



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
First Regular Session

House: HHS DPA 9-0-0-0

## **HB 2392: AHCCCS; graduate medical education; reimbursement**

**Sponsor: Representative Osborne, LD 13**

**Caucus & Cow**

### **Overview**

Requires the Arizona's Health Care Cost Containment System (AHCCCS) to establish, beginning October 1, 2021 and contingent on approval by the Centers for Medicare and Medicaid Services (Centers), a separate graduate medical education (GME) program to reimburse qualifying community health centers with an approved primary care GME program. Specifies payment methodologies and reimbursement requirements.

### **History**

In 1997, AHCCCS established the GME program to reimburse hospitals that have GME programs for operational costs, such as compensation and benefits for residents and supervising faculty, as well as administrative and facility management costs associated with GME programs ([A.R.S. § 36-2903.01](#)).

*GME* is a program, including an approved fellowship, that prepares physicians for the independent practice of medicine by providing clinical education in a medical discipline to medical students who have completed a recognized undergraduate medical education program ([A.R.S. § 36-2901\(7\)](#)).

A *community health center* is defined as a community-based primary care facility that provides medical care in medically underserved areas through the employment of physicians, professional nurses, physician assistants or other health care technical and paraprofessional personnel ([A.R.S. 36-2907.06](#)).

### **Provisions**

1. Requires AHCCCS to establish, beginning October 1, 2021 and contingent on approval by the Centers, a separate GME program to reimburse qualifying community health centers that have an approved primary care GME program by:
  - a) Distributing any appropriated monies to qualifying community health centers for the direct and indirect costs of approved primary care GME programs; and
  - b) Adopting rules specifying the formula by which the monies are distributed. (Sec. 1)
2. Mandates AHCCCS to require each primary care GME program that receives monies to identify and report to AHCCCS the following:
  - a) The number of new residency positions created with awarded monies, including positions in rural areas; and
  - b) Information related to the number of funded residency positions that resulted in physicians locating their practices in Arizona. (Sec. 1)

Prop 105 (45 votes)     Prop 108 (40 votes)     Emergency (40 votes)     Fiscal Note

3. Requires AHCCCS to annually report by July 1 to the Joint Legislative Budget Committee (JLBC) on the number of new residency positions as reported by the primary care GME programs. (Sec. 1)
4. Stipulates that AHCCCS must coordinate with local, county and tribal governments and any state university that may provide any additional monies in addition to any state General Fund (GF) monies appropriated for primary care GME in order to qualify for additional matching federal monies for programs or positions in a specific locality. (Sec. 1)
5. States that payments made by AHCCCS may be limited to those providers designated by the funding entity and may be based on any methodology deemed appropriate by AHCCCS, including replacing any payments that might otherwise have been paid had sufficient state GF monies been appropriated to fully fund those payments. (Sec. 1)
6. Requires AHCCCS and the Centers to approve the outlined programs, positions and payment methodologies. (Sec. 1)
7. Requires AHCCCS to annually report by July 1 to the Legislature and the Director of JLBC on the amount of monies contributed and the number of residency positions funded by local, county and tribal governments and any state university, including the amount of federal matching monies used. (Sec. 1)
8. Makes a conforming change. (Sec. 1)

#### **Amendments**

##### Committee on Health and Human Services

1. Requires AHCCCS to establish beginning October 1, 2021 and contingent on approval by the Centers, a separate GME program to reimburse qualifying rural health clinics with an approved primary care GME program.