

The Economic Impact of Health & Higher Education in Arizona

Dan Derksen, MD

AVP for Health Equity, Outreach & Interprofessional Activities

University of Arizona Health Sciences | Sept 13, 2019



Arizona Profile

Pop. 7 Million: 75% live in Phoenix + Tucson

15 Counties span 114,000 sq. mi.

AZ sq.mi. = CT+DE+MA+ME+NH+RI+NY+VT+DC



Pre- and Post-ACA: Uninsured 2010 vs 2018

STATE	Avg. 2007-10 Bottom 5	2018
Texas	25%	17.7%
New Mexico	22%	9.5%
Florida	21%	13%
Nevada	20%	11%
Arizona	19%	10.6%

ACA = Affordable Care Act “Obamacare”

Arizona, Nevada, New Mexico had 3 R-Gov’s who expanded Medicaid (TX, FL did not)

Adapted by Dan Derksen, MD from US Census Bureau Data and KFF Uninsured Report

2018 Data: <https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-267.pdf>



2018 AZ: 45% Publicly Subsidized

	# covered (%)
Private Health Insurance ¹	3,471,500 (50%)
<i>Employer Sponsored ESI</i>	3,075,100 (44%)
<i>Individual Purchase (Non-Group</i>	396,400 (6%)
<i>{Of non-group: ACA marketplace}</i>	{160, 500 (2.3%)}
Medicaid + CHIP²	1,849,093 (26%)
Medicare ³	1,266,458 (18%)
Uninsured⁴	750,000 (10.6%)
Total Population⁵	7,016,270 (100%)

Notes: 216,300 Arizonans had both Medicare and Medicaid (dual eligible); AZ 160,500 chose ACA marketplace plan in 2019

1. Private Insurance data from 2017 KFF Data at: <https://www.kff.org/other/state-indicator/total-population>

2. Medicaid: <https://www.azahcccs.gov/Resources/Downloads/PopulationStatistics/2018/Nov/AHCCCSPopulationHighlights.pdf>

3. Medicare: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Dashboard/Medicare-Enrollment/Enrollment%20Dashboard.html>

4. 2018 Uninsured: <https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-267.pdf>

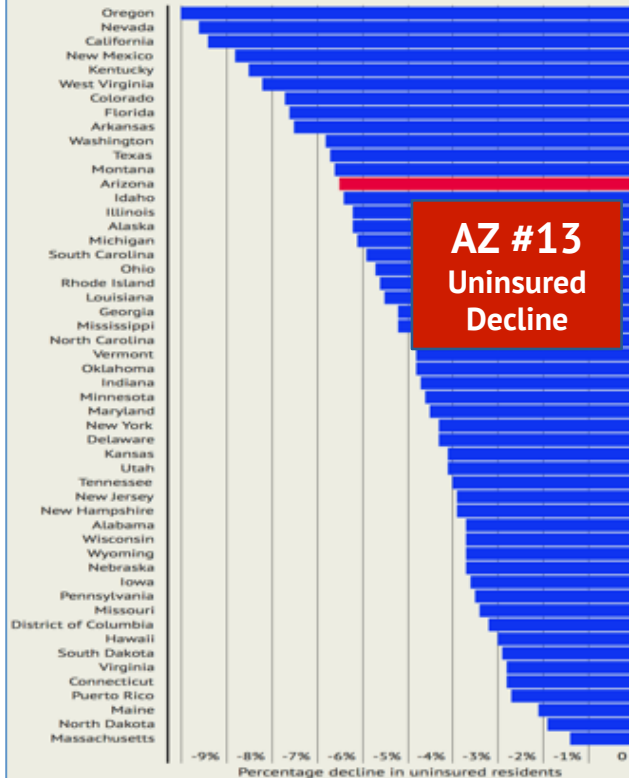
5. US Census 2018 U.S. Population: <https://www.census.gov/popclock/>



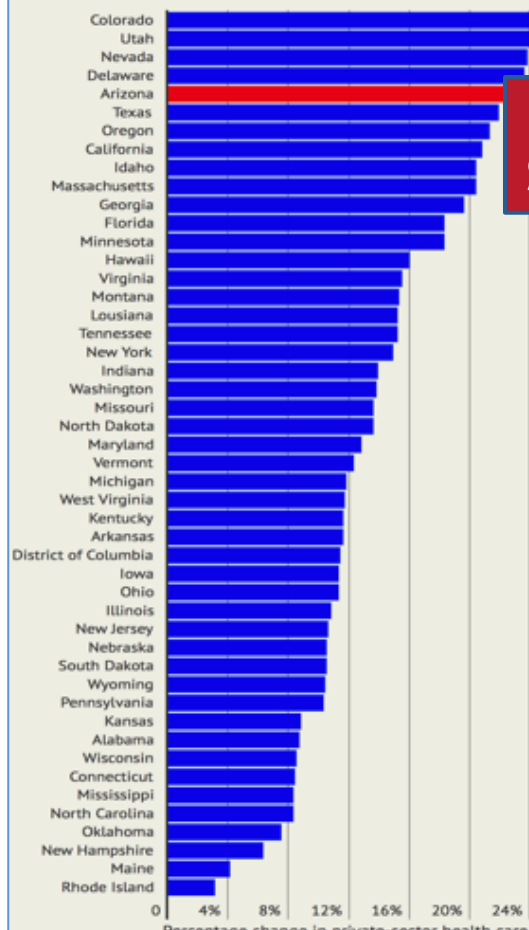
Economic Impact of Reducing Arizona's Uninsured, Uncompensated Health Care

Arizona among the biggest declines in uninsured

Arizona is among the states with the biggest drops in the share of uninsured residents. The change reflects coverage rates in 2009 compared to 2015.



Source: U.S. Census Bureau, American Community Survey data, 2009 and 2015



AZ #5 Education, Health Sector Job Growth Since 2010

AZ Hospital Uncompensated Care %	
Year	Care %
2014	7.7%
2015	4.7%
2016	2.2%
2017	2.7%
2018	2.5%

AzHHA Data

<https://www.azcentral.com/story/money/business/health/2017/01/27/ducey-cites-obamacare-harm-arizona-seeking-repeal-laws-positives-complicate-issue/96998808/>

<https://static1.squarespace.com/static/572a399a1bbee0add26af051/t/5cae2021104c7b2beba20ee7/1554915363764/February+2019+-+Financial+Survey.pdf>



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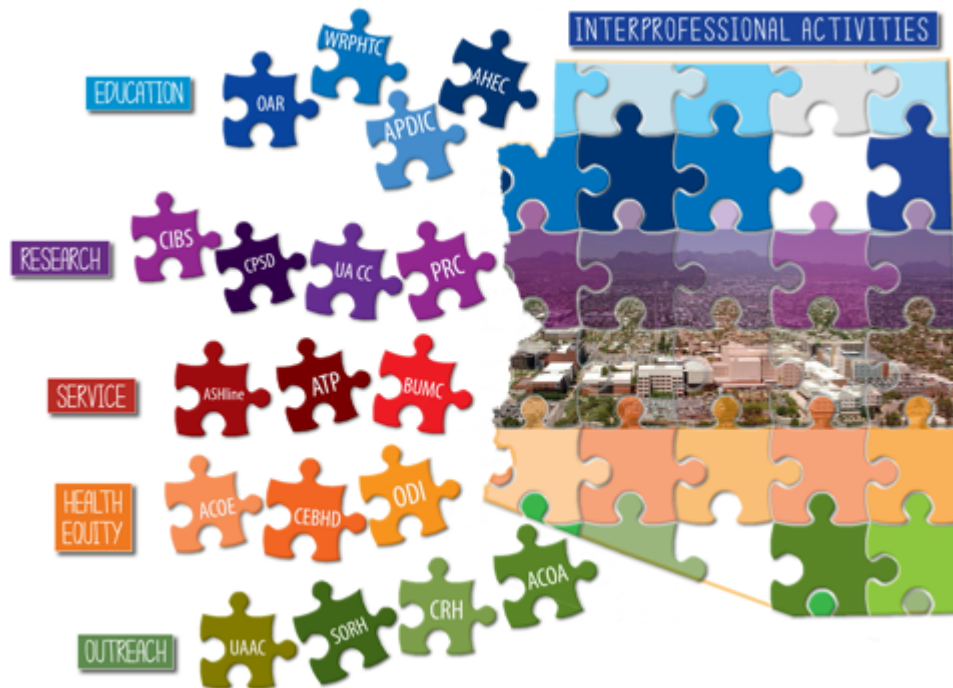
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Health Sciences

Initiative 1.3: Interprofessional Education (IPE)

Be the nation's most advanced innovator in lifelong interprofessional health education - longitudinal, large and small group, onsite and community based, and online.



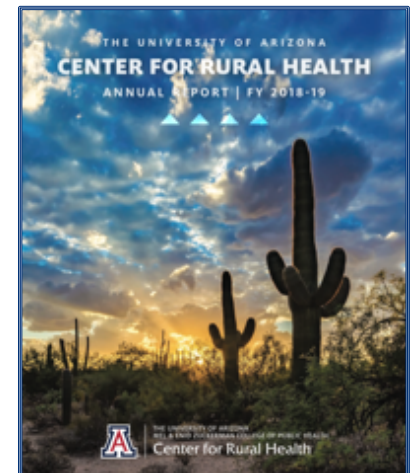
Arizona Center for Rural Health

Since 1980 the AzCRH mission is to improve the health & wellness of rural and vulnerable populations.

Programs & Initiatives:

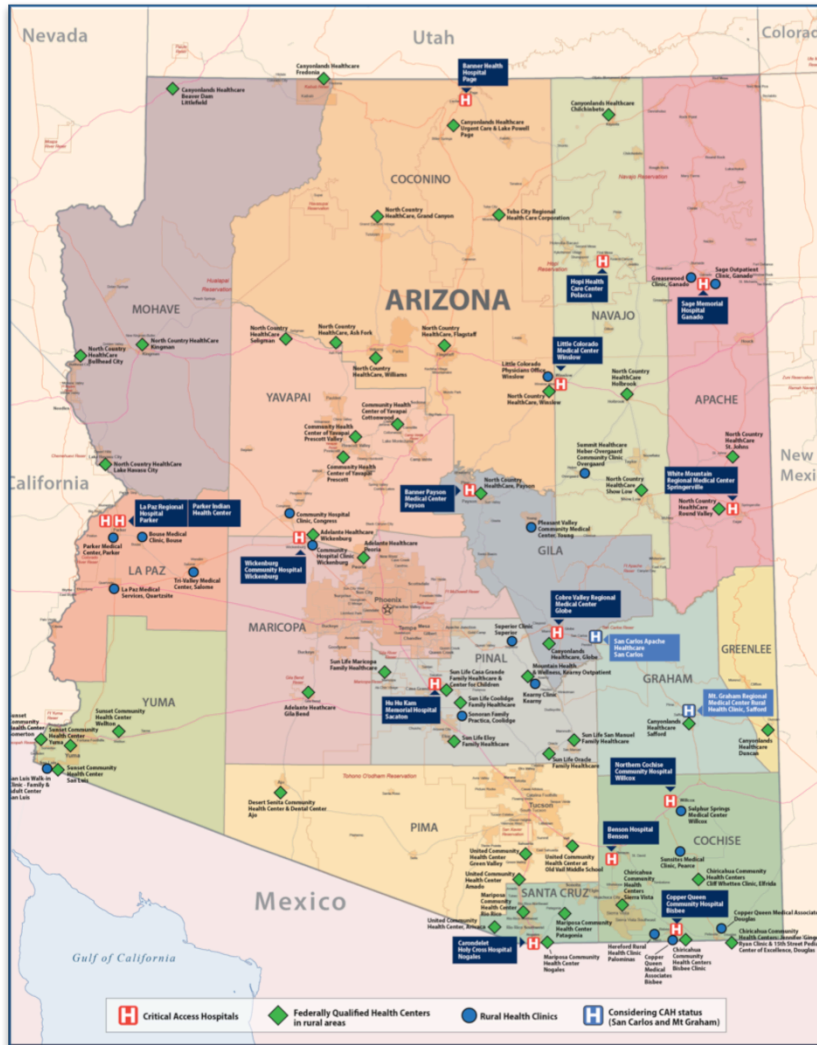
1. State Office of Rural Health (1990 State, HRSA)
2. Rural Hospital Flexibility Program (1999 HRSA)
3. AzCRH-ADHS Interagency Services Agreements

HRSA: Health Resources & Services Administration – a federal agency
ADHS: Arizona Department of Health Services – a state agency



<http://crh.arizona.edu>

Rural Hospital Flexibility Program



15 Critical Access Hospitals
≤25 beds in rural area
24hr/7d Emergency Dept
>35mi from another facility

AzFlex assists CAHs in:

Quality, Fiscal, and
Operational Improvement

Recruitment & Retention of
Health Professionals





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Arizona AHEC
Area Health Education Centers

Since 1984 the AzAHEC mission: *to enhance access to quality primary and preventive care through academic community partnerships in rural and urban underserved areas.*

Five AzAHEC Regional Centers:

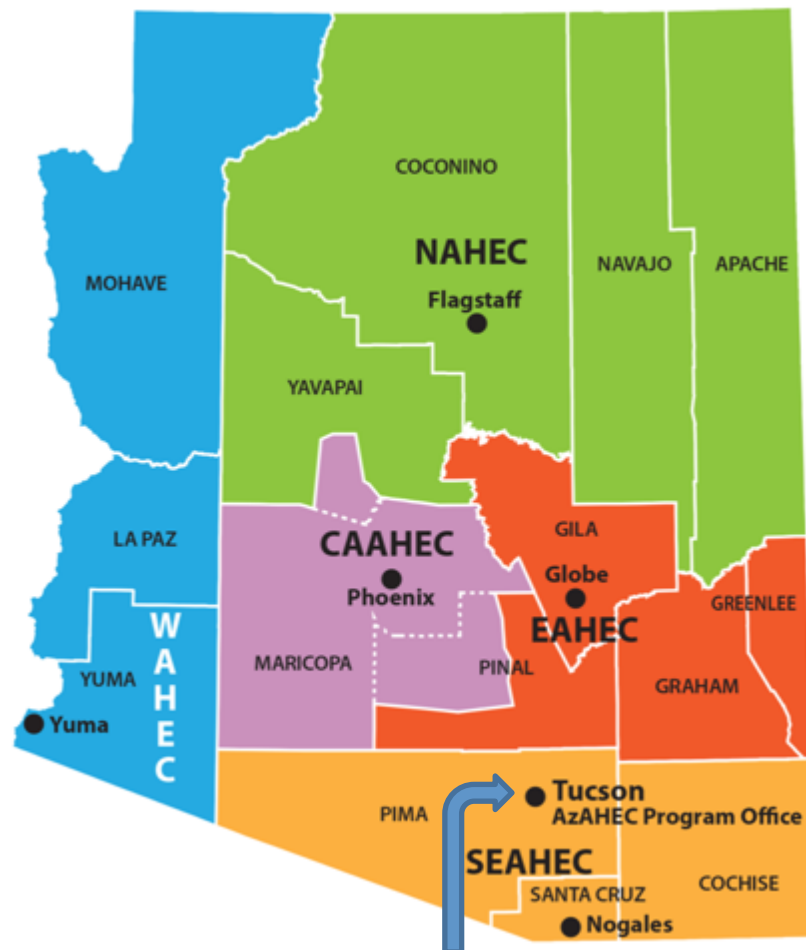
Central Arizona AHEC (CAAHEC) in Phoenix

Eastern Arizona AHEC (EAHEC) in Globe

Northern Arizona AHEC (NAHEC) in Flagstaff

Southeast Arizona AHEC (SEAHEC) Nogales

Western AHEC (WAHEC) in Somerton



AzAHEC Program Office:

University of Arizona Tucson

Office of the Senior VP for Health Sciences



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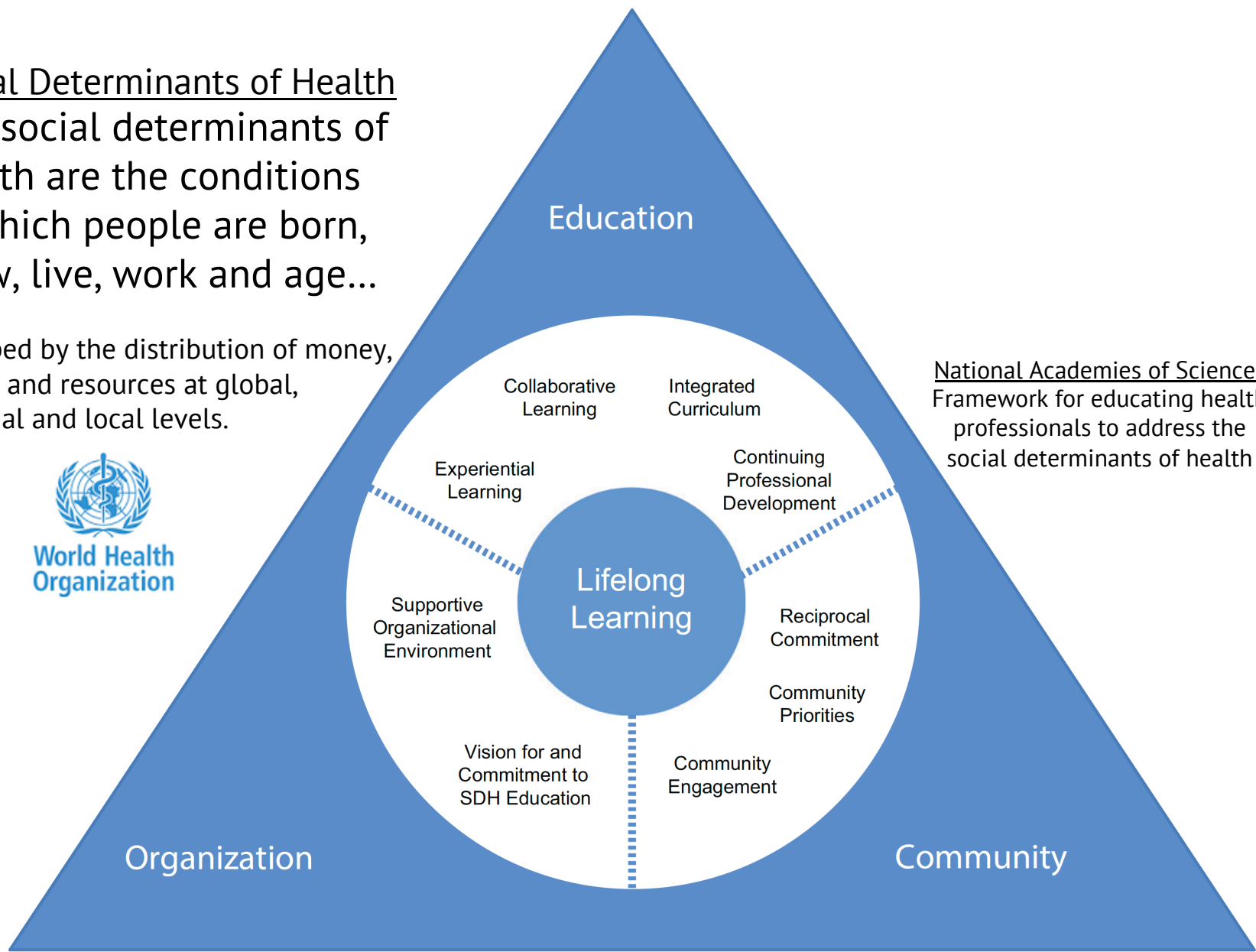
Social Determinants of Health

The social determinants of health are the conditions in which people are born, grow, live, work and age...

...shaped by the distribution of money, power and resources at global, national and local levels.



National Academies of Sciences
Framework for educating health professionals to address the social determinants of health



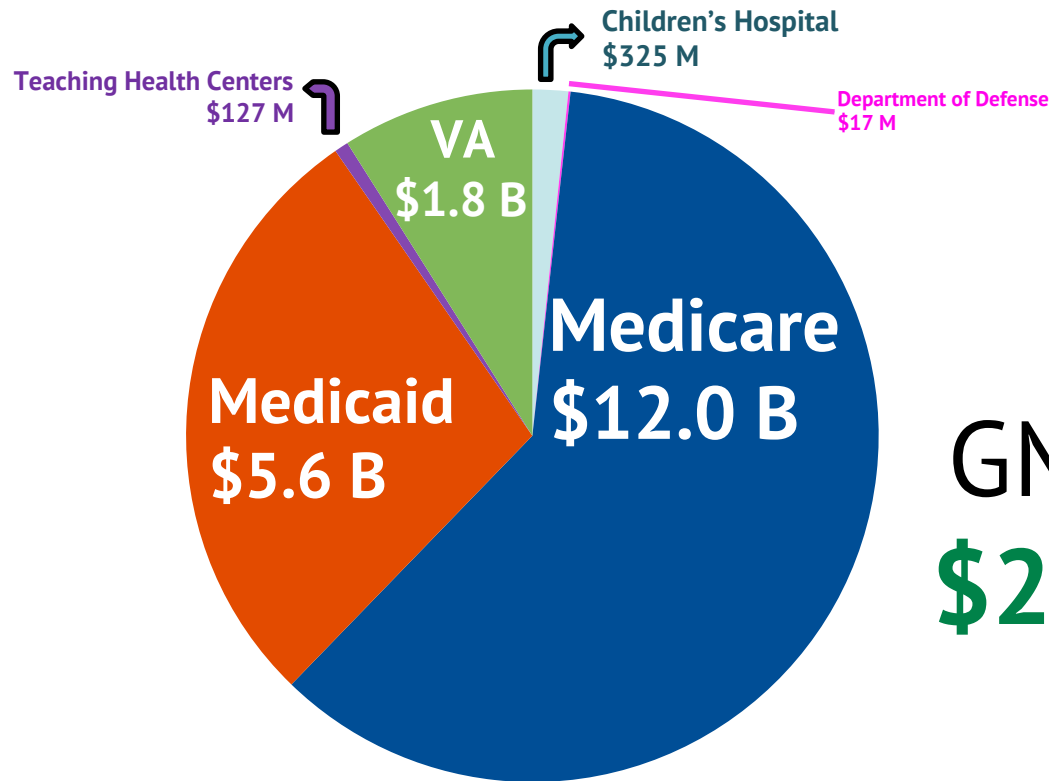
<https://www.nap.edu/catalog/21923/a-framework-for-educating-health-professionals-to-address-the-social-determinants-of-health>



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U.S. Graduate Medical Education Funding



U.S.
GME Total
\$20 Billion

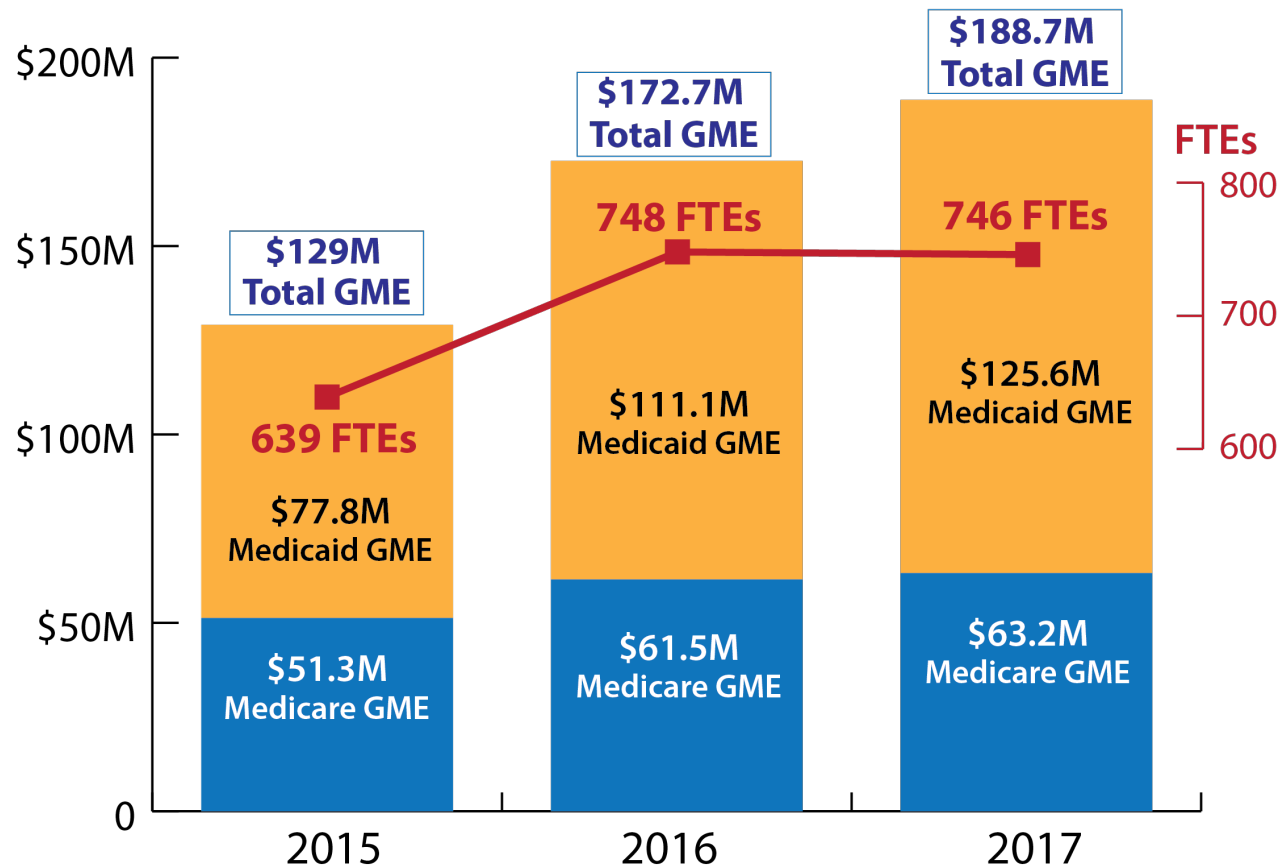
Medicare GME 2007-16: <https://www.graham-center.org/rgc/maps-data-tools/data-tables/gme.html>
Medicaid GME 2018 Henderson: https://store.aamc.org/downloadable/download/sample/sample_id/284/
CRS Federal Support of GME Dec 2018: <https://fas.org/sgp/crs/misc/R44376.pdf>



BUMC T/P/S PHX + TUC + SOUTH (Kino)

Provide 39% of AZ Residency Spots

2015-17 GME Funding and Resident FTEs



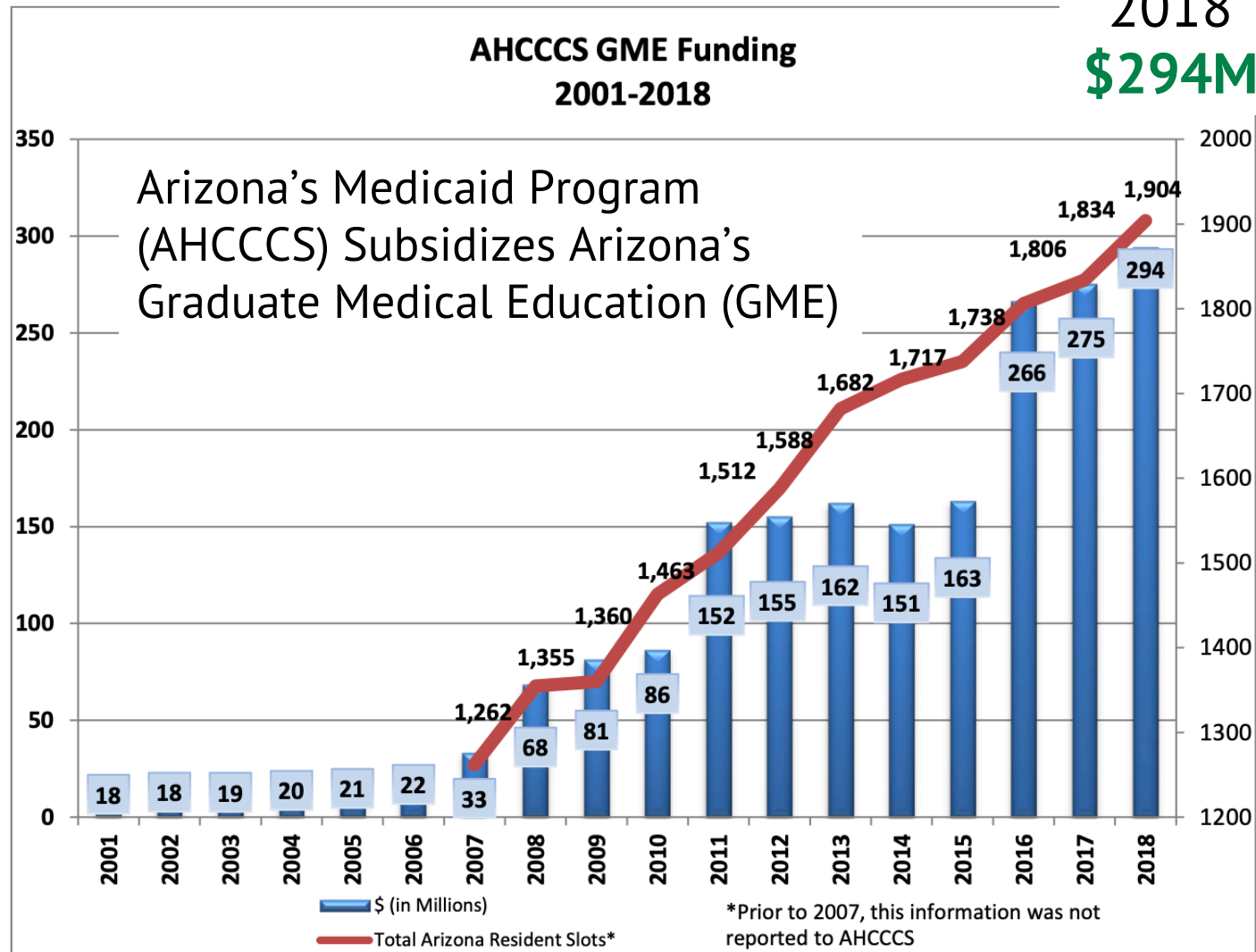
BUMC is 162 FTE residents over cap (No Medicare subsidy)

Medicare GME: <https://www.graham-center.org/rgc/maps-data-tools/data-tables/gme.html>

Medicaid GME: https://www.azahcccs.gov/shared/Downloads/Reporting/GME_ResidencyPositionsReport.pdf



2018
\$294M



Medicaid GME: https://www.azahcccs.gov/shared/Downloads/Reporting/GME_ResidencyPositionsReport.pdf



Health Workforce Data Informs Policy

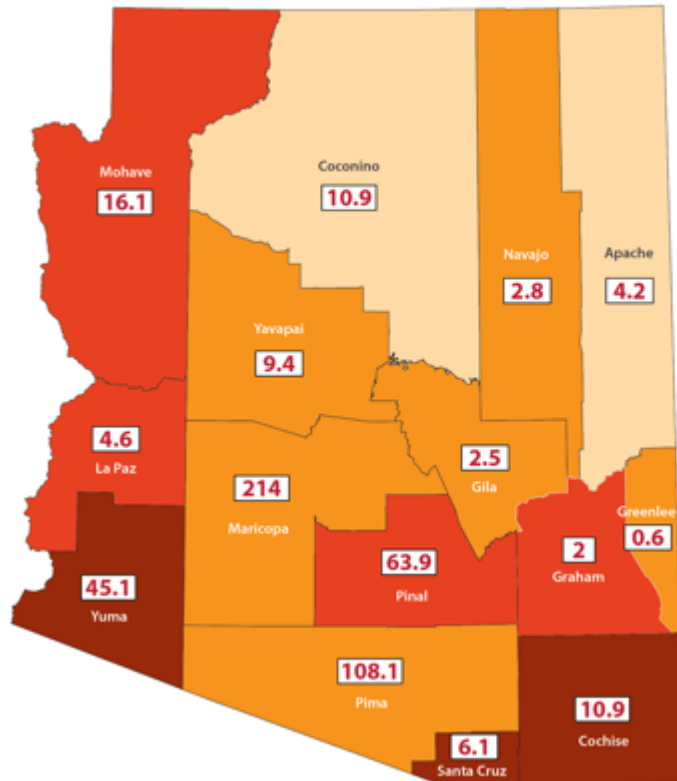
Arizona's Primary Care Physician Shortage

Percent Living in Primary Care Shortage Areas (HPSAs) and
Number of Providers Needed to Eliminate Shortage (2018)

563 Needed Now

Number of FTEs
needed to eliminate
the PCP shortage

Percent population
living in a HPSA



1,941 will be
needed by 2030



GME Pipeline Clog

AZ pop growth + GME cap contribute to doc shortages

- Federally subsidized GME slots (residency positions) were capped in 1997 Balanced Budget Agreement
- There are enough medical and osteopathic school slots, but not enough residency positions in Arizona
- Many AZ graduates must leave the state for residency
- Most do not return



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Report shows S.B. 1354 would create 'significant positive economic impact' if passed



Emily Richardson

May 2, 2019

3 min read

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If passed, Senate Bill 1354, a bill to address health care worker shortages, would create a positive economic impact to the state according to a recent Rounds Consulting Group, Inc. report.




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2019 AZ Legislative Session Gains

2019-20 State Appropriation	Rural, Urban Underserved Health Policy Issue
\$3.0 M	Medicaid Graduate Medical Education (GME) with \$7 M federal match total = \$10 M, expanding to total \$30 by 2022
\$8.0 M	Expand Med Students in Primary Care, Tuition Remission
\$3.0 M	Expand Rural Broadband
\$1.6 M	Continue KidsCare (CHIP)
\$1.0 M	Rural Prenatal Telemedicine Equipment
\$0.75 M	State Loan Repayment
\$0.75 M	North Country Teaching Health Center





To carry a positive action
we must develop a positive vision

Dalai Lama