

Casa Grande Access to Care Ordinance Fact Sheet

Problem: The Casa Grande Regional Medical Center (CGRMC) has faced rapidly rising uncompensated care costs due to the economic downturn. In FY 2012 the CGRMC provided \$27.455 million in uncompensated care, a 183% increase from FY 2011.

Background: In April of 2012, Centers for Medicare and Medicaid Services (CMS) permitted the State of Arizona to establish the Safety Net Care Pool (SNCP). The SNCP serves to reduce the uncompensated care costs of hospitals throughout Arizona via submittal of funds to draw down matching federal dollars at a \$2 to \$1 rate. The state legislature subsequently enacted S.B. 1357, which authorizes political subdivisions to provide necessary funding to Arizona Health Care Cost Containment System (AHCCCS) for hospitals within the City's jurisdiction to participate in the SNCP.

Proposal: CGRMC and City officials have developed a proposed solution to this problem entitled the Casa Grande Access to Care Ordinance. This ordinance would permit the City to assess the value of CGRMC net inpatient revenue and transfer the funds from this assessment to AHCCCS. AHCCCS would then submit the transferred funds to CMS, who would match the submitted funds at a \$2 to \$1 rate. After receiving the matching funds from CMS, AHCCCS transfers the original assessment dollars plus the federal matching funds back to CGRMC (less City & AHCCCS fees).

The City may collect up to \$7,650 per quarter to cover the administrative costs of the assessment. Additionally, 18% of the monies collected from the hospital would be used to restore AHCCCS coverage for uninsured adults throughout Arizona. Senate Bill 1357 currently authorizes political subdivisions to submit funds until September 30, 2013; however, the legislature may extend that authority to December 31, 2013.

The Casa Grande Access to Care Ordinance Will:

1. Result in a \$7.2 million benefit to Casa Grande Regional Medical Center for uncompensated care;
2. Promote the economic sustainability and development of Casa Grande by providing assistance to CGRMC for its health provider costs;
3. Promote access to healthcare for residents by ensuring the financial stability and viability of Casa Grande Regional Medical Center; and
4. Help individuals in Casa Grande and throughout the State gain health insurance coverage through partial restoration of AHCCCS coverage.

The Casa Grande Access to Care Ordinance Will Not:

1. Increase city spending;
2. Increase taxes for city residents;
3. Become a compliance burden for CGRMC;
4. Increase costs for healthcare consumers at CGRMC. The ordinance as proposed prohibits CGRMC from passing costs on to patients or health insurance providers.

Process:

1. City posts "Notice of Intent" to implement new fee.
2. Council approves (or disapproves) Access to Care Ordinance.
3. City obtains approval of tax structure from MTCC.
4. AHCCCS posts waiver requesting expansion of hospitals participating in the SNCP to include CGRMC for public comment.
5. City/CGRMC formally submit waiver to CMS via AHCCCS.
6. Ordinance receives approval from CMS.
7. City finalizes intergovernmental agreement with AHCCCS.
8. City collects the fee from CGRMC, and forwards the payment to AHCCCS, for federal draw-down.