

February 1, 2019

The Honorable Regina Cobb
Joint Legislative Budget Committee
1700 West Washington
Phoenix, AZ 85007

SUBJECT: Arizona Health Care Cost Containment System Report on GME

Dear Representative Cobb:

A.R.S. § 36-2903.01(G)(9)(e) includes the following requirements:

Each graduate medical education program that receives funding pursuant to subdivision (b) or (c) of this paragraph shall identify and report to the administration the number of new residency positions created by the funding provided in this paragraph, including positions in rural areas. The program shall also report information related to the number of funded residency positions that resulted in physicians locating their practices in this state. The administration shall report to the joint legislative budget committee by February 1 of each year on the number of new residency positions as reported by the graduate medical education programs.

Below please find the Graduate Medical Education (GME) statistics for FY 2018. The amounts from 2017 have been updated to reflect that Mayo Hospital did not end up partnering with a political subdivision to receive 2017 GME funding. Therefore, the number of 2017 funded positions has declined since the measure was reported last year.

- For FY 2018, the state's GME programs reported a total of 1,904 residents enrolled in allopathic and osteopathic training programs. These residency positions are typically funded through a combination of Medicaid dollars (AHCCCS GME payments), Medicare dollars, and other hospital fund sources.
- The number of new residency positions funded under A.R.S. § 36-2903.01(G)(9)(b) is 477. This number represents the total number of residency positions funded under this subdivision in FY 2018 that were not funded by the state prior to establishment of this program, and is an increase of 21 residency positions from FY 2017. Subdivision (b) authorizes funding of direct GME costs for programs and residency positions established after October 1, 1999 and before July 1, 2006.
- The number of new residency positions funded under A.R.S. § 36-2903.01(G)(9)(c)(i) is 325. This number represents the total number of residency positions funded under this subdivision in FY 2018 that were not funded by the state prior to establishment of this program, and is an increase of 26 residency positions from FY 2017. Subdivision (c)(i) authorizes funding of direct GME costs for programs established on or after July 1, 2006.

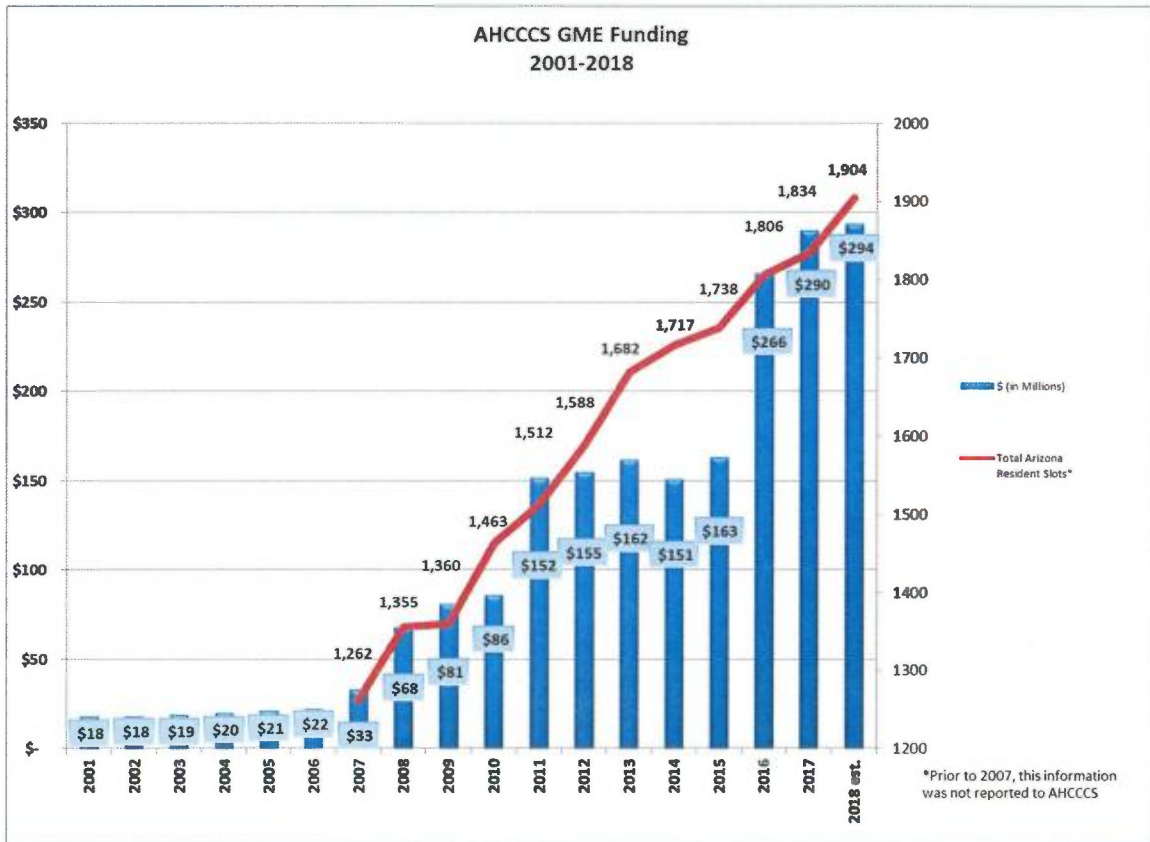
- Of the positions funded under (b) and (c)(i), and reported above, the number of new residency positions that are located in rural areas is 62. This is an increase of 15 residency positions from FY 2017. Subdivision (c)(ii) authorizes funding of indirect medical education costs, in addition to direct GME costs, for programs having resident rotations in rural areas.

The table below illustrates the numbers reported.

Resident Positions	FY 2017	FY 2018	Change
Total Funded Residency Positions:			
▪ Pursuant to A.R.S. § 36-2903.01(G)(9)(b)	456	477	21
▪ Pursuant to A.R.S. § 36-2903.01(G)(9)(c)(i)	299	325	26
Totals	755	802	47
Rural Funded Residency Positions:			
▪ Pursuant to A.R.S. § 36-2903.01(G)(9)(c)(ii)	47	62	15

- Based on a sample of Arizona training hospitals, AHCCCS estimates the number of FY 2018 funded residency positions resulting in physicians locating their practices in this state is 118.

The chart below illustrates the growth in the number of residents since 2007, together with the funding trend.



Representative Cobb

February 1, 2019

Page 3

Please feel free to contact Shelli Silver, Assistant Director, at (602) 417-4647 or shelli.silver@azahcccs.gov if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Snyder". The signature is fluid and cursive, with the first name "Jami" being more prominent than the last name "Snyder".

Jami Snyder

Director

cc: The Honorable Senator David Gowan, Arizona Senate
Christina Corieri, Senior Policy Advisor, Governor's Office
Richard Stavneak, Director, Joint Legislative Budget Committee Staff
Matthew Gress, Director, Governor's Office of Strategic Planning & Budgeting