

July 10, 2024

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

The Honorable Ben Toma
Arizona House of Representatives
1700 W. Washington
Phoenix, AZ 85007

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

SUBJECT: Arizona Health Care Cost Containment System Report on GME

Dear President Petersen, Speaker Toma, and Mr. Stavneak:

Pursuant to A.R.S. § 36-2903.01(G)(9)(f), the Arizona Health Care Cost Containment System (AHCCCS) is required to annually report to the President of the Senate, the Speaker of the House of Representatives and to the Director of the Joint Legislative Budget Committee on the amount of Graduate Medical Education (GME) money contributed and the number of residency positions funded by local, tribal and county governments, and state universities, including the amount of federal matching monies used.

The Centers for Medicare and Medicaid Services (CMS) requires an annual State Plan Amendment (SPA) for implementation of this program, and further requires that Arizona provide copies of the intergovernmental transfer agreements once the agreements are finalized and available for review. AHCCCS received intergovernmental transfer agreements relating to 29 GME hospitals.

Table 1 below shows the governmental contributors by recipient hospital.

Table 1

| Government Contributor | Recipient Hospital |
|--|---|
| Arizona State University | <ul style="list-style-type: none"> • St. Joseph’s Hospital – Phoenix • Phoenix Children’s Hospital • Mayo Hospital |
| City of Tucson | <ul style="list-style-type: none"> • Tucson Medical Center |
| Hospital District No. One of Mohave County | <ul style="list-style-type: none"> • Kingman Regional Medical Center |
| University of Arizona | <ul style="list-style-type: none"> • Banner Behavioral Health • Banner Boswell Hospital • Banner Del Webb Hospital • Banner Desert Medical Center • Banner Estrella Medical Center • Banner Gateway Medical Center • Banner Heart Hospital • Banner Thunderbird Medical Center • Banner UMC Phoenix • Banner UMC South • Banner UMC Tucson • HonorHealth Deer Valley • HonorHealth John C Lincoln • HonorHealth Rehabilitation Hospital • HonorHealth Scottsdale Osborn • HonorHealth Scottsdale Shea • HonorHealth Scottsdale Thompson Peak • Phoenix Children’s Hospital • St. Joseph’s Hospital - Phoenix • Yuma Regional Medical Center |
| Valleywise Health | <ul style="list-style-type: none"> • Abrazo Arrowhead Campus • Abrazo Central Campus • Abrazo West Campus • Canyon Vista Medical Center • Mountain Vista Medical Center • Phoenix Children’s Hospital • Valleywise Health Medical Center |

These contributions provided partial funding of **2,214** full-time residents training at those hospitals. The resident count reported here reflects all residents who were funded under subdivisions (a), (b), and (c) of the statute for the 29 hospitals.

Table 2 below illustrates the amounts distributed.

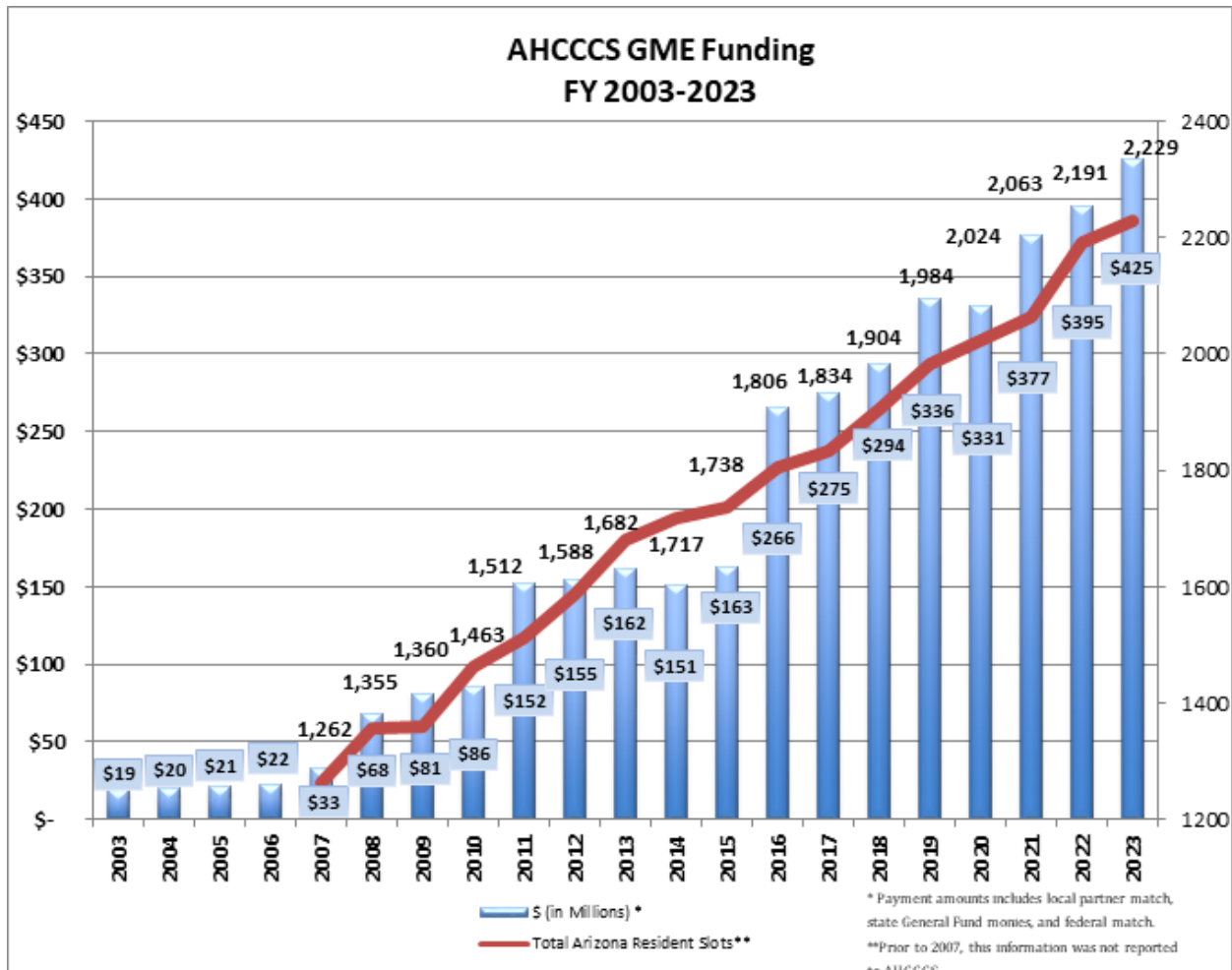
Table 2

| Recipient Hospital | Local Matching Funds | Federal Matching Funds | Total Distribution |
|--------------------------------------|-----------------------------|-------------------------------|---------------------------|
| Abrazo Arrowhead | \$1,118,732.69 | \$3,461,075.67 | \$4,579,808.36 |
| Abrazo Central Campus | \$574,893.68 | \$1,778,575.48 | \$2,353,469.16 |
| Abrazo West | \$678,928.81 | \$2,100,433.84 | \$2,779,362.65 |
| Banner Behavioral Health | \$436,563.60 | \$1,350,617.24 | \$1,787,180.84 |
| Banner Boswell Hospital | \$148,379.38 | \$459,048.24 | \$607,427.62 |
| Banner Del Webb Hospital | \$30,417.81 | \$94,105.01 | \$124,522.82 |
| Banner Desert Medical Center | \$612,184.73 | \$1,893,944.55 | \$2,506,129.28 |
| Banner Estrella Medical Center | \$105,175.30 | \$325,385.73 | \$430,561.03 |
| Banner Gateway Medical Center | \$80,284.96 | \$248,381.35 | \$328,666.31 |
| Banner Heart Hospital | \$100,952.16 | \$312,320.43 | \$413,272.59 |
| Banner Thunderbird Medical Center | \$195,226.82 | \$603,982.33 | \$799,209.15 |
| Banner UMC Phoenix | \$13,018,759.29 | \$40,276,744.91 | \$53,295,504.20 |
| Banner UMC South | \$4,460,485.56 | \$13,799,612.93 | \$18,260,098.49 |
| Banner UMC Tucson | \$20,890,210.81 | \$64,629,022.87 | \$85,519,233.68 |
| Canyon Vista Medical Center | \$963,383.35 | \$2,980,464.17 | \$3,943,847.52 |
| HonorHealth Deer Valley | \$136,191.49 | \$421,341.97 | \$557,533.46 |
| HonorHealth John C Lincoln | \$467,368.72 | \$1,445,920.47 | \$1,913,289.19 |
| HonorHealth Rehabilitation | \$431,877.82 | \$1,336,120.61 | \$1,767,998.43 |
| HonorHealth Scottsdale Osborn | \$1,132,744.43 | \$3,504,424.45 | \$4,637,168.88 |
| HonorHealth Scottsdale Shea | \$515,775.66 | \$1,595,679.28 | \$2,111,454.94 |
| HonorHealth Scottsdale Thompson Peak | \$1,171,979.76 | \$3,625,808.65 | \$4,797,788.41 |
| Kingman Regional Medical Center | \$976,561.98 | \$3,021,235.52 | \$3,997,797.50 |
| Mayo Clinic Hospital | \$4,150,000.00 | \$12,839,049.23 | \$16,989,049.23 |
| Mountain Vista Medical Center | \$1,861,048.07 | \$5,757,611.50 | \$7,618,659.57 |
| Phoenix Children's Hospital * | \$13,915,068.00 | \$43,049,697.11 | \$56,964,765.11 |
| St. Joseph's Hospital – Phoenix * | \$11,563,461.44 | \$35,774,421.85 | \$47,337,883.29 |
| Tucson Medical Center | \$2,554,115.98 | \$7,901,788.13 | \$10,455,904.11 |
| Valleywise Health Medical Center | \$16,127,566.53 | \$49,894,607.36 | \$66,022,173.89 |
| Yuma Regional Medical Center | \$806,991.63 | \$2,496,627.79 | \$3,303,619.42 |
| Totals | \$99,225,330.46 | \$306,978,048.67 | \$406,203,379.13 |

* St. Joseph – Phoenix and Phoenix Children's Hospital received funding from multiple partners. For Phoenix Children's Hospital, Arizona State University (ASU) contributed \$7,500,000, University of Arizona (U of A) contributed \$4,015,068, and Valleywise Health contributed \$2,400,000. For St. Joseph -Phoenix, ASU contributed \$5,800,000.00 and U of A contributed \$5,763,461.44 of local matching funds.

The contributions from these local match sources permit the State of Arizona to leverage non-General Fund monies to invest in critical physician training, with the goal of retaining the majority of these physicians in our state upon completion of their education.

Historical levels of GME funding and the total number of GME slots are displayed below. Please note that the chart below displays all GME slots, not just the ones funded by the 29 hospitals mentioned above.



Please feel free to contact Jeff Tegen, Chief Financial Officer, at (602) 417-4705 or via email at Jeffery.Tegen@azahcccs.gov if you have any questions.

Sincerely,

Carmen Heredia
 AHCCCS Cabinet Executive Officer
 And Executive Deputy Director

cc: Sarah Brown, Director, Governor's Office of Strategic Planning and Budgeting
Zaida Dedolph Piccoro, Health Policy Advisor, Office of the Governor