94.9%	88.3%	107.5%
030062	SUMMIT HEALTHCARE REG.MED	19,582	12,785,495	1,753,572	14,539,068	20,324,719	16,547,116	62.9%	77.3%	71.5%	87.9%	81.4%
030108	SURGICAL SPECIALTY HOSP	70	167,584	-	167,584	204,869	160,844	81.8%	104.2%	81.8%	104.2%	78.5%
030037	TEMPE ST. LUKE'S HOSPITAL	25,580	20,271,733	214,844	20,486,577	23,934,654	29,051,914	84.7%	69.8%	85.6%	70.5%	121.4%
034023	The Guidance Center, Inc.	211	645,732	-	645,732	728,725	1,045,485	88.6%	61.8%	88.6%	61.8%	143.5%
030006	TUCSON MEDICAL CENTER	59,173	52,190,257	6,436,097	58,626,354	81,089,003	97,975,231	64.4%	53.3%	72.3%	59.8%	120.8%
034026	VALLEY HOSPITAL	693	5,515,556	-	5,515,556	4,574,155	6,353,692	120.6%	86.8%	120.6%	86.8%	138.9%
030117	VALLEY VIEW MEDICAL CENT	11,581	5,586,004	981,384	6,567,388	7,490,549	6,509,693	74.6%	85.8%	87.7%	100.9%	86.9%
030007	VERDE VALLEY MEDICAL CTR.	14,771	9,043,197	1,459,790	10,502,988	14,595,085	10,666,046	62.0%	84.8%	72.0%	98.5%	73.1%
030110	WEST VALLEY HOSPITAL MED	28,436	18,981,143	200,480	19,181,623	22,788,791	27,688,613	83.3%	68.6%	84.2%	69.3%	121.5%
030101	WESTERN AZ REG MED CTR	11,902	12,457,586	34,708	12,492,295	10,156,353	10,088,868	122.7%	123.5%	123.0%	123.8%	99.3%
031315	WHITE MNTN REG MED CNTR	2,637	1,018,656	364,311	1,382,967	2,344,731	2,153,009	43.4%	47.3%	59.0%	64.2%	91.8%
031300	WICKENBURG COMMUNITY HOSP	1,351	607,024	301,369	908,393	937,526	837,007	64.7%	72.5%	96.9%	108.5%	89.3%
034025	WINDHAVEN PSYCHIATRIC HOS	386	1,289,894	-	1,289,894	1,649,257	256,731	78.2%	502.4%	78.2%	502.4%	15.6%
030012	YAVAPAI REG MED CENTER	5,902	4,521,972	7,135	4,529,106	6,384,879	5,804,031	70.8%	77.9%	70.9%	78.0%	90.9%
030118	YRMC EAST	19,090	11,799,228	1,486,351	13,285,578	17,807,334	14,053,608	66.3%	84.0%	74.6%	94.5%	78.9%
030013	YUMA REGIONAL MED CENTER	44,076	36,192,675	1,079,396	37,272,070	51,819,303	46,838,214	69.8%	77.3%	71.9%	79.6%	90.4%
033034	YUMA REHABILITATION HOSPI	19	77,707	-	77,707	78,796	118,916	98.6%	65.3%	98.6%	65.3%	150.9%
Total		1,551,682	1,298,308,231	325,775,524	1,624,083,755	1,952,945,946	N/A	66.5%	N/A	83.2%	N/A	N/A
Total Estimated Payments With 5 Percent Medicaid Payment Reduction		1,551,682	1,233,392,819	325,775,524	1,559,168,343	1,952,945,946	N/A	63.2%	N/A	79.8%	N/A	N/A
Total Excluding Los Ninos (033301)		1,550,622	1,295,598,914	324,396,304	1,619,995,218	1,949,595,176	1,971,035,177	66.5%	65.7%	83.1%	82.2%	101.1%
Total Excluding Los Ninos (033301) With 5 Percent Medicaid Payment Reduction		1,550,622	1,230,818,968	324,396,304	1,555,215,272	1,949,595,176	1,971,035,177	63.1%	62.4%	79.8%	78.9%	101.1%
Total Excluding Los Ninos (033301) and PCH (033302)		1,430,782	1,182,034,129	190,757,313	1,372,791,442	1,753,624,140	1,971,035,177	67.4%	60.0%	78.3%	69.6%	112.4%
Total Excluding Los Ninos (033301) and PCH (033302) With 5 Percent Medicaid Payment Reduction		1,430,782	1,122,932,422	190,757,313	1,313,689,735	1,665,942,933	1,971,035,177	67.4%	57.0%	78.9%	66.6%	118.3%

Note: Estimated claim costs are based on a statewide standardized revenue code crosswalk; using a provider-specific revenue code crosswalk would result in different cost estimates than shown in the analysis.

Arizona Health Care Cost Containment System
Combined Inpatient and Outpatient Payment-to-Charge Analysis by Provider - CY 2014
Exhibit 6

Medicare ID	Provider Name	Combined Inpatient and Outpatient Payments and Charges						Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare Payment to Charge Ratio
		CY 2014 Claims/ Discharges	Combined Total Simulated Medicaid Claim Payments	Combined CY 2014 Medicaid Supplemental Payments	Combined Estimated Medicaid Payments and Supplemental Payments	Estimated Medicaid Claim Charges	Estimated Payments Under Medicare	Estimated Payment to Charge Ratio	Medicaid Payment as a Percentage of Medicare Payment	Estimated Payment to Charge Ratio	Medicaid Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	F = B / E	G = B / F	H = D / E	I = D / F	J = F / E
032008	ACUITY SPECIALTY HOSPITAL SUN CITY	1	4,858	-	4,858	39,409	13,818	12.3%	35.2%	12.3%	35.2%	35.1%
030107	ARIZONA SPINE AND JOINT	13	37,814	-	37,814	276,480	79,827	13.7%	47.4%	13.7%	47.4%	28.9%
030094	ARROWHEAD HOSPITAL	15,760	17,587,419	8,212	17,595,631	106,368,759	25,803,824	16.5%	68.2%	16.5%	68.2%	24.3%
034024	AURORA BEHAVIORAL HEALTH	1,925	9,946,788	-	9,946,788	22,806,005	11,840,458	43.6%	84.0%	43.6%	84.0%	51.9%
034028	Aurora Behavioral Healthcare-Tempe	1,023	5,959,310	-	5,959,310	13,606,114	7,189,836	43.8%	82.9%	43.8%	82.9%	52.8%
030112	AZ ORTHOPEDIC SURGICAL HO	290	668,569	-	668,569	5,366,945	903,285	12.5%	74.0%	12.5%	74.0%	16.8%
034021	AZ STATE HOSPITAL	10	642,775	-	642,775	734,640	1,494,439	87.5%	43.0%	87.5%	43.0%	203.4%
030002	BANNER - UNIVERSITY MED CTR PHOENIX	39,415	64,938,404	24,134,767	89,073,171	453,938,581	120,748,006	14.3%	53.8%	19.6%	73.8%	26.6%
030111	BANNER - UNIVERSITY MED CTR SOUTH	61,567	19,943,199	8,702,826	28,646,025	118,094,919	44,223,323	16.9%	45.1%	24.3%	64.8%	37.4%
030064	BANNER - UNIVERSITY MED CTR TUCSON	70,706	73,972,489	45,628,245	119,600,735	488,134,916	124,631,563	15.2%	59.4%	24.5%	96.0%	25.5%
030088	BANNER BAYWOOD MEDICAL CN	14,908	16,231,183	41,676	16,272,859	133,223,621	25,368,642	12.2%	64.0%	12.2%	64.1%	19.0%
034004	BANNER BEHAVIORAL HEALTH	1,301	6,446,571	-	6,446,571	18,732,625	7,878,536	34.4%	81.8%	34.4%	81.8%	42.1%
030061	BANNER BOSWELL MED CTR	7,976	10,466,163	30,970	10,497,133	86,384,057	17,188,264	12.1%	60.9%	12.2%	61.1%	19.9%
030016	BANNER CASA GRANDE MED CTR	16,848	8,658,960	128,297	8,787,257	47,148,860	9,787,971	18.4%	88.5%	18.6%	89.8%	20.8%
030093	BANNER DEL E WEBB MED CTR	17,844	17,875,694	40,300	17,915,994	153,821,852	26,484,215	11.6%	67.5%	11.6%	67.6%	17.2%
030065	BANNER DESERT MEDICAL CEN	72,489	80,576,708	637,699	81,214,407	544,033,845	127,317,263	14.8%	63.3%	14.9%	63.8%	23.4%
030115	BANNER ESTRELLA MEDICAL	41,161	36,696,779	700,672	37,397,451	326,398,745	57,284,154	11.2%	64.1%	11.5%	65.3%	17.6%
030122	BANNER GATEWAY MEDICAL CT	20,085	19,262,789	39,388	19,302,177	157,719,518	31,251,829	12.2%	61.6%	12.2%	61.8%	19.8%
030126	BANNER GOLDFIELD MD CTR	5,146	2,222,111	151,039	2,373,150	20,321,822	3,241,462	10.9%	68.6%	11.7%	73.2%	16.0%
030105	BANNER HEART HOSPITAL	386	1,997,628	-	1,997,628	21,778,283	3,652,474	9.2%	54.7%	9.2%	54.7%	16.8%
030130	BANNER IRONWOOD MEDICAL CENTER	10,455	7,653,370	1,104,648	8,758,018	56,148,434	8,217,657	13.6%	93.1%	15.6%	106.6%	14.6%
030089	BANNER THUNDERBIRD MEDICA	51,690	59,992,249	534,233	60,526,482	424,837,201	94,105,174	14.1%	63.8%	14.2%	64.3%	22.2%
031301	BENSON HOSPITAL	3,519	1,412,772	483,419	1,896,191	3,955,440	2,057,856	35.7%	68.7%	47.9%	92.1%	52.0%
030011	CARONDELET ST JOSEPHS-TUC	16,326	17,262,917	36,549	17,299,466	118,549,397	24,978,843	14.6%	69.1%	14.6%	69.3%	21.1%
030010	CARONDELET ST MARYS HOSP	28,785	25,965,038	274,056	26,239,094	180,941,548	40,358,861	14.3%	64.3%	14.5%	65.0%	22.3%
030036	CHANDLER REGIONAL MED. CTR	30,234	25,013,003	64,513	25,077,516	224,070,719	32,015,413	11.2%	78.1%	11.2%	78.3%	14.3%
031314	COBRE VALLEY COMM HOSP	10,684	5,341,123	2,851,803	8,192,926	15,171,752	6,410,476	35.2%	83.3%	54.0%	127.8%	42.3%
034027	Community Counseling Centers, Inc at PineView Hospital	228	869,278	-	869,278	1,480,704	1,308,217	58.7%	66.4%	58.7%	66.4%	88.4%
031312	COPPER QUEEN HOSPITAL	9,385	2,489,423	909,292	3,398,715	14,211,324	3,610,651	17.5%	68.9%	23.9%	94.1%	25.4%
032004	CORNERSTONE HOSPITAL OF S	1	3,886	-	3,886	186,564	62,580	2.1%	6.2%	2.1%	6.2%	33.5%
030092	DEER VALLEY MEDICAL CENTER	27,897	20,329,176	258,016	20,587,192	161,967,299	29,479,250	12.6%	69.0%	12.7%	69.8%	18.2%
030023	FLAGSTAFF MEDICAL CENTER	16,749	20,571,452	1,208,708	21,780,159	99,451,172	33,925,821	20.7%	60.6%	21.9%	64.2%	34.1%
030132	FLORENCE HOSPITAL AT ANTHEM	4,672	2,266,051	164,370	2,430,421	21,175,327	2,866,114	10.7%	79.1%	11.5%	84.8%	13.5%
030120	GILBERT HOSPITAL, L.L.C.	6,323	2,220,853	9,379	2,230,231	25,517,389	3,448,471	8.7%	64.4%	8.7%	64.7%	13.5%
030069	HAVASU REG MED CENTER LLC	12,172	10,343,508	18,641	10,362,149	72,994,225	11,736,792	14.2%	88.1%	14.2%	88.3%	16.1%
034020	HAVEN SENIOR HORIZONS	44	286,578	-	286,578	503,223	333,954	56.9%	85.8%	56.9%	85.8%	66.4%
033037	HEALTHSOUTH E.VALLEY REHA	32	267,459	-	267,459	619,295	458,199	43.2%	58.4%	43.2%	58.4%	74.0%
033025	HEALTHSOUTH MERIDIAN PT.	26	78,294	-	78,294	171,858	127,285	45.6%	61.5%	45.6%	61.5%	74.1%
033028	HEALTHSOUTH REHAB INST.	96	198,294	-	198,294	441,479	276,037	44.9%	71.8%	44.9%	71.8%	62.5%
033032	HEALTHSOUTH VALLEY OF SUN	20	141,611	-	141,611	296,586	215,216	47.7%	65.8%	47.7%	65.8%	72.6%
033029	HLTHSOUTH REHAB.HOSP.OF.S	13	112,335	-	112,335	217,367	151,458	51.7%	74.2%	51.7%	74.2%	69.7%
031313	HOLY CROSS HOSPITAL-ARIZ	9,165	4,600,893	3,043,048	7,643,941	22,097,742	5,261,765	20.8%	87.4%	34.6%	145.3%	23.8%
030014	JOHN C. LINCOLN MEDICAL CENTER	27,691	30,444,685	3,000,393	33,445,078	246,057,536	47,367,408	12.4%	64.3%	13.6%	70.6%	19.3%
032000	KINDRED HOSP AZ-NORTHWEST	3	45,241	-	45,241	669,612	221,869	6.8%	20.4%	6.8%	20.4%	33.1%
032002	KINDRED HOSPITAL-TUCSON	4	97,283	-	97,283	388,103	151,098	25.1%	64.4%	25.1%	64.4%	38.9%
030055	KINGMAN REGIONAL MED CTR	34,512	20,839,272	1,664,190	22,503,462	145,084,846	28,194,764	14.4%	73.9%	15.5%	79.8%	19.4%
030067	LA PAZ REGIONAL HOSPITAL	2,601	1,159,608	598,250	1,757,858	4,619,015	1,433,827	25.1%	80.9%	38.1%	122.6%	31.0%
031311	LITTLE COLORADO MED CTR	5,540	3,719,877	2,485,571	6,205,448	22,272,114	4,882,719	16.7%	76.2%	27.9%	127.1%	21.9%
033301	LOS NINOS HOSPITAL	1,060	2,709,317	1,379,220	4,088,537	8,770,736	N/A	30.9%	N/A	46.6%	N/A	N/A
030022	MARICOPA MEDICAL CENTER	219,064	78,984,746	39,659,845	118,644,591	580,116,923	153,067,017	13.6%	51.6%	20.5%	77.5%	26.4%
030001	MARYVALE HOSPITAL MED CTR	26,005	13,695,775	387,436	14,083,211	101,399,511	23,342,843	13.5%	58.7%	13.9%	60.3%	23.0%
030103	MAYO CLINIC HOSPITAL	1,682	3,717,328	21,110	3,738,438	21,216,394	6,504,645	17.5%	57.1%	17.6%	57.5%	30.7%
030119	MERCY GILBERT MED CENTER	12,340	12,989,795	35,068	13,024,863	117,764,881	16,376,550	11.0%	79.3%	11.1%	79.5%	13.9%

Arizona Health Care Cost Containment System
Combined Inpatient and Outpatient Payment-to-Charge Analysis by Provider - CY 2014
Exhibit 6

Medicare ID	Provider Name	Combined Inpatient and Outpatient Payments and Charges						Estimated Ratios Excluding Supplemental Payments		Estimated Ratios Including Supplemental Payments		Estimated Medicare Payment to Charge Ratio
		CY 2014 Claims/ Discharges	Combined Total Simulated Medicaid Claim Payments	Combined CY 2014 Medicaid Supplemental Payments	Combined Estimated Medicaid Payments and Supplemental Payments	Estimated Medicaid Claim Charges	Estimated Payments Under Medicare	Estimated Payment to Charge Ratio	Medicaid Payment as a Percentage of Medicare Payment	Estimated Payment to Charge Ratio	Medicaid Payment as a Percentage of Medicare Payment	
		A	B	C	D = B + C	E	F	F = B / E	G = B / F	H = D / E	I = D / F	J = F / E
033036	MOUNTAIN VALLEY REG REHAB	81	229,473	-	229,473	629,583	479,005	36.4%	47.9%	36.4%	47.9%	76.1%
030121	MOUNTAIN VISTA MED CTR	11,467	14,641,879	21,847	14,663,726	129,209,666	20,382,825	11.3%	71.8%	11.3%	71.9%	15.8%
030068	MT. GRAHAM REG. MED. CTR.	13,146	5,910,728	628,605	6,539,334	24,485,731	7,035,658	24.1%	84.0%	26.7%	92.9%	28.7%
031302	NORTHERN COCHISE HOSPITAL	3,024	1,508,879	551,964	2,060,843	5,012,485	2,142,294	30.1%	70.4%	41.1%	96.2%	42.7%
030085	NORTHWEST MEDICAL CENTER	38,571	22,273,140	23,121	22,296,261	196,089,338	30,445,646	11.4%	73.2%	11.4%	73.2%	15.5%
030114	ORO VALLEY HOSPITAL	5,398	3,108,928	6,228	3,115,156	31,058,910	4,952,129	10.0%	62.8%	10.0%	62.9%	15.9%
030131	ORTHOPEDIC AND SPINE INPATIENT SURGI	105	443,834	-	443,834	2,482,954	813,294	17.9%	54.6%	17.9%	54.6%	32.8%
031304	PAGE HOSPITAL	6,411	3,349,327	1,438,501	4,787,828	11,792,826	5,800,894	28.4%	57.7%	40.6%	82.5%	49.2%
030083	PARADISE VALLEY HOSPITAL	13,444	8,744,078	57,982	8,802,060	62,030,288	13,706,568	14.1%	63.8%	14.2%	64.2%	22.1%
030033	PAYSON HOSPITAL CORP.	7,931	4,816,979	804,579	5,621,559	46,287,996	4,916,441	10.4%	98.0%	12.1%	114.3%	10.6%
030030	PHOENIX BAPTIST HOSPITAL	38,279	28,741,242	163,376	28,904,618	180,700,338	45,157,582	15.9%	63.6%	16.0%	64.0%	25.0%
033302	PHOENIX CHILDREN'S HOSP	119,840	113,564,785	133,638,991	247,203,776	597,404,974	144,810,357	19.0%	78.4%	41.4%	170.7%	24.2%
032006	PROMISE HOSPITAL OF PHX	4	28,286	-	28,286	267,769	82,877	10.6%	34.1%	10.6%	34.1%	31.0%
030038	SCOTTSDALE OSBORN MEDICAL CENTER	15,327	17,094,247	4,384,097	21,478,344	153,084,708	28,771,079	11.2%	59.4%	14.0%	74.7%	18.8%
030087	SCOTTSDALE SHEA MEDICAL CENTER	8,382	10,828,433	329,485	11,157,918	86,713,535	15,216,705	12.5%	71.2%	12.9%	73.3%	17.5%
030123	SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	1,634	1,949,954	5,980	1,955,933	16,657,406	2,754,303	11.7%	70.8%	11.7%	71.0%	16.5%
032001	SELECT SPECIALTY HOSP-PHX	4	123,707	-	123,707	660,026	302,546	18.7%	40.9%	18.7%	40.9%	45.8%
032005	SELECT SPECIALTY-PHX D/T	3	31,077	-	31,077	147,162	59,682	21.1%	52.1%	21.1%	52.1%	40.6%
030043	SIERRA VISTA REG HLTH CTR	10,492	6,380,344	1,041,341	7,421,685	35,585,855	13,932,299	17.9%	45.8%	20.9%	53.3%	39.2%
034022	SONORA BEHAVIORAL HEALTH	1,005	5,573,844	-	5,573,844	11,933,462	6,383,793	46.7%	87.3%	46.7%	87.3%	53.5%
031303	SOUTHEAST MEDICAL CENTER	3,554	1,398,498	514,273	1,912,771	4,281,763	1,537,449	32.7%	91.0%	44.7%	124.4%	35.9%
030024	ST JOSEPH'S HOSPITAL-PHX	48,534	72,998,873	27,409,868	100,408,741	476,085,035	102,888,395	15.3%	70.9%	21.1%	97.6%	21.6%
034013	ST LUKE'S BEHAVIORAL HOSP	1,714	11,457,552	-	11,457,552	47,511,864	12,982,314	24.1%	88.3%	24.1%	88.3%	27.3%
030062	SUMMIT HEALTHCARE REG.MED	19,582	12,785,495	1,753,572	14,539,068	72,273,907	16,547,116	17.7%	77.3%	20.1%	87.9%	22.9%
030108	SURGICAL SPECIALTY HOSP	70	167,584	-	167,584	703,809	160,844	23.8%	104.2%	23.8%	104.2%	22.9%
030037	TEMPE ST. LUKE'S HOSPITAL	25,580	20,271,733	214,844	20,486,577	163,254,112	29,051,914	12.4%	69.8%	12.5%	70.5%	17.8%
034023	The Guidance Center, Inc.	211	645,732	-	645,732	1,091,249	1,045,485	59.2%	61.8%	59.2%	61.8%	95.8%
030006	TUCSON MEDICAL CENTER	59,173	52,190,257	6,436,097	58,626,354	300,824,908	97,975,231	17.3%	53.3%	19.5%	59.8%	32.6%
034026	VALLEY HOSPITAL	693	5,515,556	-	5,515,556	17,951,392	6,353,692	30.7%	86.8%	30.7%	86.8%	35.4%
030117	VALLEY VIEW MEDICAL CENT	11,581	5,586,004	981,384	6,567,388	48,597,397	6,509,693	11.5%	85.8%	13.5%	100.9%	13.4%
030007	VERDE VALLEY MEDICAL CTR.	14,771	9,043,197	1,459,790	10,502,988	54,409,217	10,666,046	16.6%	84.8%	19.3%	98.5%	19.6%
030110	WEST VALLEY HOSPITAL MED	28,436	18,981,143	200,480	19,181,623	131,329,008	27,688,613	14.5%	68.6%	14.6%	69.3%	21.1%
030101	WESTERN AZ REG MED CTR	11,902	12,457,586	34,708	12,492,295	110,016,123	10,088,868	11.3%	123.5%	11.4%	123.8%	9.2%
031315	WHITE MNTN REG MED CNTR	2,637	1,018,656	364,311	1,382,967	3,688,902	2,153,009	27.6%	47.3%	37.5%	64.2%	58.4%
031300	WICKENBURG COMMUNITY HOSP	1,351	607,024	301,369	908,393	2,229,912	837,007	27.2%	72.5%	40.7%	108.5%	37.5%
034025	WINDHAVEN PSYCHIATRIC HOS	386	1,289,894	-	1,289,894	2,288,696	256,731	56.4%	502.4%	56.4%	502.4%	11.2%
030012	YAVAPAI REG MED CENTER	5,902	4,521,972	7,135	4,529,106	26,731,207	5,804,031	16.9%	77.9%	16.9%	78.0%	21.7%
030118	YRMC EAST	19,090	11,799,228	1,486,351	13,285,578	65,857,042	14,053,608	17.9%	84.0%	20.2%	94.5%	21.3%
030013	YUMA REGIONAL MED CENTER	44,076	36,192,675	1,079,396	37,272,070	204,452,127	46,838,214	17.7%	77.3%	18.2%	79.6%	22.9%
033034	YUMA REHABILITATION HOSPI	19	77,707	-	77,707	161,911	118,916	48.0%	65.3%	48.0%	65.3%	73.4%
Total		1,551,682	1,298,308,231	325,775,524	1,624,083,755	8,738,270,301	N/A	14.9%	N/A	18.6%	N/A	N/A
Total Estimated Payments With 5 Percent Medicaid Payment Reduction		1,551,682	1,233,392,819	325,775,524	1,542,879,567	8,738,270,301	N/A	14.1%	N/A	17.7%	N/A	N/A
Total Excluding Los Ninos (033301)		1,550,622	1,295,598,914	324,396,304	1,619,995,218	8,729,499,565	1,971,035,177	14.8%	65.7%	18.6%	82.2%	22.6%
Total Excluding Los Ninos (033301) With 5 Percent Medicaid Payment Reduction		1,550,622	1,230,818,968	324,396,304	1,555,215,272	8,729,499,565	1,971,035,177	14.1%	62.4%	17.8%	78.9%	22.6%
Total Excluding Los Ninos (033301) and PCH (033302)		1,430,782	1,182,034,129	190,757,313	1,372,791,442	8,132,094,591	1,971,035,177	14.5%	60.0%	16.9%	69.6%	24.2%
Total Excluding Los Ninos (033301) and PCH (033302) With 5 Percent Medicaid Payment Reduction		1,430,782	1,122,932,422	190,757,313	1,313,689,735	8,132,094,591	1,971,035,177	13.8%	57.0%	16.2%	66.6%	24.2%

**Arizona Health Care Cost Containment System
Occupancy Analysis FYE 2011 through FYE 2013
Exhibit 7**

Medicare Provider	Hospital Name	FYE 2011 Occupancy Rate	FYE 2012 Occupancy Rate	FYE 2013 Occupancy Rate	Comments
030001	MARYVALE HOSPITAL MED CTR	26.5%	24.3%	22.2%	
030002	BANNER - UNIVERSITY MED CTR PHOENIX	79.0%	70.8%	63.7%	
030006	TUCSON MEDICAL CENTER	74.0%	71.8%	64.6%	
030007	VERDE VALLEY MEDICAL CTR.	48.3%	46.5%	46.7%	
030010	CARONDELET ST MARYS HOSP	51.5%	39.9%	37.5%	
030011	CARONDELET ST JOSEPHS-TUC	60.4%	51.6%	49.0%	
030012	YAVAPAI REG MED CENTER	50.3%	62.4%	49.7%	
030013	YUMA REGIONAL MED CENTER	52.5%	51.4%	48.4%	
030014	JOHN C. LINCOLN MEDICAL CENTER	71.9%	75.7%	78.4%	
030016	BANNER CASA GRANDE MED CTR	56.2%	54.1%	54.5%	
030022	MARICOPA MEDICAL CENTER	68.3%	68.2%	78.1%	
030023	FLAGSTAFF MEDICAL CENTER	63.3%	60.2%	64.6%	
030024	ST JOSEPH'S HOSPITAL-PHX	76.1%	75.5%	70.4%	
030030	PHOENIX BAPTIST HOSPITAL	47.4%	48.8%	45.1%	
030033	PAYSON HOSPITAL CORP.	55.4%	49.7%	46.3%	
030036	CHANDLER REGIONAL MED.CTR	95.2%	88.4%	83.3%	
030037	TEMPE ST. LUKE'S HOSPITAL	46.8%	51.4%	52.5%	
030038	SCOTTSDALE OSBORN MEDICAL CENTER	58.8%	60.5%	57.2%	
030043	SIERRA VISTA REG HLTH CTR	77.2%	52.2%	46.2%	
030055	KINGMAN REGIONAL MED CTR	51.0%	56.2%	55.2%	
030061	BANNER BOSWELL MED CTR	59.6%	54.0%	49.2%	
030062	SUMMIT HEALTHCARE REG.MED	39.5%	42.2%	41.9%	
030064	BANNER - UNIVERSITY MED CTR TUCSON	77.9%	79.5%	77.8%	
030065	BANNER DESERT MEDICAL CEN	60.4%	62.2%	62.7%	
030067	LA PAZ REGIONAL HOSPITAL	19.4%	18.1%	24.4%	
030068	MT. GRAHAM REG. MED. CTR.	34.3%	37.2%	32.7%	
030069	HAVASU REG MED CENTER LLC	43.0%	40.8%	46.6%	

**Arizona Health Care Cost Containment System
Occupancy Analysis FYE 2011 through FYE 2013
Exhibit 7**

Medicare Provider	Hospital Name	FYE 2011 Occupancy Rate	FYE 2012 Occupancy Rate	FYE 2013 Occupancy Rate	Comments
030083	PARADISE VALLEY HOSPITAL	53.5%	41.7%	37.6%	
030085	NORTHWEST MEDICAL CENTER	73.5%	69.4%	62.7%	
030087	SCOTTSDALE SHEA MEDICAL CENTER	61.5%	59.3%	59.5%	
030088	BANNER BAYWOOD MEDICAL CN	71.2%	69.0%	68.8%	
030089	BANNER THUNDERBIRD MEDICA	69.6%	68.7%	70.5%	
030092	DEER VALLEY MEDICAL CENTER	60.5%	64.6%	65.6%	
030093	BANNER DEL E WEBB MED CTR	57.0%	52.3%	48.7%	
030094	ARROWHEAD HOSPITAL	63.6%	60.8%	58.6%	
030100	CARONDELET HEART AND VASCULAR INSTIT	47.1%	39.9%	N/A	Provider closed.
030101	WESTERN AZ REG MED CTR	54.9%	54.6%	55.5%	
030103	MAYO CLINIC HOSPITAL	72.4%	72.4%	62.6%	
030105	BANNER HEART HOSPITAL	55.2%	53.0%	52.2%	
030107	ARIZONA SPINE AND JOINT	25.5%	25.8%	18.8%	
030108	SURGICAL SPECIALITY HOSP	20.2%	17.1%	16.9%	
030110	WEST VALLEY HOSPITAL MED	62.7%	63.5%	58.9%	
030111	BANNER - UNIVERSITY MED CTR SOUTH	53.6%	57.2%	70.4%	
030112	AZ ORTHOPEDIC SURGICAL HO	28.3%	23.6%	23.1%	
030114	ORO VALLEY HOSPITAL	37.4%	36.3%	36.7%	
030115	BANNER ESTRELLA MEDICAL	87.7%	82.2%	78.3%	
030117	VALLEY VIEW MEDICAL CENT	47.9%	42.3%	41.7%	
030118	YRMC EAST	47.6%	41.8%	52.3%	
030119	MERCY GILBERT MED CENTER	74.6%	66.7%	64.5%	
030120	GILBERT HOSPITAL, L.L.C.	76.2%	50.4%	30.3%	
030121	MOUNTAIN VISTA MED CTR	70.1%	61.4%	61.9%	
030122	BANNER GATEWAY MEDICAL CT	83.5%	85.4%	87.2%	
030123	SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	57.0%	63.5%	58.4%	

**Arizona Health Care Cost Containment System
Occupancy Analysis FYE 2011 through FYE 2013
Exhibit 7**

Medicare Provider	Hospital Name	FYE 2011 Occupancy Rate	FYE 2012 Occupancy Rate	FYE 2013 Occupancy Rate	Comments
030126	BANNER GOLDFIELD MD CTR	25.8%	21.2%	11.7%	Now Banner Goldfield Medical Center with Medicare ID #030134.
030130	BANNER IRONWOOD MEDICAL CENTER	53.3%	41.2%	39.6%	
030131	ORTHOPEDIC AND SPINE INPATIENT SURGI	16.2%	27.4%	34.9%	
030132	FLORENCE HOSPITAL AT ANTHEM	N/A	18.1%	15.1%	New hospital opened in March 2012.
031300	WICKENBURG COMMUNITY HOSP	35.4%	27.8%	33.8%	
031301	BENSON HOSPITAL	17.7%	17.5%	16.8%	
031302	NORTHERN COCHISE HOSPITAL	32.8%	28.8%	28.0%	
031304	PAGE HOSPITAL	16.3%	14.6%	14.2%	
031311	LITTLE COLORADO MED CTR	44.1%	39.8%	41.0%	
031312	COPPER QUEEN HOSPITAL	35.8%	35.2%	32.2%	
031313	HOLY CROSS HOSPITAL-ARIZ	37.1%	42.5%	43.5%	
031314	COBRE VALLEY COMM HOSP	63.3%	70.4%	68.1%	
031315	WHITE MNTN REG MED CNTR	26.0%	21.8%	26.3%	
031316	FLORENCE COMM. HEALTHCARE	48.2%	12.3%	N/A	Provider closed.
032000	KINDRED HOSP AZ-NORTHWEST	43.8%	36.2%	42.2%	
032001	SELECT SPECIALTY HOSP-PHX	73.5%	69.1%	72.1%	
032002	KINDRED HOSPITAL-TUCSON	55.2%	53.3%	54.4%	
032004	CORNERSTONE HOSPITAL OF S	57.4%	67.6%	60.6%	
032005	SELECT SPECIALTY-PHX D/T	63.9%	63.3%	69.5%	
032006	PROMISE HOSPITAL OF PHX	61.8%	56.3%	56.7%	
032007	ACUITY SPECIALTY HOSPITAL - MESA	47.0%	42.4%	48.2%	
032008	ACUITY SPECIALTY HOSPITAL SUN CITY	27.2%	25.7%	30.1%	
033025	HEALTHSOUTH MERIDIAN PT.	77.5%	74.9%	61.1%	
033028	HEALTHSOUTH REHAB INST.	68.8%	66.1%	65.2%	
033029	HLTHSOUTH REHAB.HOSP.OF.S	74.4%	67.9%	61.4%	
033032	HEALTHSOUTH VALLEY OF SUN	70.3%	62.8%	66.8%	

**Arizona Health Care Cost Containment System
Occupancy Analysis FYE 2011 through FYE 2013
Exhibit 7**

Medicare Provider	Hospital Name	FYE 2011 Occupancy Rate	FYE 2012 Occupancy Rate	FYE 2013 Occupancy Rate	Comments
033034	YUMA REHABILITATION HOSPI	75.4%	70.8%	80.9%	
033036	MOUNTAIN VALLEY REG REHAB	80.4%	71.6%	80.9%	
033037	HEALTHSOUTH E.VALLEY REHA	70.7%	66.5%	68.7%	
033038	SCOTTSDALE HRH	N/A	N/A	45.2%	New hospital opened in March 2013.
033302	PHOENIX CHILDREN'S HOSP	51.0%	47.3%	48.8%	
034004	BANNER BEHAVIORIAL HEALTH	86.8%	86.8%	87.4%	
034013	ST LUKE'S BEHAVIORIAL HOSP	93.8%	97.0%	96.9%	
034020	HAVEN SENIOR HORIZONS	90.7%	83.4%	84.5%	
034021	AZ STATE HOSPITAL	N/A	81.4%	74.1%	
034022	SONORA BEHAVIORIAL HEALTH	87.5%	81.0%	83.0%	
034023	The Guidance Center, Inc.	56.4%	37.2%	54.7%	
034024	AURORA BEHAVIORIAL HEALTH	81.6%	82.8%	81.1%	
034025	WINDHAVEN PSYCHIATRIC HOS	65.6%	68.1%	85.3%	
034026	VALLEY HOSPITAL	43.4%	83.0%	84.1%	
034027	Community Counseling Centers, Inc at PineView Hospita	56.5%	14.9%	39.1%	
034028	Aurora Behavioral Healthcare-Tempe	48.1%	79.6%	88.0%	
031303	SOUTHEAST MEDICAL CENTER	14.6%	10.4%	10.3%	
Grand Total		62.3%	60.5%	59.8%	

Source: Occupancy is calculated as total available bed days divided by total patient days reported in worksheet S-3 Part I of the Medicare Cost Report. For provider FYEs under version form CMS 2552-10, the sum of lines 14, 16, and 17 of column 3 represent total number of available bed days and the sum of lines 14, 16, 17, and 18 of column 8 represent total patient days. For provider FYEs under version form CMS 2552-96, the sum of lines 12 and 14 of column 2 represent total available bed days and the sum of lines 12 and 14 of column 6 represent total patient days.

Arizona Health Care Cost Containment System
Medicaid Utilization Analysis FYE 2011 through FYE 2013
Exhibit 8

Medicare Provider	Hospital Name	FYE 2011 Medicaid Utilization Rate	FYE 2012 Medicaid Utilization Rate	FYE 2013 Medicaid Utilization Rate	Comments
030001	MARYVALE HOSPITAL MED CTR	56.2%	48.8%	39.9%	
030002	BANNER - UNIVERSITY MED CTR PHOENIX	30.8%	27.5%	29.1%	
030006	TUCSON MEDICAL CENTER	28.9%	32.0%	27.3%	
030007	VERDE VALLEY MEDICAL CTR.	15.3%	17.7%	28.1%	
030010	CARONDELET ST MARYS HOSP	27.6%	22.3%	16.1%	
030011	CARONDELET ST JOSEPHS-TUC	21.4%	18.1%	16.3%	
030012	YAVAPAI REG MED CENTER	11.0%	4.5%	5.3%	
030013	YUMA REGIONAL MED CENTER	16.4%	20.1%	17.0%	
030014	JOHN C. LINCOLN MEDICAL CENTER	22.2%	15.6%	14.6%	
030016	BANNER CASA GRANDE MED CTR	27.2%	21.7%	20.0%	
030022	MARICOPA MEDICAL CENTER	34.7%	30.2%	54.3%	
030023	FLAGSTAFF MEDICAL CENTER	32.8%	28.0%	37.7%	
030024	ST JOSEPH'S HOSPITAL-PHX	44.7%	34.9%	33.3%	
030030	PHOENIX BAPTIST HOSPITAL	39.1%	40.1%	36.0%	
030033	PAYSON HOSPITAL CORP.	21.5%	16.7%	14.8%	
030036	CHANDLER REGIONAL MED.CTR	42.0%	20.8%	21.0%	
030037	TEMPE ST. LUKE'S HOSPITAL	34.1%	24.3%	21.2%	
030038	SCOTTSDALE OSBORN MEDICAL CENTER	20.1%	14.2%	12.2%	
030043	SIERRA VISTA REG HLTH CTR	23.4%	17.9%	17.2%	
030055	KINGMAN REGIONAL MED CTR	21.9%	21.4%	17.9%	
030061	BANNER BOSWELL MED CTR	5.5%	4.8%	5.4%	
030062	SUMMIT HEALTHCARE REG.MED	35.7%	24.9%	28.0%	
030064	BANNER - UNIVERSITY MED CTR TUCSON	36.8%	33.8%	30.5%	
030065	BANNER DESERT MEDICAL CEN	34.2%	32.3%	31.4%	
030067	LA PAZ REGIONAL HOSPITAL	11.6%	7.7%	9.1%	
030068	MT. GRAHAM REG. MED. CTR.	27.0%	27.2%	30.3%	
030069	HAVASU REG MED CENTER LLC	17.2%	13.2%	12.6%	

Arizona Health Care Cost Containment System
Medicaid Utilization Analysis FYE 2011 through FYE 2013
Exhibit 8

Medicare Provider	Hospital Name	FYE 2011 Medicaid Utilization Rate	FYE 2012 Medicaid Utilization Rate	FYE 2013 Medicaid Utilization Rate	Comments
030083	PARADISE VALLEY HOSPITAL	25.4%	23.1%	22.3%	
030085	NORTHWEST MEDICAL CENTER	20.7%	17.6%	17.8%	
030087	SCOTTSDALE SHEA MEDICAL CENTER	10.3%	8.7%	7.9%	
030088	BANNER BAYWOOD MEDICAL CN	13.7%	11.5%	11.6%	
030089	BANNER THUNDERBIRD MEDICA	29.1%	28.4%	27.2%	
030092	DEER VALLEY MEDICAL CENTER	18.8%	13.9%	14.4%	
030093	BANNER DEL E WEBB MED CTR	12.0%	11.1%	10.5%	
030094	ARROWHEAD HOSPITAL	34.8%	34.2%	33.6%	
030100	CARONDELET HEART AND VASCULAR INSTIT	11.9%	8.7%	N/A	
030101	WESTERN AZ REG MED CTR	18.1%	13.7%	11.7%	
030103	MAYO CLINIC HOSPITAL	3.1%	2.4%	2.5%	
030105	BANNER HEART HOSPITAL	6.6%	5.3%	4.3%	
030107	ARIZONA SPINE AND JOINT	0.0%	0.0%	0.1%	
030108	SURGICAL SPECIALITY HOSP	1.7%	1.8%	0.0%	
030110	WEST VALLEY HOSPITAL MED	32.5%	29.3%	27.2%	
030111	BANNER - UNIVERSITY MED CTR SOUTH	38.4%	32.0%	27.0%	
030112	AZ ORTHOPEDIC SURGICAL HO	0.0%	0.0%	0.0%	
030114	ORO VALLEY HOSPITAL	6.7%	2.9%	2.6%	
030115	BANNER ESTRELLA MEDICAL	33.2%	29.6%	29.6%	
030117	VALLEY VIEW MEDICAL CENT	19.9%	19.5%	18.4%	
030118	YRMC EAST	30.5%	36.1%	34.1%	
030119	MERCY GILBERT MED CENTER	34.8%	18.3%	16.6%	
030120	GILBERT HOSPITAL, L.L.C.	19.4%	16.1%	11.4%	
030121	MOUNTAIN VISTA MED CTR	31.4%	22.5%	17.8%	
030122	BANNER GATEWAY MEDICAL CT	24.5%	21.2%	19.9%	
030123	SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	4.2%	3.6%	3.0%	

Arizona Health Care Cost Containment System
Medicaid Utilization Analysis FYE 2011 through FYE 2013
Exhibit 8

Medicare Provider	Hospital Name	FYE 2011 Medicaid Utilization Rate	FYE 2012 Medicaid Utilization Rate	FYE 2013 Medicaid Utilization Rate	Comments
030126	BANNER GOLDFIELD MD CTR	18.6%	14.4%	12.9%	Now Banner Goldfield Medical Center with Medicare ID #030134.
030130	BANNER IRONWOOD MEDICAL CENTER	32.5%	32.5%	33.2%	
030131	ORTHOPEDIC AND SPINE INPATIENT SURGI	0.0%	0.0%	0.0%	
030132	FLORENCE HOSPITAL AT ANTHEM	N/A	13.9%	14.4%	New hospital opened in March 2012.
031300	WICKENBURG COMMUNITY HOSP	4.7%	3.6%	2.1%	
031301	BENSON HOSPITAL	9.9%	9.6%	9.3%	
031302	NORTHERN COCHISE HOSPITAL	4.7%	7.9%	9.8%	
031304	PAGE HOSPITAL	46.9%	45.1%	40.4%	
031311	LITTLE COLORADO MED CTR	46.6%	35.0%	41.7%	
031312	COPPER QUEEN HOSPITAL	16.4%	16.4%	19.2%	
031313	HOLY CROSS HOSPITAL-ARIZ	35.3%	40.1%	41.5%	
031314	COBRE VALLEY COMM HOSP	31.2%	29.1%	28.3%	
031315	WHITE MNTN REG MED CNTR	15.6%	18.7%	8.6%	
031316	FLORENCE COMM. HEALTHCARE	19.7%	18.8%	N/A	
032000	KINDRED HOSP AZ-NORTHWEST	15.1%	3.3%	0.7%	
032001	SELECT SPECIALTY HOSP-PHX	33.3%	13.7%	25.6%	
032002	KINDRED HOSPITAL-TUCSON	15.2%	3.6%	3.4%	
032004	CORNERSTONE HOSPITAL OF S	1.4%	0.0%	0.0%	
032005	SELECT SPECIALTY-PHX D/T	19.8%	10.4%	5.0%	
032006	PROMISE HOSPITAL OF PHX	40.3%	16.9%	19.6%	
032007	ACUITY SPECIALTY HOSPITAL - MESA	13.4%	0.9%	1.1%	
032008	ACUITY SPECIALTY HOSPITAL SUN CITY	3.8%	0.0%	0.1%	
033025	HEALTHSOUTH MERIDIAN PT.	4.7%	2.1%	1.2%	
033028	HEALTHSOUTH REHAB INST.	5.1%	3.6%	1.7%	
033029	HLTHSOUTH REHAB.HOSP.OF.S	6.2%	2.8%	3.1%	
033032	HEALTHSOUTH VALLEY OF SUN	8.4%	4.9%	2.3%	

Arizona Health Care Cost Containment System
Medicaid Utilization Analysis FYE 2011 through FYE 2013
Exhibit 8

Medicare Provider	Hospital Name	FYE 2011 Medicaid Utilization Rate	FYE 2012 Medicaid Utilization Rate	FYE 2013 Medicaid Utilization Rate	Comments
033034	YUMA REHABILITATION HOSPI	2.8%	1.8%	1.5%	
033036	MOUNTAIN VALLEY REG REHAB	8.3%	2.9%	2.1%	
033037	HEALTHSOUTH E.VALLEY REHA	2.7%	3.7%	1.7%	
033038	SCOTTSDALE HRH	N/A	N/A	0.0%	
033302	PHOENIX CHILDREN'S HOSP	59.6%	55.8%	61.4%	
034004	BANNER BEHAVIORIAL HEALTH	32.5%	23.7%	25.1%	
034013	ST LUKE'S BEHAVIORIAL HOSP	51.6%	46.0%	44.0%	
034020	HAVEN SENIOR HORIZONS	1.8%	1.5%	3.7%	
034021	AZ STATE HOSPITAL	N/A	52.1%	54.8%	
034022	SONORA BEHAVIORAL HEALTH	13.4%	0.7%	1.0%	
034023	The Guidance Center, Inc.	0.0%	0.0%	0.0%	
034024	AURORA BEHAVIORAL HEALTH	2.1%	1.6%	1.4%	
034025	WINDHAVEN PSYCHIATRIC HOS	0.0%	0.0%	0.0%	
034026	VALLEY HOSPITAL	26.3%	0.0%	0.0%	
034027	Community Counseling Centers, Inc at PineView Hospita	N/A	33.5%	79.1%	
034028	Aurora Behavioral Healthcare-Tempe	N/A	1.1%	1.2%	
031303	SOUTHEAST MEDICAL CENTER	26.1%	22.2%	17.3%	
Grand Total		29.7%	25.4%	25.6%	

Source: Medicaid utilization is calculated as total Medicaid days divided by total patient days reported in worksheet S-3 Part I of the Medicare Cost Report. For provider FYEs under version form CMS 2552-10, the sum of lines 2, 3, 4, 14, 16, 17, 18, and 28 less lines 5 and 6 of column 8 represent total number of Medicaid days, and the the sum of lines 14, 16, 17, 18, and 28 less lines 5 and 6 of column 8 represent total patient days. For provider FYEs under version form CMS 2552-96, the sum of lines 2, 12, 14, and 26 less lines 3 and 4 of column 5 represent total Medicaid days and the sum of lines 12, 14, and 26 less lines 3 and 4 of column 6 represent total patient days.

Arizona Health Care Cost Containment System
Hospital Net Income Analysis - FYE 2011 through FYE 2013
Exhibit 9

Medicare Provider	Hospital Name	FYE 2011		FYE 2012		FYE 2013		Comments
		Total Net Income	Aggregate Hospital Margin	Total Net Income	Aggregate Hospital Margin	Total Net Income	Aggregate Hospital Margin	
030001	MARYVALE HOSPITAL MED CTR	44,000	0.07%	873,439	1.55%	144,802	0.26%	
030002	BANNER - UNIVERSITY MED CTR PHOENIX	41,118,884	5.84%	74,203,487	10.93%	48,262,051	6.83%	
030006	TUCSON MEDICAL CENTER	2,750,698	0.66%	14,192,785	3.33%	17,840,762	4.11%	
030007	VERDE VALLEY MEDICAL CTR.	14,299,000	8.76%	6,969,000	4.73%	6,486,000	4.50%	
030010	CARONDELET ST MARYS HOSP	(17,373,128)	-8.36%	(47,652,851)	-34.27%	(6,598,179)	-3.74%	
030011	CARONDELET ST JOSEPHS-TUC	(12,227,825)	-4.61%	(41,772,763)	-20.04%	(14,536,700)	-6.20%	
030012	YAVAPAI REG MED CENTER	12,832,996	7.78%	(15,090,307)	-10.26%	(13,492,051)	-8.74%	
030013	YUMA REGIONAL MED CENTER	22,921,845	7.13%	20,608,754	6.84%	11,364,394	3.83%	
030014	JOHN C. LINCOLN MEDICAL CENTER	18,353,318	7.14%	15,066,919	5.43%	15,669,248	4.99%	
030016	BANNER CASA GRANDE MED CTR	6,317,700	5.08%	2,694,292	2.48%	(12,229,120)	-12.38%	
030022	MARICOPA MEDICAL CENTER	24,656,708	5.46%	19,906,146	4.96%	13,450,768	2.95%	
030023	FLAGSTAFF MEDICAL CENTER	52,724,000	13.75%	46,339,000	12.75%	48,291,000	13.34%	
030024	ST JOSEPH'S HOSPITAL-PHX	92,628,949	9.14%	(29,715,092)	-3.48%	49,849,207	5.34%	
030030	PHOENIX BAPTIST HOSPITAL	(2,590,000)	-1.43%	(535,112)	-0.30%	(6,703,678)	-3.92%	
030033	PAYSON HOSPITAL CORP.	16,725,820	29.07%	16,831,050	28.80%	12,861,563	26.85%	
030036	CHANDLER REGIONAL MED.CTR	52,141,932	14.70%	26,745,482	8.46%	52,446,334	15.62%	
030037	TEMPE ST. LUKE'S HOSPITAL	(6,434,000)	-3.90%	1,717,000	1.15%	(2,186,000)	-1.49%	
030038	SCOTTSDALE OSBORN MEDICAL CENTER	12,853,346	3.51%	1,044,358	0.33%	2,988,420	0.94%	
030043	SIERRA VISTA REG HLTH CTR	9,012,228	9.26%	3,920,607	4.23%	(3,642,239)	-5.20%	
030055	KINGMAN REGIONAL MED CTR	3,900,332	1.81%	10,362,355	4.83%	209,971	0.09%	
030061	BANNER BOSWELL MED CTR	35,728,209	11.25%	29,696,175	10.28%	29,673,261	10.65%	
030062	SUMMIT HEALTHCARE REG.MED	10,738,948	8.88%	2,236,149	1.84%	5,782,465	4.40%	
030064	BANNER - UNIVERSITY MED CTR TUCSON	20,164,137	3.24%	6,292,003	0.97%	35,663,715	5.27%	
030065	BANNER DESERT MEDICAL CEN	28,210,430	5.13%	47,344,585	9.15%	49,690,924	9.09%	
030067	LA PAZ REGIONAL HOSPITAL	421,352	1.70%	279,714	1.27%	(1,321,439)	-6.21%	
030068	MT. GRAHAM REG. MED. CTR.	3,419,209	6.18%	3,882,753	7.11%	2,253,684	4.03%	
030069	HAVASU REG MED CENTER LLC	22,836,000	14.76%	23,015,000	15.08%	23,771,000	14.62%	
030083	PARADISE VALLEY HOSPITAL	(1,525,000)	-1.60%	(2,795,779)	-3.54%	(1,912,720)	-2.52%	
030085	NORTHWEST MEDICAL CENTER	15,186,908	4.96%	10,334,394	3.61%	22,726,720	7.92%	
030087	SCOTTSDALE SHEA MEDICAL CENTER	15,925,831	3.83%	17,636,775	4.43%	12,957,411	3.22%	
030088	BANNER BAYWOOD MEDICAL CN	22,640,173	8.06%	47,555,683	16.32%	25,144,808	9.95%	
030089	BANNER THUNDERBIRD MEDICA	22,130,824	4.95%	40,625,359	9.35%	33,916,179	7.48%	
030092	DEER VALLEY MEDICAL CENTER	16,450,875	8.66%	16,432,415	8.33%	20,897,441	9.17%	
030093	BANNER DEL E WEBB MED CTR	17,836,801	6.84%	17,256,101	7.03%	13,953,307	5.66%	
030094	ARROWHEAD HOSPITAL	15,686,000	9.33%	15,030,964	9.43%	19,844,735	11.97%	
030100	Carondelet Heart and Vascular Institute	(8,604,223)	-16.37%	(36,315,786)	-94.28%	N/A	N/A	Provider closed.
030101	WESTERN AZ REG MED CTR	29,141,480	20.59%	29,030,882	26.22%	30,363,781	27.68%	
030103	MAYO CLINIC HOSPITAL	59,064,000	6.47%	60,016,125	6.13%	70,259,106	7.05%	
030105	BANNER HEART HOSPITAL	24,709,834	18.72%	23,350,614	19.57%	19,372,942	16.22%	

Arizona Health Care Cost Containment System
Hospital Net Income Analysis - FYE 2011 through FYE 2013
Exhibit 9

Medicare Provider	Hospital Name	FYE 2011		FYE 2012		FYE 2013		Comments
		Total Net Income	Aggregate Hospital Margin	Total Net Income	Aggregate Hospital Margin	Total Net Income	Aggregate Hospital Margin	
030107	ARIZONA SPINE AND JOINT	1,303,192	6.99%	(120,442)	-0.66%	120,587	0.65%	
030108	SURGICAL SPECIALITY HOSP	1,069,755	4.62%	427,003	2.06%	14,976,200	40.13%	
030110	WEST VALLEY HOSPITAL MED	9,447,000	7.26%	8,096,312	6.53%	3,159,079	2.79%	
030111	BANNER - UNIVERSITY MED CTR SOUTH	(8,318,000)	-5.77%	(1,874,000)	-1.40%	4,350,775	3.07%	
030112	AZ ORTHOPEDIC SURGICAL HO	2,563,929	9.82%	1,970,610	288.24%	1,063,866	4.81%	
030114	ORO VALLEY HOSPITAL	2,238,100	2.75%	(1,730,714)	-2.00%	4,593,125	4.89%	
030115	BANNER ESTRELLA MEDICAL	40,052,188	14.59%	43,213,955	17.93%	53,645,697	19.91%	
030117	VALLEY VIEW MEDICAL CENT	880,000	1.34%	(925,000)	-1.77%	(2,032,000)	-3.98%	
030118	YRMC EAST	14,689,953	19.91%	32,885,383	36.99%	8,735,217	12.57%	
030119	MERCY GILBERT MED CENTER	23,213,613	8.74%	18,214,008	8.05%	24,966,306	10.78%	
030120	GILBERT HOSPITAL, L.L.C.	11,558,000	17.25%	(1,139,664)	-3.08%	(2,754,678)	-10.03%	
030121	MOUNTAIN VISTA MED CTR	(4,265,000)	-2.77%	(3,348,000)	-2.58%	(3,898,000)	-2.85%	
030122	BANNER GATEWAY MEDICAL CT	(12,416,789)	-6.76%	(8,369,955)	-3.99%	(8,041,206)	-3.35%	
030123	SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	(3,388,304)	-3.60%	3,230,668	3.18%	6,219,750	5.60%	
030126	BANNER GOLDFIELD MD CTR	241,561	0.32%	N/A	N/A	(6,266,044)	-187.47%	Now Banner Goldfield Medical Center. Change in Medicare ID to 30134. For comparison purposes using previous ID.
030130	BANNER IRONWOOD MEDICAL CENTER	(13,509,436)	-29.61%	(14,452,081)	-36.84%	(11,759,015)	-25.71%	
030132	FLORENCE HOSPITAL AT ANTHEM	-	N/A	(12,464,667)	-85.25%	(2,607,142)	-14.21%	New hospital. Opened in March of 2012.
031300	WICKENBURG COMMUNITY HOSP	(1,577,277)	-9.95%	(1,913,391)	-11.20%	764,037	3.65%	
031301	BENSON HOSPITAL	14,169	0.11%	317,029	2.46%	(391,496)	-3.14%	
031302	NORTHERN COCHISE HOSPITAL	502,753	2.46%	1,486,326	8.40%	(303,477)	-1.71%	
031303	SOUTHEAST MEDICAL CENTER	(1,861,473)	-11.57%	(2,020,033)	-21.57%	(2,008,141)	-28.66%	
031304	PAGE HOSPITAL	2,032,499	11.46%	3,456,872	19.26%	3,936,571	24.76%	
031311	LITTLE COLORADO MED CTR	2,165,095	8.18%	678,564	2.79%	1,567,416	5.71%	
031312	COPPER QUEEN HOSPITAL	1,735,018	7.90%	3,733,626	16.47%	2,442,861	10.90%	
031313	HOLY CROSS HOSPITAL-ARIZ	(2,596,142)	-10.70%	(3,390,716)	-16.69%	(2,563,824)	-12.45%	
031314	COBRE VALLEY COMM HOSP	3,646,643	9.26%	1,951,446	6.11%	1,025,153	2.79%	
031315	WHITE MNTN REG MED CNTR	1,206,562	7.03%	3,611,173	18.42%	268,248	1.63%	
032000	KINDRED HOSP AZ-NORTHWEST	(6,264,914)	-16.55%	(552,186)	-1.65%	(2,194,974)	-7.13%	
032001	SELECT SPECIALTY HOSP-PHX	-	N/A	1,236,936	5.97%	1,524,144	7.12%	
032002	KINDRED HOSPITAL-TUCSON	(529,000)	-3.81%	(885,000)	-6.06%	317	2.01%	
032004	CORNERSTONE HOSPITAL OF S	(544,863)	-5.40%	101,389	0.92%	(282,824)	-2.60%	
032005	SELECT SPECIALTY-PHX D/T	136,610	0.32%	1,134,829	4.56%	213,683	0.87%	
032006	PROMISE HOSPITAL OF PHX	(4,901,038)	-38.83%	(2,689,867)	-19.80%	(1,853,444)	-11.39%	
032007	ACUITY SPECIALTY HOSPITAL - MESA	921,234	3.82%	(1,214,622)	-11.60%	112,209	0.74%	
032008	ACUITY SPECIALTY HOSPITAL SUN CITY	447,184	2.41%	(1,129,891)	-13.83%	(11,538)	-0.12%	
033025	HEALTHSOUTH MERIDIAN PT.	5,789,924	26.06%	N/A	N/A	709,928	4.20%	
033028	HEALTHSOUTH REHAB INST.	6,109,823	24.62%	4,988,119	8.43%	4,722,376	20.17%	

Arizona Health Care Cost Containment System
Hospital Net Income Analysis - FYE 2011 through FYE 2013
Exhibit 9

Medicare Provider	Hospital Name	FYE 2011		FYE 2012		FYE 2013		Comments
		Total Net Income	Aggregate Hospital Margin	Total Net Income	Aggregate Hospital Margin	Total Net Income	Aggregate Hospital Margin	
033029	HLTHSOUTH REHAB.HOSP.OF.S	2,178,185	11.30%	1,339,084	7.44%	328,170	2.09%	
033032	HEALTHSOUTH VALLEY OF SUN	4,346,847	19.12%	2,083,162	9.27%	2,281,725	9.63%	
033034	YUMA REHABILITATION HOSPI	6,020,821	40.24%	5,903,074	40.13%	4,856,032	29.93%	
033036	MOUNTAIN VALLEY REG REHAB	4,001,610	24.88%	-	0.00%	3,893,491	21.13%	
033037	HEALTHSOUTH E.VALLEY REHA	2,295,489	13.63%	2,338,368	12.76%	1,254,490	6.41%	
033038	Scottsdale Healthcare Rehabilitation Hospital	N/A	N/A	N/A	N/A	(1,151,649)	-12.63%	New hospital. Opened in March of 2013.
033301	LOS NINOS HOSPITAL	4,164,033	24.33%	2,453,819	15.00%	5,386,706	31.24%	
033302	PHOENIX CHILDREN'S HOSP	(77,799,982)	-15.31%	28,977,009	4.39%	78,864,159	12.21%	
034004	BANNER BEHAVORIAL HEALTH	(1,373,184)	-5.27%	(614,765)	-2.70%	(2,595,133)	-11.21%	
034013	ST LUKE'S BEHAVORIAL HOSP	8,383,000	21.21%	8,160,000	20.48%	8,532,000	21.51%	
034020	HAVEN SENIOR HORIZONS	1,688,053	20.88%	1,579,293	20.27%	1,553,176	19.54%	
034022	SONORA BEHAVIORAL HEALTH	3,040,795	18.36%	1,576,693	11.59%	2,040,658	11.07%	
034023	The Guidance Center, Inc.	734,300	22.57%	218,671	7.09%	(516,549)	-14.00%	
034024	AURORA BEHAVIORAL HEALTH	1,605,966	7.31%	1,715,927	7.71%	1,413,829	6.58%	
034025	WINDHAVEN PSYCHIATRIC HOS	550,492	11.21%	(398,268)	-11.39%	(424,859)	-12.68%	
034026	VALLEY HOSPITAL	(527,077)	-3.40%	6,809,599	27.89%	7,733,183	24.49%	
034027	Community Counseling Centers, Inc at PineView Hospi	(38,499)	-1.42%	(482,058)	-22.51%	(282,753)	-10.33%	
034028	Aurora Behavioral Healthcare-Tempe	(2,464,782)	-21.81%	21,363	0.13%	264,629	1.42%	
Total		723,417,226	5.12%	611,807,664	4.54%	839,094,921	6.04%	

Note 1: Hospital margins are calculated based on UAR data for each year. The aggregate hospital margin is calculated as as net income divided by total revenues.

Arizona Health Care Cost Containment System
Hospital Operating Margin Analysis - FYE 2011 through FYE 2013
Exhibit 10

Medicare Provider	Hospital Name	FYE 2011		FYE 2012		FYE 2013		Comments
		Total Operating Net Income	Aggregate Operating Margin	Total Operating Net Income	Aggregate Operating Margin	Total Operating Net Income	Aggregate Operating Margin	
030001	MARYVALE HOSPITAL MED CTR	72,000	0.1%	1,431,439	2.5%	236,802	0.4%	
030002	BANNER - UNIVERSITY MED CTR PHOENIX	41,097,950	5.8%	73,532,460	10.8%	48,255,061	6.8%	
030006	TUCSON MEDICAL CENTER	5,836,469	1.4%	10,930,438	2.6%	14,566,645	3.4%	
030007	VERDE VALLEY MEDICAL CTR.	9,063,000	5.6%	4,989,000	3.4%	13,335,000	9.2%	
030010	CARONDELET ST MARYS HOSP	(17,821,800)	-8.6%	(47,126,983)	-33.9%	(5,641,969)	-3.2%	
030011	CARONDELET ST JOSEPHS-TUC	(12,723,084)	-4.8%	(41,542,758)	-19.9%	(13,349,567)	-5.7%	
030012	YAVAPAI REG MED CENTER	12,923,791	7.8%	(16,130,026)	-11.0%	(13,492,051)	-8.7%	
030013	YUMA REGIONAL MED CENTER	24,061,239	7.5%	(4,760,098)	-1.6%	(8,160,770)	-2.8%	
030014	JOHN C. LINCOLN MEDICAL CENTER	14,242,661	5.5%	13,605,743	4.9%	10,846,394	3.5%	
030016	BANNER CASA GRANDE MED CTR	6,259,685	5.0%	579,898	0.5%	(12,147,050)	-12.3%	
030022	MARICOPA MEDICAL CENTER	(37,845,070)	-8.4%	(44,762,134)	-11.1%	(48,510,761)	-10.6%	
030023	FLAGSTAFF MEDICAL CENTER	28,924,000	7.5%	45,253,000	12.4%	43,429,000	12.0%	
030024	ST JOSEPH'S HOSPITAL-PHX	88,158,949	8.7%	(30,618,190)	-3.6%	45,708,156	4.9%	
030030	PHOENIX BAPTIST HOSPITAL	(4,246,000)	-2.4%	(877,112)	-0.5%	(10,989,678)	-6.4%	
030033	PAYSON HOSPITAL CORP.	16,725,820	29.1%	16,831,050	28.8%	12,861,563	26.9%	SFY 2012 total Revenues, Gains, and Other Supports based on calculated components.
030036	CHANDLER REGIONAL MED.CTR	33,083,037	9.3%	24,993,362	7.9%	37,066,897	11.0%	
030037	TEMPE ST. LUKE'S HOSPITAL	(6,434,000)	-3.9%	1,717,000	1.2%	(2,186,000)	-1.5%	
030038	SCOTTSDALE OSBORN MEDICAL CENTER	12,853,346	3.5%	1,044,358	0.3%	2,988,420	0.9%	
030043	SIERRA VISTA REG HLTH CTR	5,061,845	5.2%	1,853,465	2.0%	(4,496,928)	-6.4%	
030055	KINGMAN REGIONAL MED CTR	272,605	0.1%	7,760,647	3.6%	(2,864,016)	-1.3%	
030061	BANNER BOSWELL MED CTR	35,697,644	11.2%	29,672,041	10.3%	29,654,652	10.6%	
030062	SUMMIT HEALTHCARE REG.MED	10,834,612	9.0%	(554,223)	-0.5%	3,266,385	2.5%	
030064	BANNER - UNIVERSITY MED CTR TUCSON	15,945,201	2.6%	12,961,383	2.0%	30,757,634	4.5%	
030065	BANNER DESERT MEDICAL CEN	28,209,005	5.1%	47,335,658	9.1%	49,636,585	9.1%	
030067	LA PAZ REGIONAL HOSPITAL	354,029	1.4%	237,659	1.1%	(1,321,439)	-6.2%	
030068	MT. GRAHAM REG. MED. CTR.	3,396,223	6.1%	2,472,233	4.5%	410,216	0.7%	
030069	HAVASU REG MED CENTER LLC	35,036,000	22.6%	35,115,000	23.0%	36,171,000	22.2%	
030083	PARADISE VALLEY HOSPITAL	(2,500,000)	-2.6%	(4,583,779)	-5.8%	(3,135,720)	-4.1%	
030085	NORTHWEST MEDICAL CENTER	15,186,908	5.0%	10,334,394	3.6%	22,726,720	7.9%	
030087	SCOTTSDALE SHEA MEDICAL CENTER	15,925,831	3.8%	17,636,775	4.4%	12,957,411	3.2%	
030088	BANNER BAYWOOD MEDICAL CN	22,622,745	8.1%	47,562,595	16.3%	24,744,595	9.8%	
030089	BANNER THUNDERBIRD MEDICA	22,135,886	5.0%	40,624,621	9.3%	33,515,576	7.4%	
030092	DEER VALLEY MEDICAL CENTER	15,036,036	7.9%	15,768,204	8.0%	18,256,461	8.0%	
030093	BANNER DEL E WEBB MED CTR	17,839,222	6.8%	17,461,231	7.1%	13,953,059	5.7%	
030094	ARROWHEAD HOSPITAL	25,715,000	15.3%	24,640,964	15.5%	32,532,735	19.6%	
030100	Carondelet Heart and Vascular Institute	(8,680,192)	-16.5%	(16,830,173)	-43.7%	N/A	N/A	Provider closed.
030101	WESTERN AZ REG MED CTR	29,678,427	21.0%	29,030,882	26.2%	29,832,671	27.2%	

Arizona Health Care Cost Containment System
Hospital Operating Margin Analysis - FYE 2011 through FYE 2013
Exhibit 10

Medicare Provider	Hospital Name	FYE 2011		FYE 2012		FYE 2013		Comments
		Total Operating Net Income	Aggregate Operating Margin	Total Operating Net Income	Aggregate Operating Margin	Total Operating Net Income	Aggregate Operating Margin	
030103	MAYO CLINIC HOSPITAL	58,275,000	6.4%	56,044,359	5.7%	64,016,854	6.4%	
030105	BANNER HEART HOSPITAL	24,708,634	18.7%	23,350,614	19.6%	19,372,942	16.2%	
030107	ARIZONA SPINE AND JOINT	1,297,996	7.0%	(120,442)	-0.7%	120,587	0.6%	
030108	SURGICAL SPECIALITY HOSP	855,059	3.7%	358,868	1.7%	14,777,206	39.6%	
030110	WEST VALLEY HOSPITAL MED	15,487,000	11.9%	13,272,312	10.7%	5,179,079	4.6%	
030111	BANNER - UNIVERSITY MED CTR SOUTH	(8,868,000)	-6.1%	(1,902,000)	-1.4%	4,350,775	3.1%	
030112	AZ ORTHOPEDIC SURGICAL HO	2,563,929	9.8%	1,970,610	8.0%	2,091,430	9.5%	
030114	ORO VALLEY HOSPITAL	2,238,100	2.8%	(1,730,714)	-2.0%	4,593,125	4.9%	
030115	BANNER ESTRELLA MEDICAL	40,047,032	14.6%	43,213,955	17.9%	53,245,697	19.8%	
030117	VALLEY VIEW MEDICAL CENT	1,580,000	2.4%	(1,425,000)	-2.7%	(3,257,000)	-6.4%	
030118	YRMC EAST	14,677,160	19.9%	32,874,109	37.0%	8,735,217	12.6%	
030119	MERCY GILBERT MED CENTER	23,409,547	8.8%	18,381,266	8.1%	24,948,000	10.8%	
030120	GILBERT HOSPITAL, L.L.C.	11,470,811	17.1%	(249,944)	-0.7%	(2,754,678)	-10.0%	
030121	MOUNTAIN VISTA MED CTR	(4,265,000)	-2.8%	(3,348,000)	-2.6%	3,250,000	2.4%	
030122	BANNER GATEWAY MEDICAL CT	(12,252,935)	-6.7%	(8,371,055)	-4.0%	(8,438,588)	-3.5%	
030123	SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	(3,388,304)	-3.6%	3,230,668	3.2%	6,219,750	5.6%	
030126	BANNER GOLDFIELD MD CTR	218,631	0.3%	N/A	N/A	(5,915,473)	-177.0%	Now Banner Goldfield Medical Center with Medicare ID #030134.
030130	BANNER IRONWOOD MEDICAL CENTER	(13,462,279)	-29.5%	(14,452,081)	-36.8%	(11,759,015)	-25.7%	
030131	ORTHOPEDIC AND SPINE INPATIENT SURGI	-	N/A	(3,867,180)	-8.0%	(145,677)	-0.2%	
030132	FLORENCE HOSPITAL AT ANTHEM	-	N/A	(12,464,667)	-85.3%	(1,299,384)	-7.1%	New hospital opened in March 2012.
031300	WICKENBURG COMMUNITY HOSP	(1,599,509)	-10.1%	(1,801,125)	-10.5%	706,654	3.4%	
031301	BENSON HOSPITAL	14,169	0.1%	276,263	2.1%	(396,957)	-3.2%	
031302	NORTHERN COCHISE HOSPITAL	539,204	2.6%	1,270,666	7.2%	(304,243)	-1.7%	
031303	SOUTHEAST MEDICAL CENTER	(1,924,320)	-12.0%	(2,020,033)	-21.6%	(2,008,141)	-28.7%	
031304	PAGE HOSPITAL	2,032,499	11.5%	3,456,872	19.3%	3,939,739	24.8%	
031311	LITTLE COLORADO MED CTR	1,986,202	7.5%	753,105	3.1%	1,555,398	5.7%	
031312	COPPER QUEEN HOSPITAL	1,850,620	8.4%	2,667,949	11.8%	1,799,516	8.0%	
031313	HOLY CROSS HOSPITAL-ARIZ	(2,719,750)	-11.2%	(3,216,574)	-15.8%	(2,442,925)	-11.9%	
031314	COBRE VALLEY COMM HOSP	3,261,789	8.3%	1,564,113	4.9%	231,727	0.6%	
031315	WHITE MNTN REG MED CNTR	1,206,562	7.0%	3,611,173	18.4%	(454,094)	-2.8%	
032000	KINDRED HOSP AZ-NORTHWEST	(10,677,243)	-28.2%	(9,469,381)	-28.3%	(3,450,984)	-11.3%	
032001	SELECT SPECIALTY HOSP-PHX	-	N/A	1,731,961	8.4%	2,380,471	11.1%	
032002	KINDRED HOSPITAL-TUCSON	(868,000)	-6.3%	(409,000)	-2.8%	384	2.4%	
032004	CORNERSTONE HOSPITAL OF S	(544,863)	-5.4%	101,389	0.9%	(278,424)	-2.6%	
032005	SELECT SPECIALTY-PHX D/T	499,486	1.2%	1,273,463	5.1%	322,331	1.3%	
032006	PROMISE HOSPITAL OF PHX	(3,205,743)	-25.4%	(4,012,538)	-29.5%	(1,322,958)	-8.1%	
032007	ACUITY SPECIALTY HOSPITAL - MESA	913,317	3.8%	(1,273,889)	-12.2%	112,209	0.7%	
032008	ACUITY SPECIALTY HOSPITAL SUN CITY	448,272	2.4%	(1,212,163)	-14.8%	(11,538)	-0.1%	

Arizona Health Care Cost Containment System
Hospital Operating Margin Analysis - FYE 2011 through FYE 2013
Exhibit 10

Medicare Provider	Hospital Name	FYE 2011		FYE 2012		FYE 2013		Comments
		Total Operating Net Income	Aggregate Operating Margin	Total Operating Net Income	Aggregate Operating Margin	Total Operating Net Income	Aggregate Operating Margin	
033025	HEALTHSOUTH MERIDIAN PT.	6,888,945	31.0%	N/A	N/A	2,183,675	12.9%	
033028	HEALTHSOUTH REHAB INST.	6,109,823	24.6%	3,046,441	12.6%	4,722,376	20.2%	
033029	HLTHSOUTH REHAB.HOSP.OF.S	3,141,073	16.3%	2,248,338	12.5%	1,135,729	7.2%	
033032	HEALTHSOUTH VALLEY OF SUN	5,483,600	24.1%	4,816,818	21.4%	5,192,084	21.9%	
033034	YUMA REHABILITATION HOSPI	6,020,821	40.2%	5,903,074	40.1%	4,856,032	29.9%	
033036	MOUNTAIN VALLEY REG REHAB	4,001,610	24.9%	2,476,887	15.5%	4,001,684	21.7%	
033037	HEALTHSOUTH E.VALLEY REHA	2,294,520	13.6%	2,337,812	12.8%	929,900	4.8%	
033038	Scottsdale Healthcare Rehabilitation Hospital	N/A	N/A	N/A	N/A	(1,151,649)	-12.6%	New hospital. Opened in March of 2013.
033301	LOS NINOS HOSPITAL	2,366,067	13.8%	2,496,103	15.3%	2,945,628	17.1%	
033302	PHOENIX CHILDREN'S HOSP	(8,910,766)	-1.8%	26,459,958	4.0%	22,442,666	3.5%	
034004	BANNER BEHAVORIAL HEALTH	(1,373,184)	-5.3%	(614,765)	-2.7%	(2,595,133)	-11.2%	
034013	ST LUKE'S BEHAVORIAL HOSP	8,383,000	21.2%	8,160,000	20.5%	8,532,000	21.5%	
034020	HAVEN SENIOR HORIZONS	1,688,053	20.9%	1,579,293	20.3%	1,553,176	19.5%	
034022	SONORA BEHAVIORAL HEALTH	3,040,795	18.4%	3,217,513	23.7%	2,040,658	11.1%	
034023	The Guidance Center, Inc.	734,300	22.6%	218,671	7.1%	(516,549)	-14.0%	
034024	AURORA BEHAVIORAL HEALTH	1,605,966	7.3%	1,711,971	7.7%	1,405,752	6.5%	
034025	WINDHAVEN PSYCHIATRIC HOS	549,614	11.2%	(399,336)	-11.4%	(425,243)	-12.7%	
034026	VALLEY HOSPITAL	(424,018)	-2.7%	6,920,502	28.3%	7,733,183	24.5%	
034027	Community Counseling Centers, Inc at PineView Hospi	(38,499)	-1.4%	(482,058)	-22.5%	(282,753)	-10.3%	
034028	Aurora Behavioral Healthcare-Tempe	(2,464,782)	-21.8%	21,363	0.1%	264,629	1.4%	
Total		686,901,032	4.9%	535,766,537	4.0%	684,090,549	4.9%	

Source: Hospital margins are calculated based on UAR data for each year. The operating hospital margin is calculated as operating net income ("Net Income from Operations" in UAR) divided by total revenues ("Total Note that margin figures shown should not be considered a comprehensive indicator of hospital financial performance, as they do not show other factors that impact hospital financial xx, such as long-term debt service

Exhibit 11A - Arizona Hospitals Hospital Cost and Clinical Process Correlation

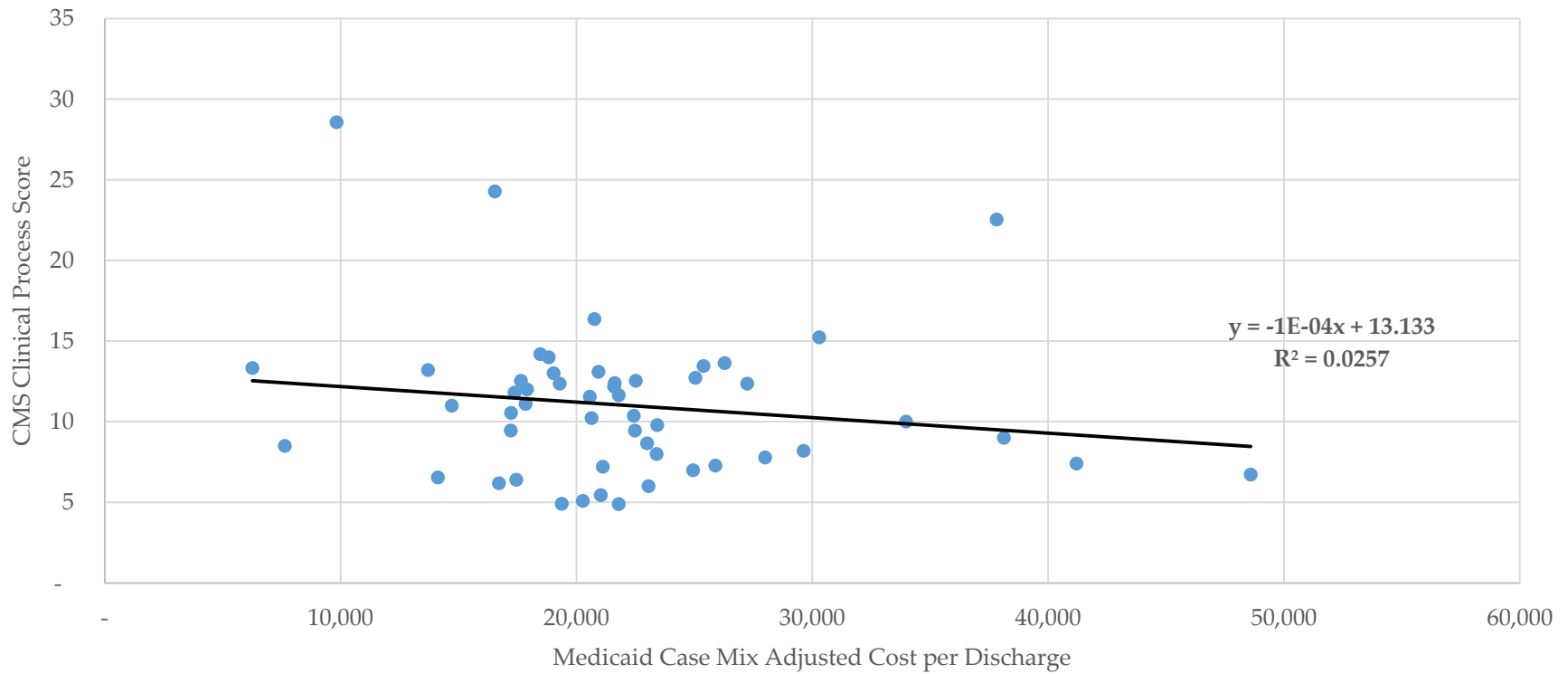


Exhibit 11B - Nationwide Hospital Cost and Clinical Process Correlation

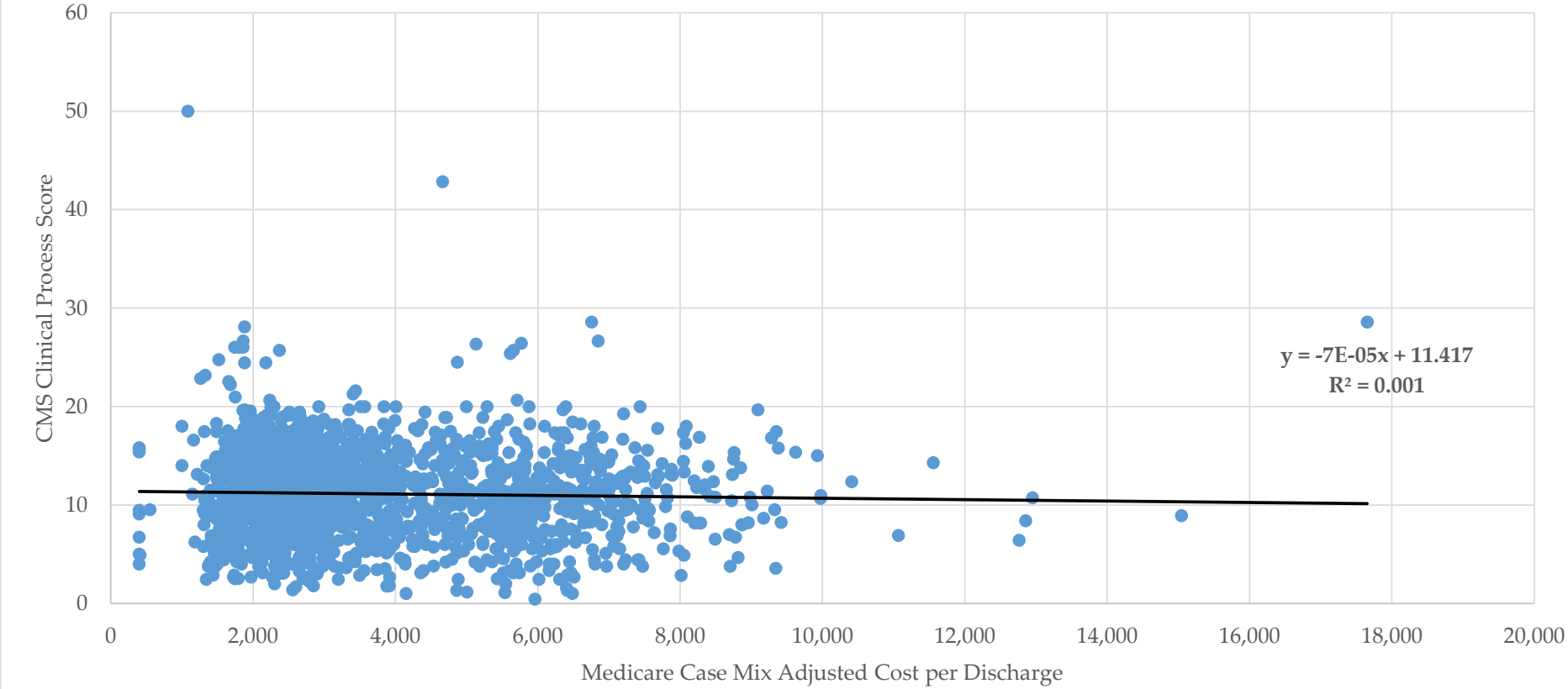


Exhibit 12A - Arizona Hospitals Hospital Cost and Patient Experience Correlation

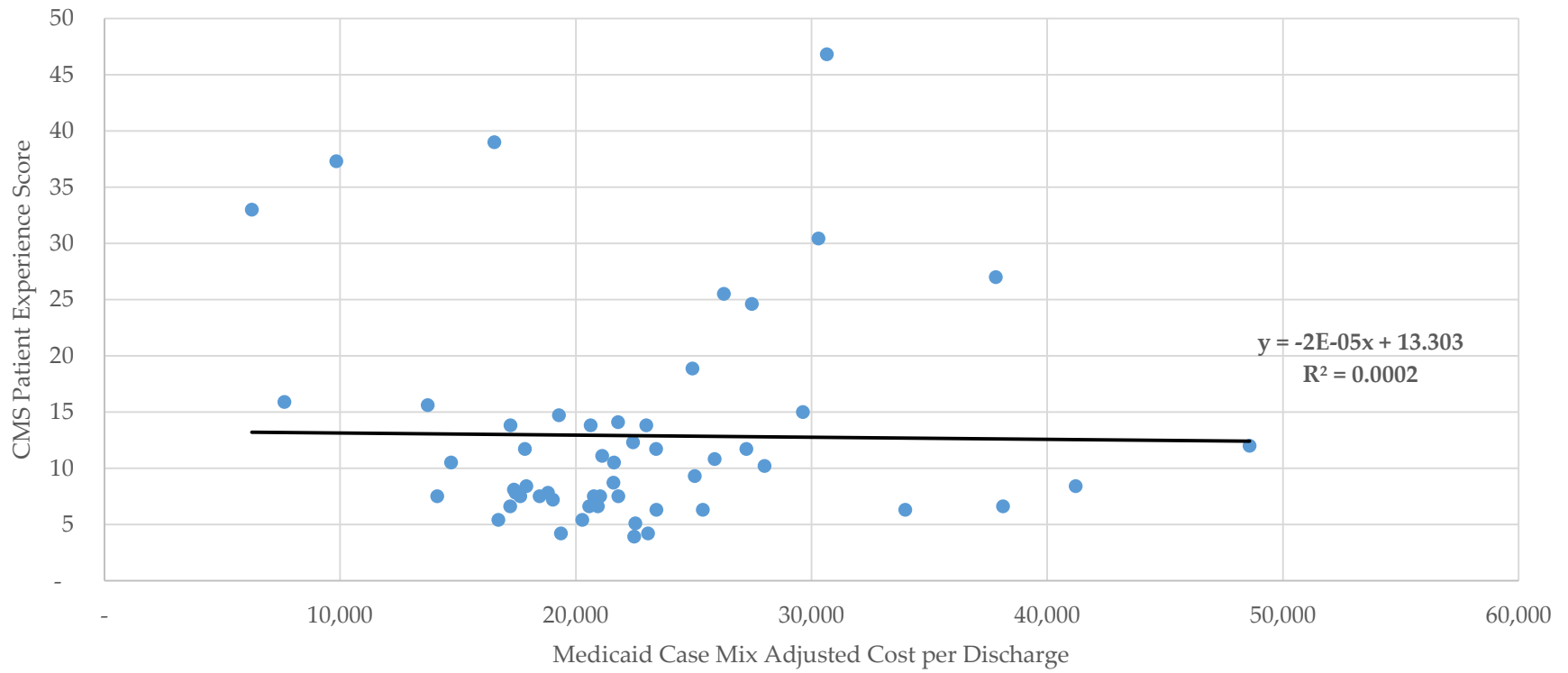


Exhibit 12B - Nationwide
Hospital Cost and Patient Experience Correlation

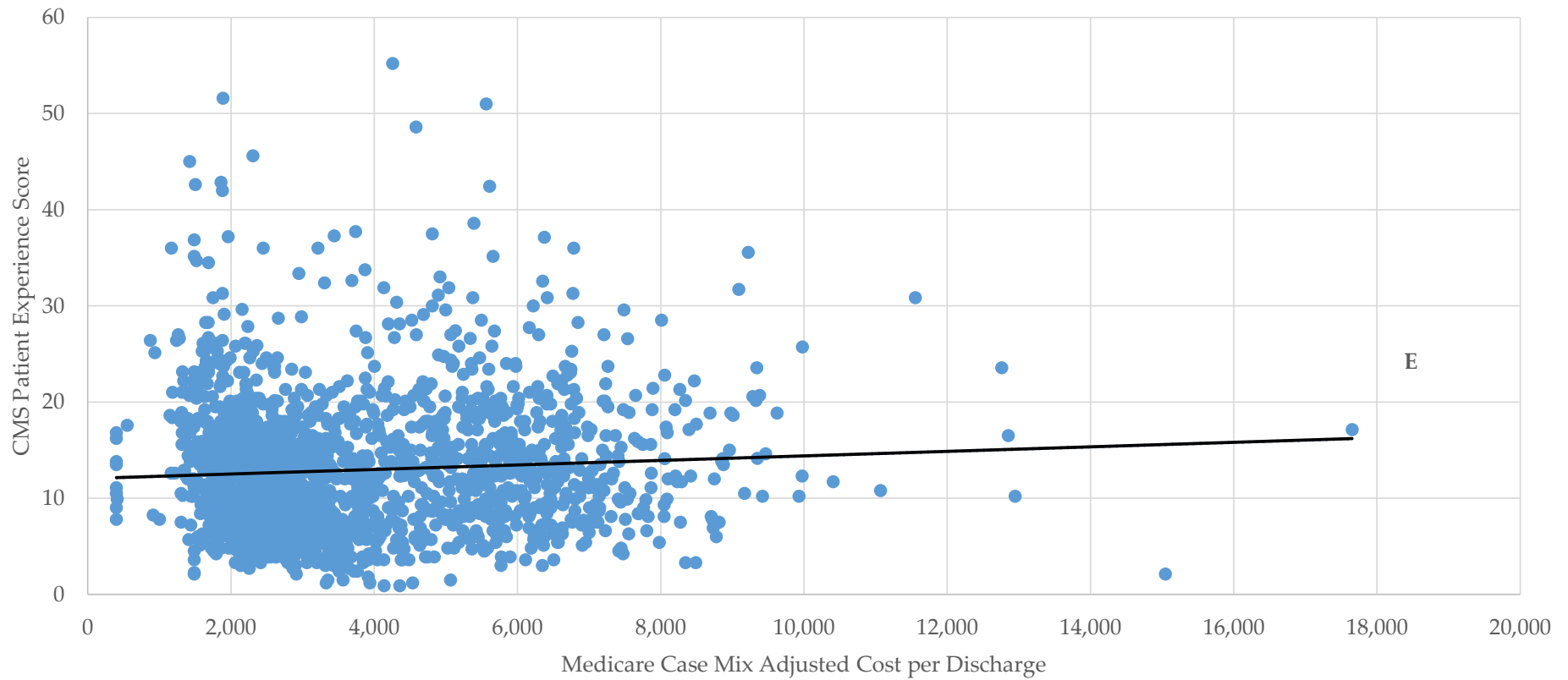


Exhibit 13A - Arizona Hospitals Hospital Cost and Patient Outcome Correlation

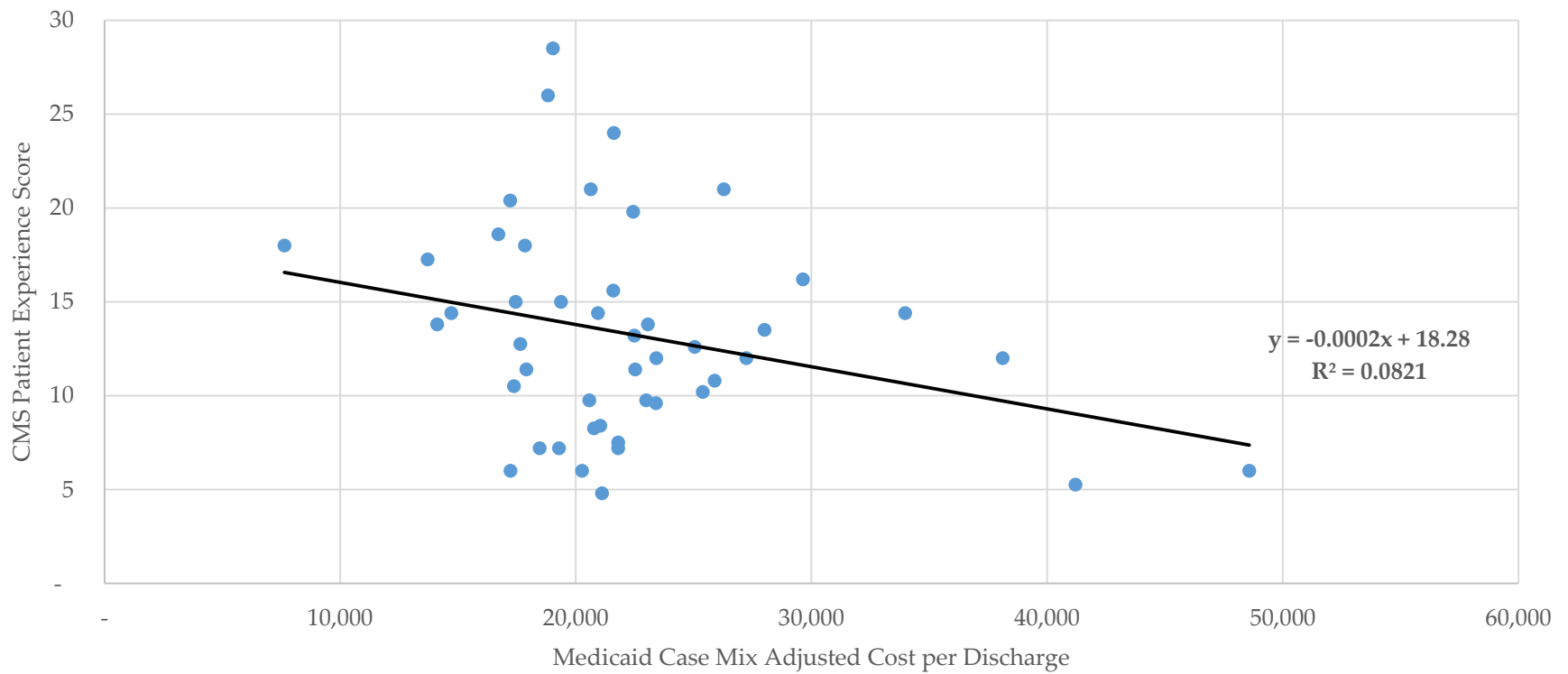


Exhibit 13B - Nationwide Hospital Cost and Patient Outcome Correlation

