

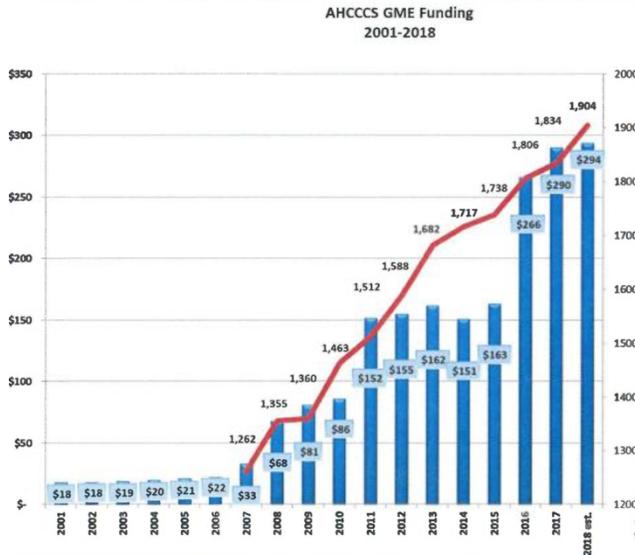


Policy Brief: Arizona Medicaid (AHCCCS) Graduate Medical Education (GME)

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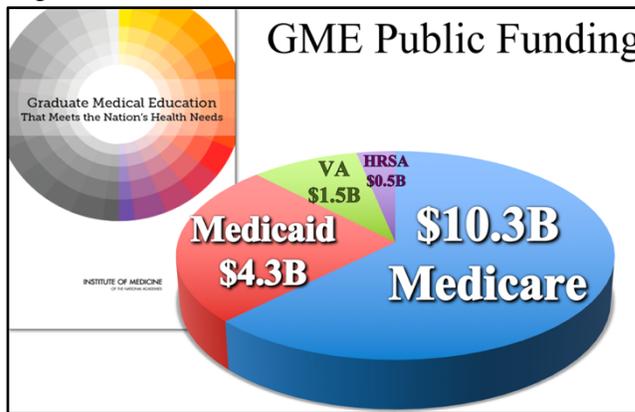
Introduction: Arizona’s Medicaid Program (AHCCCS) has operated under a Social Security Act Section 1115 demonstration waiver since its inception in 1982. In 2016, CMS approved the AHCCCS State Plan Amendment¹ (SPA) that increased Medicaid GME funding to 20 residency programs in Arizona from \$163 million in 2015 to \$294 million in 2018 (by 50%). However, from 2015-18 Arizona residency slots increased just 9.6% from 1,738 to 1,904 slots².

Figure 1. Growth in AHCCCS/Medicaid GME Funding and Residency Slots 2007-18.



As noted by the Congressional Research Service³ in 2016: “Unlike for Medicare or other federal GME payment, there is no federal guidance for Medicaid GME. Therefore, states have significant flexibility in designing and administering their Medicaid GME payments.”

Figure 2. Total U.S. Graduate Medical Education Funding.



In 2016, 42 states made Medicaid GME payments totaling \$4.3 billion.⁴ Other federal support of GME in 2015⁵ included Medicare (\$10.3 to \$12.5 billion)⁶, VA (\$1.5 billion), and HRSA discretionary federal funding in 2018 of Teaching Health Centers⁷ (\$127 million), and Children’s Hospital GME⁸ (\$325 million).

Since 2010, Arizona has not contributed any state general fund dollars to support Medicaid GME. Passed in response to state budget shortfalls, A.R.S. § 36-2903.01 G.9.(f)⁹ allows local, county, tribal

¹ <https://www.azahcccs.gov/Resources/Downloads/MedicaidStatePlan/Amendments/2015/SPA15-006GME2016.pdf>
² https://www.azahcccs.gov/shared/Downloads/Reporting/GME_ResidencyPositionsReport.pdf
³ <https://fas.org/sgp/crs/misc/R44376.pdf>
⁴ https://members.aamc.org/eweb/upload/Medicaid_Graduate_Medical_Education_Payments--A_50_State_Survey.docx.pdf
⁵ <https://www.gao.gov/assets/700/690581.pdf>
⁶ <https://fas.org/sgp/crs/misc/R44376.pdf>
⁷ <https://www.everycrsreport.com/reports/IN10728.html>
⁸ <https://www.childrenshospitals.org/newsroom/press-releases/2018/childrens-hospitals-commend-house-appropriations-subcommittee-for-investing-in-kids>
⁹ <https://www.azleg.gov/ars/36/02903-01.htm>

government, and any university under Arizona Board of Regents jurisdiction to increase federal GME with voluntary match monies. In 2015, Arizona ranked 5th in Medicaid GME funding.¹⁰ Increases in Medicaid GME funding since 2016 likely push Arizona to 3rd highest, behind New York and Florida. However, rural and Critical Access Hospitals have tight fiscal margins, and often cannot pay for the state share of Medicaid GME to draw down federal GME support for residency slots.

As part of the 1997 Balanced Budget *Medicare* GME funded residency slots were capped. Since that time, Arizona has been in the top ten fastest growing states, and because it was at the very low end of residency slots per population when the cap began, Arizona could not meet the burgeoning state need. The cap does not apply to new rural sites. State investment in rural Medicaid GME slots could catalyze expansion in affiliated rural sites and move the training pipeline closer to areas of need.

Created in 1997 by the Arizona legislature¹¹, the Arizona Rural Health Professions Program¹² (RHPP) provides rural training experiences for health professions students from the universities under the jurisdiction of the Arizona Board of Regents - the University of Arizona, Arizona State University, and Northern Arizona University, and many other health professions training programs in Arizona, in conjunction with the five regional Area Health Education Centers in Arizona.¹³

The state's community health centers, rural and critical access hospitals offer ideal service-learning affiliation sites for interprofessional and team based health professions education.

Figure 3. Total AHCCCS Medicaid GME Payments to 20 Arizona Residency Programs in 2018.²



Graduate Medical Education Payments

Hospital	2018 (All IGT)		
	Direct	Indirect	Total
Abrazo Central Campus	\$269,422	\$2,631,884	\$2,901,305
Banner Boswell	\$0	\$0	\$0
Banner Del Webb	\$0	\$0	\$0
Banner – UMC Phoenix	\$8,881,272	\$34,914,915	\$43,796,188
Banner – UMC South	\$3,571,267	\$14,860,527	\$18,431,794
Banner – UMC Tucson	\$14,782,023	\$50,217,178	\$64,999,201
Canyon Vista MC	\$548,290	\$1,932,459	\$2,480,750
John C Lincoln	\$308,940	\$1,165,998	\$1,474,938
Kingman Regional	\$623,153	\$2,638,723	\$3,261,875
Maricopa County MC	\$17,982,612	\$38,984,025	\$56,966,637
Mayo Hospital	\$0	\$0	\$0
Mountain Vista MC	\$1,681,775	\$5,085,538	\$6,767,313
Phoenix Children's	\$14,480,915	\$23,746,611	\$38,227,527
Scottsdale HC Osborn	\$344,406	\$2,440,121	\$2,784,527
Scottsdale HC Shea	\$101,595	\$746,429	\$848,025
Scottsdale HC Thompson Peak	\$126,529	\$1,366,780	\$1,493,309
St. Joseph's Phx	\$8,570,830	\$30,311,296	\$38,882,126
Tucson MC	\$1,843,237	\$5,780,821	\$7,624,058
Verde Valley MC	\$0	\$0	\$0
Yuma Regional MC	\$663,220	\$2,004,983	\$2,668,203
TOTAL	\$74,779,486	\$218,828,288	\$293,607,776

¹⁰ https://members.aamc.org/eweb/upload/Medicaid_Graduate_Medical_Education_Payments--A_50_State_Survey.docx.pdf

¹¹ <https://www.azleg.gov/ars/15/01754.htm>

¹² <https://medicine.arizona.edu/education/other/rural-health-professions-program>

¹³ <http://azahec.uahs.arizona.edu>