

**Release:** IMMEDIATE  
March 16, 2011

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## **Statement on Governor Brewer's Plan to Reform the Arizona Health Care Cost Containment System**

Phoenix, Ariz. – Gov. Jan Brewer's new plan to reform the Arizona Health Care Cost Containment System (AHCCCS) includes deep and devastating cuts to healthcare providers across Arizona, including an estimated \$530.7 million in new cuts to hospitals, the Arizona Hospital and Healthcare Association (AzHHA) said Wednesday.

In addition to eliminating AHCCCS coverage for low-income childless adults, the governor's plan would slash AHCCCS payments to healthcare providers by 5 percent on October 1. The new payment reductions—combined with other cuts included in the governor's plan—would come on the heels of a 5 percent cut already slated to take effect April 1. Added to the more than \$700 million in AHCCCS payment decreases hospitals have absorbed since 2008, cumulative cuts to Arizona hospitals would rise to nearly \$1.3 billion.

“People across Arizona would feel the impact of these new proposed cuts,” said AzHHA president and chief executive officer Laurie Liles. “Arizona hospitals will be forced to cut family-sustaining jobs and lifesaving services. The loss of jobs will begin

first in the healthcare community and ripple across all sectors of the state's economy. And Arizona businesses and families will pay more for health insurance, because hospitals will be forced to charge higher rates to commercial health plans.”

AzHHA and other health provider groups on Friday presented Gov. Brewer with a creative alternative to use new revenue from a special healthcare assessment on hospitals, nursing homes and AHCCCS managed care plans to maximize federal funds, preserve coverage for AHCCCS members and avoid devastating cuts to healthcare providers.

“We have presented Governor Brewer with a humane, fiscally responsible solution to the AHCCCS funding crisis,” Liles said. “Our plan saves the state money and leverages billions of federal dollars Arizona taxpayers are already paying that will otherwise go to other states. We remain hopeful that the governor and legislators will collaborate with us on a plan that will protect jobs and the healthcare safety net.”

## **About AzHHA**

AzHHA is an organization of hospitals and healthcare systems dedicated to providing leadership on issues affecting the delivery, quality, accessibility and cost-effectiveness



# Arizona Hospital and Healthcare Association

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