

Mayor Greg Stanton

CITY OF PHOENIX



FOR IMMEDIATE RELEASE

Stanton, council members & business leaders launch Phoenix Access to Care Ordinance

PHOENIX — Phoenix Mayor Greg Stanton, Phoenix City Council members, hospital and business leaders announced on Thursday a new plan to stabilize economic vitality in the health-care industry by creating a new funding source to help cover the costs of the uninsured.

The Phoenix Access to Care Ordinance, a measure that would assess Phoenix hospitals, would draw down a 2-to-1 match of federal dollars. The funding then would be transferred to the Arizona Health Care Cost Containment System (AHCCCS) to pay in part for uncompensated care for low income and uninsured patients.

The plan will not cost taxpayers and is widely supported by hospital leaders.

Continued on next page

“


This is a viable solution to a problem putting hospitals, jobs and our health-care system at risk.

”



CONTACT:

Communication Director Sarah Muench
sarah.muench@phoenix.gov (602) 262-7111



“This is a viable solution to a problem putting hospitals, jobs and our health-care system at risk,” Stanton said. “This is a plan the hospitals want, a solution patients want and action we can take to ensure that our economy moves forward as we make Phoenix a national destination for innovative and sustainable health-care solutions.”

Due to the impact of the recession on the state’s budget and unemployment, hospitals across Arizona have endured a sharp spike of more than \$540 million in uncompensated costs due to an increased number of uninsured individuals flooding hospital emergency departments.

At non-profit Banner Good Samaritan, the hospital has seen the amount of charity care it provides more than double in the last few years, from \$39.5 million in 2009 to a projected \$90.6 million this year.

“There are a lot of people who rely on Phoenix’s emergency rooms to be there for them when they get sick or injured,” said Larry Volkmar, chief executive officer of Banner Good Samaritan Medical Center. “Simply put, this is the right thing to do for patients.”

Arizona hospitals are a major economic engine, generating nearly \$28 billion worth of economic activity. Hospitals account for nearly 3 percent of all jobs in the state, and during the recent economic downturn, health care was one of the only sectors in our economy to grow jobs. The jobs created by hospitals in Phoenix and throughout Arizona are high-quality jobs that pay well and provide benefits.

“Keeping our citizens and our hospitals healthy is just good business, and that is what this ordinance is all about,” said Glenn Hamer, CEO of the Arizona Chamber of Commerce. “The new funding would mean more citizens will have access to the outstanding medical care available here and, at the same time, our hospitals will be made stronger financially.”

Key benefits of the one-year Phoenix Access to Care Ordinance include:

- No additional costs or taxes for Phoenix residents
- No increased spending by the city, and costs cannot be passed onto patients, business or insurance carriers
- \$200 million will be generated to cover uncompensated care at Phoenix hospitals
- A 2:1 match by the federal government, ultimately funding 66 percent of the payments
- Phoenix acute-care hospitals would be paid based on their share of uncompensated care to uninsured and low income patients
- Certain hospitals are exempt from the assessment due to their special nature, including government hospitals (Maricopa Integrated Health system), specialty hospitals, small children’s hospitals (Los Niños Hospital) and hospitals that provide a significant percentage of care to out-of-state and Medicare patients (The Mayo Clinic)

In 2011, the legislature and governor created an opportunity to create economic funding pools from political subdivisions to draw down federal matching dollars. The program gives local governments the ability to directly support hospitals in their communities.

The ordinance will have a 60-day approval process beginning Oct. 4, and the Phoenix City Council would likely take formal action at its regular Dec. 5 council meeting. The city will have public hearings to solicit input. If the city council approves the ordinance it will direct the city to enter into an intergovernmental agreement with AHCCCS to receive the federal match and distribute the funds.