



Arizona Hospital and Healthcare Association

THERE TO CARE: INVESTING IN A HEALTHY ARIZONA

“Yes” on Proposition 100

Message Point 1: Passage of Prop. 100 Prevents Deeper Cuts to Healthcare

- If passed, Prop. 100 will add a temporary one-cent sales tax from July 1, 2010 to May 31, 2013. Healthcare and public safety will receive one third of the revenue generated by an increased sales tax, or approximately \$300 million. The recently approved FY 2011 budget hinges on the passage of this measure and the anticipated revenue that will be generated from the increased sales tax is already built into the figures.

Message Point 2: “No” Vote Means More Healthcare Cuts

- If Prop. 100 is rejected by voters, the healthcare community will be subject to more reductions, including a cut in the Arizona Health Care Cost Containment System (AHCCCS) provider payments of an additional 10 percent (\$342 million in state and federal funds). This represents a major reduction in AHCCCS reimbursement that is already inadequate – presently at only 76 percent – to cover the cost of care hospitals provide to AHCCCS patients. Hospitals will be severely weakened, forced to evaluate current staffing levels and may be forced to eliminate services they provide.
- The Arizona Department of Health Services (ADHS) is also vulnerable to a 10 percent rate cut (\$120 million in total funds) for behavioral health services. This cut will be felt by hospitals since behavioral health patients who are left without services seek them in hospital emergency departments, most of which are not equipped to provide the appropriate care for these individuals.

Message Point 3: Healthcare Cuts Threaten State’s Economic Catalyst

- Arizona’s hospital community is a proven economic catalyst for the state, employing more than 80,000 people and contributing \$11.5 billion to Arizona’s gross state product. Hospital employees account for 7 percent of Arizona’s wages and salaries. In fact, the healthcare industry added 1,700 jobs in December 2009 while the state’s unemployment rate increased to 9.1 percent.

Message Point 4: Cuts to Hospitals Drive Up Hidden Healthcare Tax

- Hospitals are federally mandated to provide emergency care to all patients without regard to their ability to pay. An additional AHCCCS rate cut will require hospitals to shift the cost of caring for the uninsured to commercial health plans, which will in turn charge higher premiums to Arizona businesses and families. This *hidden healthcare tax* will make it even more challenging for businesses and families to afford health insurance.