



# Copper Queen Community Hospital

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August 19, 2011

*Via Electronic Mail and Hand-Delivery*

Dianne Heffron, Director  
Financial Management Group  
Center for Medicaid, CHIP, and Survey & Certification  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850

RE: Request for CMS Approval: Arizona Rural/CAH Provider Donation Program

Dear Ms. Heffron:

The purpose of this letter is to request that the Centers for Medicare and Medicaid Services (CMS) approve the provider donation program ("Program"), described below, in order to prevent significant and irreversible harm to Arizona's rural and critical access hospitals and the vulnerable populations that they serve. CMS has the authority to approve this Program under 42 C.F.R. §433.50(c).

## I. OVERVIEW

Arizona's Governor has proposed significant changes to Arizona's Health Care Cost Containment System (AHCCCS) program as part of a new Section 1115 Research and Demonstration Waiver (Waiver). The Governor's Waiver request includes eligibility reductions, an eligibility freeze, and an eligibility cap that will reduce the number of childless adults who would otherwise be eligible for AHCCCS coverage. In addition, the Governor has requested that CMS approve a 5% provider rate cut and reductions in outlier payments, on top of the provider rate cut the State imposed April 1<sup>st</sup> of this year and the provider rate cuts implemented in previous years. Together, these various provider eligibility and reimbursement cuts exceed \$1.3 billion. If approved, the new Waiver would be effective October 1, 2011.

### A. The Proposed Cuts will Disproportionately Harm Rural and Critical Access Hospitals.

While the proposed eligibility and rate cuts will be detrimental to all Arizona hospitals, the impact of these cuts will fall disproportionately on Arizona's rural and critical access hospitals. Rural, as compared to urban, areas typically have higher poverty rates generally and therefore frequently serve a large percentage of AHCCCS beneficiaries and the uninsured. Indeed, over 40% of inpatient stays in Navajo County and Santa Cruz County involved AHCCCS patients, while Coconino County, Santa Cruz County, Graham County, Apache County, and La Paz County all reported inpatient AHCCCS cases in excess of 30%.<sup>1</sup> For some

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<sup>1</sup> Intellimed Market Share Report (2010).



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hospitals, such as Southeast Arizona Medical Center in Cochise County, AHCCCS beneficiaries account for as much as 47% of the hospital's total patient population.

Arizona likewise has a high percentage of uninsured patients, with all fifteen counties exceeding the national benchmark (13%).<sup>2</sup> In some rural counties, however, the numbers are even higher. In 2007, Coconino and Yavapai counties' uninsured adult population was estimated to be approximately 22%, while Santa Cruz County's uninsured rate was estimated to be 25.4%. (Exhibit 1). These numbers are likely much higher today and with the recent reductions in AHCCCS eligibility, these numbers are expected to climb even higher. In Navajo County, nearly one quarter of the AHCCCS enrollees in Navajo County are expected to lose their AHCCCS coverage as a result of the proposed eligibility reductions.

The high number of AHCCCS and uninsured patients is due, in part, to the high unemployment rates in Arizona's rural counties and the number of adults and children who live in poverty in the communities served by Arizona's rural and critical access hospitals. These rates exceed both national and state benchmarks:

- The national unemployment rate in June 2011 was 9.1%. Arizona's unemployment rate was 9.3%. In rural Apache, La Paz, Navajo, and Santa Cruz counties the unemployment rate exceeds 12%, and in some counties, the unemployment rate exceeds 14%.<sup>3</sup>
- The national benchmark for persons living in poverty is 14.3%.<sup>4</sup> In Arizona's urban areas, the poverty rate is 15.8%, but in rural areas, this rate is 22.1%.<sup>5</sup> In some rural counties, the poverty rates are even higher. Of Arizona's 13 critical access hospitals, ten were located in communities with poverty rates higher than the Arizona average. The town of Douglas had poverty rates in excess of 36%, Nogales 26%, and Bisbee 24%. (Exhibit 2).
- The national benchmark for children living in poverty is 11% and Arizona's is 21%, but Sage Memorial Hospital in Apache County and La Paz Regional Hospital in La Paz County both serve populations with over 39% of these children.<sup>6</sup>

To make matters even worse, rural and critical access hospitals serve a larger percentage of elderly people and people with poor health. For example, almost one in three adults living in rural areas is in poor to fair health and nearly half have at least one major chronic illness.<sup>7</sup> The Agency for Healthcare Research and Quality

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<sup>2</sup> County Health Rankings, Robert Wood Johnson Foundation (2007 data, published 2011).

<sup>3</sup> U.S. Department of Labor, BLS (June 2011).

<sup>4</sup> <https://quickfacts.census.gov/qfd/states/04000.html>.

<sup>5</sup> *Id.*

<sup>6</sup> County Health Rankings, Robert Wood Johnson Foundation (2008 data, published 2011).

<sup>7</sup> Agency for Healthcare Research and Quality, "National Health Care Disparities Report, Health Care Disparities in Rural Areas" (2004).



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reports that six out of every ten rural emergency department visits are by low-income adults.<sup>8</sup> Medicaid paid for approximately 28% of these visits, with nearly 16.5% either uncompensated or billed to uninsured patients.<sup>9</sup>

Given the patient population served by Arizona's rural and critical access hospitals, it should come as no surprise that the AHCCCS program accounts for a significant portion of these hospitals' operating budgets and a reduction in these funds will adversely impact these hospitals' bottom lines. The proposed cuts are projected to result in over \$530 million in provider losses statewide in 2012, but, as explained below, Arizona's rural and critical access hospitals will be some of the hospitals most severely impacted by these cuts. (Exhibit 3).

## B. The Proposed AHCCCS Cuts Will Limit Access to Health Care Services in Rural and Underserved Areas

The State has provided CMS with reports prepared by its consultant, Milliman, Inc., which state that the proposed AHCCCS provider rate cuts will not, in the aggregate, impact the quality of health care service or access to health care services in Arizona. We disagree. We have many concerns with these reports, but the most significant flaw is that the reports fail to separately review or consider the devastating impact the proposed cuts will have on quality and access to health care services in Arizona's rural and underserved areas.

Arizona's rural and critical access hospitals already operate with slim or nonexistent profit margins. Of the 14 critical access hospitals in Arizona, six currently operate at deficits. At least one rural hospital has already reported seeing a 30-40% increase in its uncompensated care costs. These latest cuts to Arizona's Medicaid program, once fully implemented, will further increase the hospitals' uncompensated care costs and make their precarious situation even worse. Rural and critical access hospitals that employ their community physicians will be hit twice as hard—once on the hospital reimbursement side and again on the physician/practitioner reimbursement side. Without funding for the impacted Medicaid services, rural and critical access hospitals' charity care and uncompensated care costs will skyrocket.

This sudden reduction in revenue will force rural and critical access hospitals to close, cut service lines, or limit staff. Unlike their urban counterparts, rural hospitals do not have sufficient margins or the ability to cost shift, as necessary to preserve their financial stability. Several of Arizona's rural and critical access hospitals have already reported potential closures of their facility or service lines, including critical services. For example:

- Four critical access hospitals in southern Arizona, near the Mexico border, are at risk of closure. These hospitals have added constraints due to the volume of illegal immigrants served, for which there is limited federal reimbursement. Mountain ranges and other geographic barriers isolate several of these hospitals and there are very few, if any, providers located in these areas that are not dependent on their local hospital. The residents of these

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<sup>8</sup> "Emergency Department Visits in Rural and Non-Rural Community Hospitals" (2008).

<sup>9</sup> *Id.*



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communities may find it difficult to obtain health care services were these hospitals and their affiliated rural health clinics to close.

- La Paz Regional Hospital in La Paz County reports the potential closure of two rural clinics and an Urgent Care facility.
- Little Colorado Medical Center, which is located in Navajo County, projects that as a result of the cuts it will operate at a deficit close to three quarters of a million dollars in 2012 and will be forced to limit hospital services and cancel intensive care unit expansion plans. In addition, these cuts may force the hospital to default on its bond covenants, which require the hospital to maintain a 1:1 debt ratio.
- Mt. Graham Regional Medical Center in Safford, Arizona had a net income of \$5,000,000 in 2009. Mt. Graham projects an annual loss of \$3,000,000 as a result of the proposed cuts, which is 60% of the hospital's margin.

Hospital margins are necessary to fund critical health care programs that do not realize a profit, such as obstetrical services, as well as community health initiatives such as teen clinics, diabetes education, and tobacco cessation. These funds are also used to pay for advances in technology through programs such as telemedicine, which allow patients in rural communities to benefit from services provided by professionals in other parts of the state and thereby improve rural health care services. Without sufficient AHCCCS reimbursement, hospitals will be forced to cut these and other important hospital services.

In addition to reduced access to hospital services, the current primary care physician (PCP) ratio in the communities served by Arizona's rural and critical access hospitals is grossly inadequate. (Exhibit 4). Most Arizona counties in which rural and critical access hospitals are located have PCP ratios well over 1,000 to 1, which is significantly higher than the national benchmark of 631 to 1. (Exhibit 4). Apache County, for example, has a PCP ratio of 2,575 to 1. The growing inability of rural community residents to pay for their health care services, as more residents lose or are unable to obtain AHCCCS coverage, will exacerbate the physician shortages in these communities. Many of the physicians in these communities are dependent on the local hospital. Health care professionals and clinicians who no longer have a client base that can pay for their services are likely to move elsewhere, leaving rural communities with even fewer health care providers.

There is no question that these reductions in hospital and physician services in rural and underserved communities will have an adverse impact on access to health care services. Residents of rural areas are already burdened with more traumatic injuries, worse outcomes, and higher risks of death than urban patients, due in part to transportation problems.<sup>10</sup> The proposed eligibility and rate cuts will force residents to travel longer distances and more frequently for their medically necessary care, which will further harm this vulnerable population.

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<sup>10</sup> Agency for Healthcare Research and Quality, "National Healthcare Disparities Report" (2010).





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## II. PROPOSED PROVIDER DONATION PROGRAM

Arizona's rural and critical access hospitals have previously written to CMS and requested that CMS not approve the Governor's proposed eligibility and provider rate cuts. If CMS approves these cuts, however, then Arizona's rural and critical access hospitals will need CMS' assistance to help stabilize Arizona's rural and underserved health care delivery system. With this potential outcome in mind, Arizona's rural and critical access hospitals have worked together to develop a voluntary provider donation program that will provide enhanced funding to Arizona's rural and critical access hospitals to help offset the significant losses that will result from implementation of the eligibility and provider rate cuts. To succeed, however, we need CMS' support and approval of our Program.

Under this Program, participating hospitals will voluntarily donate funds to the AHCCCS program, which will then use those funds to obtain federal matching funds. The combined funds will be returned to these same hospitals through reimbursement of 100% of each hospital's unreimbursed cost of providing hospital and non-hospital services to Medicaid and uninsured populations. For purposes of this Program, "uninsured population" means those individuals with no source of third party income for the health care services that they receive. Hospitals will not receive any reimbursement under this Program for bad debt associated with shortfalls in Medicare and/or commercial services.

The Program will be effective October 1, 2011, concurrently with the implementation of the Governor's proposed AHCCCS eligibility and rate cuts. Seventeen (17) rural and critical access hospitals ("participating hospitals"), all of which are located in medically underserved and physician shortage areas, will participate in this Program. (Exhibit 5). To provide long-term stability for this funding mechanism, hospitals will be required to participate in the Program for a five year period.

More specifically, the Program will be structured as follows:

- Participating hospitals' unreimbursed costs of providing hospital and non-hospital services to Medicaid and uninsured populations will be calculated consistent with Medicare cost principles by utilizing cost center-specific cost to charge ratios based on each hospital's fiscal year 2010 Medicare cost report. These numbers will be trended forward to the State fiscal year 2012. For fiscal year 2013, the 2011 Medicare cost report will be utilized to determine eligible uncompensated care costs. For all future fiscal years, the Medicare cost report from the prior two-year period will be utilized to determine eligible uncompensated care costs. For purposes of this calculation, "hospital and non-hospital services" include inpatient hospital, outpatient hospital, and clinic/physician services. Exhibit 5 provides a sample of the fiscal year 2010 uncompensated care relative to these cost calculations.
- Each participating hospital will receive estimated eligible cost reimbursement on a monthly or quarterly basis for the Medicaid and uninsured services furnished during that month/quarter.



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- Each participating hospital will contribute the non-federal share of its monthly/quarterly rural and critical access hospital donation program payment to AHCCCS on the last business day of the month/quarter for which services were furnished.
- AHCCCS will make a monthly/quarterly rural and critical access hospital donation program payment to each participating hospital within three business days of receipt of the participating hospital's contribution.
- At the end of each fiscal year, each hospital's actual eligible costs incurred during that fiscal year will be reconciled upon the filing of each participating hospital's filed Medicare cost report.
- Any additional unreimbursed eligible costs under the rural and critical access hospital donation program as determined through reconciliation will be reimbursed as a lump sum reconciliation payment. Each participating hospital will contribute the non-federal share of its rural and critical access hospital donation program reconciliation payment to AHCCCS upon completion of the cost reconciliation process. AHCCCS will make the rural and critical access hospital donation program reconciliation payment to each participating hospital within three business days of receipt of the hospital's contribution.

We believe that the financial impact on CMS and the Medicaid program will be relatively low. Rural and critical access hospital uncompensated care costs have increased over the past several years, but we believe that the participating hospital uncompensated care costs will equal approximately \$30 million annually. We have estimated this cost by obtaining uncompensated care data from a sample of the participating hospitals. (Exhibit 4). Unfortunately, we were not able to obtain data in a timely fashion from five of the hospitals due to circumstances beyond their control, including recent hospital closure due to forest fire (White Mountain Regional Medical Center), limited staff resources, and transitions in hospital management. The data shows that the remaining 12 hospitals had \$14,739,956 in uncompensated care costs in 2010, prior to the subsequent Medicaid rate cuts and increase in the uninsured population. (Exhibit 5).

We will provide CMS with data for all 17 hospitals once that information is available. We will conservatively trend that data to 2012 using the market basket increase to project the total estimated eligible uncompensated care cost for this Program during fiscal year 2012.

### III. LEGAL BASIS FOR PROVIDER DONATION PROGRAM

CMS has the discretion to approve Arizona's proposed Program for the benefit of its rural and critical access hospitals. While Medicaid law limits the amount of federal financial participation (FFP) available to a state that receives certain donations from providers as the State's share of financial participation under Medicaid, the statute and CMS' implementing regulations do not apply to "any State whose entire Medicaid program is operated under a waiver granted under section 1115 of the Act." Social Security Act § 1903(w)(7)(D); 42 C.F.R. § 433.50(c). Arizona is not only covered by this exemption, but it was the first and



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only state to be listed by name as exempt from these requirements in the preamble to CMS' final provider donation regulations. *See* 57 Fed. Reg. 55118, 55119 (Nov. 24, 1992). Arizona's AHCCCS program continues to meet the requirements for exemption today.

While we appreciate that the standard terms and conditions governing Arizona's historical 1115 waiver demonstration periods have required compliance with Social Security Act § 1903(w), the current economic conditions warrant reconsideration. The Medicaid statute expressly recognizes the unique nature of Arizona's Medicaid program and offers CMS the opportunity to recognize Arizona as eligible for this exemption under Arizona's renewal of its 1115 waiver demonstration, which will be effective October 1, 2011.

#### IV. CONCLUSION

If CMS approves the Governor's Waiver request, which includes the proposed eligibility cuts, freeze, cap, and additional rate cuts, then Arizona's rural and critical access hospitals and the populations that they serve will suffer. There are currently limited options available to protect these communities, but our proposed Program is a viable solution. CMS has the authority to approve this Program, which will help stabilize Arizona's rural and critical access health care network and allow Arizona's most vulnerable citizens living in rural communities to receive coverage for hospital services.

Thank you for your careful consideration and review of our proposal. If you have any questions or would like further information regarding our Program, please contact Julie Nelson, Coppersmith Schermer & Brockelman PLC, at 602-381-5465 or [jnelson@csblaw.com](mailto:jnelson@csblaw.com).

Sincerely,

James J. Dickson  
CEO/Administrator  
Copper Queen Community Hospital



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*On behalf of:*

Benson Hospital  
Carondelet Holy Cross Hospital  
Cobre Valley Hospital  
Copper Queen Community Hospital  
La Paz Regional Hospital  
Little Colorado Medical Center  
Mount Graham Regional Medical Center  
Northern Cochise Community Hospital  
Page Hospital  
Sierra Vista Regional Hospital  
Southeast Arizona Medical Center  
Summit Healthcare Regional Medical Center  
Valley View Medical Center  
Verde Valley Medical Center  
White Mountain Regional Medical Center  
Wickenburg Community Hospital  
Yavapai Regional Medical Center

Enclosures

cc: Cindy Mann, CMC  
Kristin Fan, CMS  
The Honorable Jan Brewer, Governor, State of Arizona  
Thomas Betlach, Director, Arizona Health Care Cost Containment System  
Julie Nelson, Coppersmith Schermer & Brockelman PLC  
Jim Frizzera, Health Management Associates



# Exhibit 1

# 2007 Health Insurance Coverage Status for Arizona Counties

## 2007 Health Insurance Coverage Status (Uninsured and Insured) in Arizona for Age (Under 65 years), Income (All income levels) and Sex (Both Sexes)

County	(Arizona Uninsured Rate for 2007 was 21.1%)	Number Uninsured	MOE <sup>1</sup> for Number Uninsured	Number in Demographic Group <sup>2</sup> for All Income Levels	Percent Uninsured in Demographic Group <sup>2</sup> for All Income Levels	MOE <sup>1</sup> for Percent Uninsured in Demographic Group <sup>2</sup> for All Income Levels	Number Insured	MOE <sup>1</sup> for Number Insured	Percent Insured in Demographic Group <sup>2</sup> for All Income Levels	MOE <sup>1</sup> for Percent Insured in Demographic Group <sup>2</sup> for All Income Levels
Apache County, Arizona		8,426	1,401	62,834	13.4	2.2	54,408	1,883	86.6	3.0
Cochise County, Arizona		20,166	2,533	101,288	19.9	2.5	81,123	2,623	80.1	2.6
Coconino County, Arizona		25,542	3,664	115,497	22.1	3.2	89,955	3,783	77.9	3.3
Gila County, Arizona		6,563	1,049	40,616	16.2	2.6	34,053	1,187	83.8	2.9
Graham County, Arizona		5,018	818	29,004	17.3	2.8	23,986	883	82.7	3.0
Greenlee County, Arizona		1,071	192	7,214	14.9	2.7	6,143	209	85.1	2.9
La Paz County, Arizona		2,637	413	13,272	19.9	3.1	10,635	447	80.1	3.4
Maricopa County, Arizona		742,617	34,809	3,449,790	21.5	1.0	2,707,174	39,666	78.5	1.1
Mohave County, Arizona		29,347	3,838	152,451	19.2	2.5	123,104	4,079	80.8	2.7
Navajo County, Arizona		17,710	2,394	98,551	18.0	2.4	80,841	2,782	82.0	2.8
Pima County, Arizona		172,360	16,197	842,759	20.5	1.9	670,400	17,179	79.5	2.0
Pinal County, Arizona		51,578	6,625	267,215	19.3	2.5	215,636	6,919	80.7	2.6
Santa Cruz County, Arizona		9,615	1,165	37,866	25.4	3.1	28,251	1,119	74.6	3.0
Yavapai County, Arizona		35,861	4,510	164,246	21.8	2.7	128,385	4,564	78.2	2.8
Yuma County, Arizona		37,444	4,589	154,745	24.2	3.0	117,301	4,406	75.8	2.8

Data Sponsored By: U.S. Census Bureau and the Centers for Disease Control and Prevention  
 Data Source: SAHIE//State and County by Demographic and Income Characteristics/2007

**General Note:** Details may not sum to totals and percents because of rounding. The percents were calculated before any rounding occurred. Rounding error will be more prominent for small counties.

**Explanation of Column Headers:** 1. A margin of error (MOE) is the difference between an estimate and its upper or lower confidence bounds. Confidence bounds can be created by adding the margin of error to the estimate (for an upper bound) and subtracting the margin of error from the estimate (for a lower bound). All published margins of error for the Small Area Health Insurance Estimates program are based on a 90 percent confidence level.

2. The number in a demographic group is the number of people in the poverty universe in that age, sex, and race/Hispanic origin group.

# Exhibit 2

## **Critical Access Hospital Communities Federal Poverty Level Profiles: 2005-2009**

Of the 13 CAH communities that had poverty information for 2005-2009, 10 had higher percentage of poverty level than the State of Arizona (15%) and United States (14%).

**United States:** In 2005-2009, *14 percent* of people were in poverty. Eighteen percent of related children under 18 were below the poverty level, compared with 10 percent of people 65 years old and over. Ten percent of all families and 29 percent of families with a female householder and no husband present had incomes below the poverty level.

**Arizona:** In 2005-2009, *15 percent* of people were in poverty. Twenty percent of related children under 18 were below the poverty level, compared with 9 percent of people 65 years old and over. Eleven percent of all families and 28 percent of families with a female householder and no husband present had incomes below the poverty level.

**Benson:** In 2005-2009, 19 percent of people were in poverty. Twenty-two percent of related children under 18 were below the poverty level, compared with 8 percent of people 65 years old and over. Ten percent of all families and 31 percent of families with a female householder and no husband present had incomes below the poverty level.

**Bisbee:** In 2005-2009, 24 percent of people were in poverty. Thirty-seven percent of related children under 18 were below the poverty level, compared with 14 percent of people 65 years old and over. Seventeen percent of all families and 33 percent of families with a female householder and no husband present had incomes below the poverty level.

**Douglas:** In 2005-2009, 36 percent of people were in poverty. Forty-eight percent of related children under 18 were below the poverty level, compared with 40 percent of people 65 years old and over. Thirty percent of all families and 63 percent of families with a female householder and no husband present had incomes below the poverty level.

**Ganado:** In 2005-2009, 39 percent of people were in poverty. Fifty-one percent of related children under 18 were below the poverty level, compared with 50 percent of people 65 years old and over. Twenty-nine percent of all families and 30 percent of families with a female householder and no husband present had incomes below the poverty level.

**Globe:** In 2005-2009, 13 percent of people were in poverty. Eighteen percent of related children under 18 were below the poverty level, compared with 6 percent of people 65 years old and over. Twelve percent of all families and 34 percent of families with a female householder and no husband present had incomes below the poverty level.

**Nogales:** In 2005-2009, 26 percent of people were in poverty. Thirty-eight percent of related children under 18 were below the poverty level, compared with 19 percent of people 65 years old and over. Twenty-one percent of all families and 46 percent of families with a female householder and no husband present had incomes below the poverty level.



**Page**: In 2005-2009, 13 percent of people were in poverty. Twenty-four percent of related children under 18 were below the poverty level, compared with less than 0.5 percent of people 65 years old and over. Eleven percent of all families and 42 percent of families with a female householder and no husband present had incomes below the poverty level.

**Parker**: In 2005-2009, 13 percent of people were in poverty. Thirteen percent of related children under 18 were below the poverty level, compared with 6 percent of people 65 years old and over. Eleven percent of all families and 26 percent of families with a female householder and no husband present had incomes below the poverty level.

**Polacca**: Not Available

**Sacaton**: In 2005-2009, 23 percent of people were in poverty. Thirteen percent of related children under 18 were below the poverty level, compared with 21 percent of people 65 years old and over. Twenty-one percent of all families and 24 percent of families with a female householder and no husband present had incomes below the poverty level.

**Springerville**: In 2005-2009, 23 percent of people were in poverty. Forty percent of related children under 18 were below the poverty level, compared with 11 percent of people 65 years old and over. Twenty-two percent of all families and 69 percent of families with a female householder and no husband present had incomes below the poverty level.

**Wickenburg**: In 2005-2009, 17 percent of people were in poverty. Thirty-eight percent of related children under 18 were below the poverty level, compared with 5 percent of people 65 years old and over. Eleven percent of all families and 32 percent of families with a female householder and no husband present had incomes below the poverty level.

**Wilcox**: In 2005-2009, 23 percent of people were in poverty. Thirty-two percent of related children under 18 were below the poverty level, compared with 13 percent of people 65 years old and over. Twenty-two percent of all families and 61 percent of families with a female householder and no husband present had incomes below the poverty level.

**Winslow**: In 2005-2009, 17 percent of people were in poverty. Nineteen percent of related children under 18 were below the poverty level, compared with 13 percent of people 65 years old and over. Fourteen percent of all families and 30 percent of families with a female householder and no husband present had incomes below the poverty level.

Source: American Community Survey, 2005-2009

# Exhibit 3

Impact of Senate Proposed Cuts on Rural Hospitals  
 Milliman AHCCCS Hospital Access Care Study  
 Based on 2010 Data

	Proposed Prop 204 Cuts- over 3 years	April 2011 Impact of 5% Rate Cut	Oct 2011 Impact of 5% Rate Cut	DSH Pool - est FY2010	Total Potential Cuts	Net Income From Operations-156	Net Income From Operations - after Cuts	Operating Revenue - 144	Operating Margin - Current	Operating Margin - After Cuts
HOSPITAL										
BENSON HOSPITAL	694,255	61,530	61,530	-	817,315	(97,867)	(915,182)	12,988,534	-0.8%	-7.0%
COBRE VALLEY REGIONAL MEDICAL CENTER	1,699,459	254,083	254,083	5,000	2,212,625	1,700,288	(512,337)	35,185,033	4.8%	-1.5%
COPPER QUEEN HOSPITAL	930,177	98,941	98,941	24,283	1,152,342	799,804	(352,538)	19,868,338	4.0%	-1.8%
HOLY CROSS HOSPITAL-ARIZ	1,584,997	327,542	327,542	170,438	2,410,519	(4,756,797)	(7,167,316)	24,888,175	-19.1%	-28.8%
LA PAZ HOSPITAL	1,004,228	54,845	54,845	-	1,113,918	1,345,986	232,068	23,579,472	5.7%	1.0%
LITTLE COLORADO MEDICAL CENTER	1,904,323	253,215	253,215	142,679	2,532,432	2,632,381	78,949	26,798,096	9.8%	0.3%
MT GRAHAM HOSPITAL	2,723,622	340,393	340,393	28,688	3,433,096	4,121,234	688,138	55,358,275	7.4%	1.2%
NORTHERN COCHISE HOSPITAL	641,344	71,562	71,562	7,497	791,965	(1,387,620)	(2,179,585)	19,080,129	-7.3%	-11.4%
PAGE HOSPITAL	1,352,084	183,793	183,793	99,237	1,818,907	2,555,018	736,111	17,588,275	14.5%	4.2%
PAYSON REGIONAL MEDICAL CENTER	5,326,028	281,584	281,584	-	5,889,196	15,755,315	9,866,119	60,601,512	26.0%	16.3%
SAGE MEMORIAL HOSPITAL	809,216	168,142	168,142	16,070	1,161,571	601,482	(560,089)	26,176,539	2.3%	-2.1%
SIERRA VISTA REGIONAL HOSPITAL	3,879,240	453,051	453,051	-	4,785,342	6,115,403	1,330,061	99,081,499	6.2%	1.3%
SOUTHEAST AZ MEDICAL CENTER	1,100,619	179,776	179,776	82,771	1,542,942	(1,323,647)	(2,866,589)	18,642,771	-7.1%	-15.4%
SUMMIT HEALTHCARE REGIONAL MEDICAL CENTER	5,809,064	627,715	627,715	135,748	7,200,242	8,979,218	1,778,976	112,311,615	8.0%	1.6%
VALLEY VIEW MEDICAL CENTER	4,846,678	332,685	332,685	-	5,512,048	11,147,006	5,634,958	66,648,687	16.7%	8.5%
VERDE VALLEY MEDICAL CENTER	7,904,038	463,136	463,136	-	8,830,310	15,440,000	6,609,690	158,487,000	9.7%	4.2%
WHITE MNTN REGIONAL MEDICAL CENTER	542,987	46,072	46,072	-	635,131	(570,106)	(1,205,237)	18,863,136	-3.0%	-6.4%
WICKENBURG COMMUNITY HOSPITAL	458,142	39,794	39,794	-	537,730	(808,845)	(1,346,575)	14,554,985	-5.6%	-9.3%
YAVAPAI REGIONAL MEDICAL CENTER-EAST	7,301,249	365,588	365,588	-	8,032,425	(3,531,599)	(11,564,024)	72,363,975	-4.9%	-16.0%
TOTAL	50,511,750	4,603,447	4,603,447	712,411	60,431,055	58,716,654	(1,714,401)	883,066,046	6.6%	-0.2%

Notes:

Proposed Prop 204 cuts:  
 This model is based on the Senate approved budget which eliminates the childless adults and spend down groups from the AHCCCS program. The figures were provided by AHCCCS administration and are the actual calendar year ending 12/31/09 HOSPITAL payments.

Estimated impact of 5% rate cut:

The proposed 5% cut was computed by multiplying 5% by the 2009 AHCCCS payments excluding the proposed Prop 204 cuts. The 2009 AHCCCS payment information was provided by AHCCCS administration.

The source for HOSPITAL net operating income and net operating revenues is the Arizona Department of Health Services 2010 uniform accounting report.

# Critical Access Hospitals

HOSPITAL	Proposed Prop 204 Cuts- over 3 years	April 2011 Impact of 5% Rate Cut	Oct 2011 Impact of 5% Rate Cut	1011 monies Paid 3-2006 to 9-2010	ACA cuts over 10 years	DSH Pool - est FY2010	Total Potential Cuts	Net Income From Operations- 156	Net Income From Operations - after Cuts
BENSON HOSPITAL	694,255	61,530	61,530	-	-	-	817,315	(97,867)	(915,182)
COBRE VALLEY REGIONAL MEDICAL	1,699,459	254,083	254,083	-	-	5,000	2,212,625	1,700,288	(512,337)
COPPER QUEEN HOSPITAL	930,177	98,941	98,941	240,903	894,000	24,283	2,287,245	799,804	(1,487,441)
HOLY CROSS HOSPITAL-ARIZ	1,584,997	327,542	327,542	1,962,422	-	170,438	4,372,941	(4,756,797)	(9,129,738)
LA PAZ HOSPITAL	1,004,228	54,845	54,845	1,007	4,500,000	-	5,614,925	1,345,986	(4,268,939)
LITTLE COLORADO MEDICAL CENTER	1,904,323	253,215	253,215	-	-	142,679	2,553,432	2,632,381	78,949
NORTHERN COCHISE HOSPITAL	641,344	71,562	71,562	-	-	7,497	791,965	(1,387,620)	(2,179,585)
PAGE HOSPITAL	1,352,084	183,793	183,793	221,759	-	99,237	2,040,666	2,555,018	514,352
SAGE MEMORIAL HOSPITAL	809,216	168,142	168,142	-	-	16,070	1,161,571	601,482	(560,089)
SOUTHEAST AZ MEDICAL CENTER	1,100,619	179,776	179,776	779,773	-	82,771	2,322,715	(1,323,647)	(3,646,362)
WHITE MNTN REGIONAL MEDICAL	542,987	46,072	46,072	-	-	-	635,131	(570,106)	(1,205,237)
WICKENBURG COMMUNITY HOSPITAL	458,142	39,794	39,794	266,054	-	-	803,784	(808,845)	(1,612,629)
TOTAL	12,721,831	1,739,295	1,739,295	3,471,918	5,394,000	547,975	25,614,315	690,077	(24,924,238)

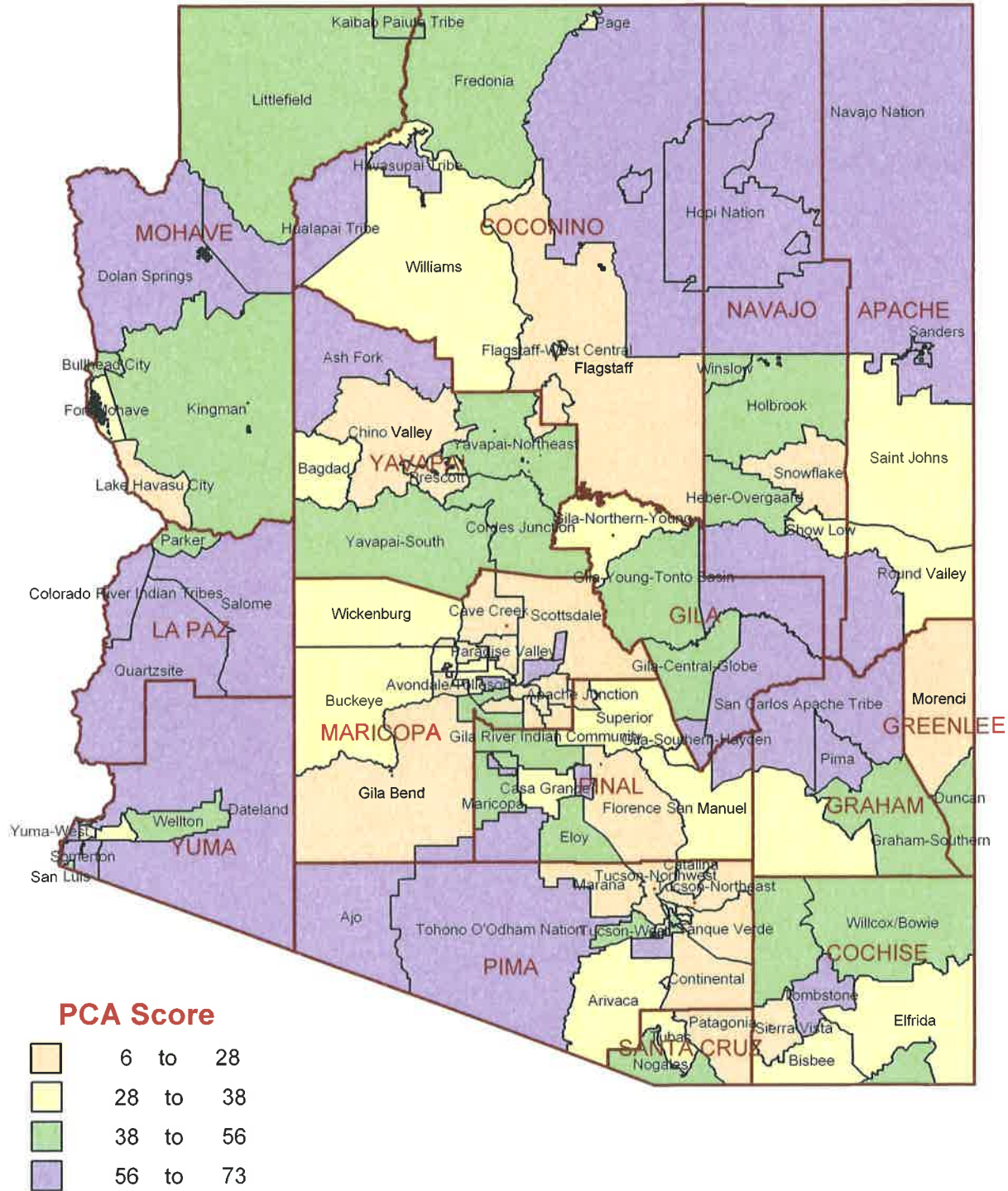


# Exhibit 4

# Arizona

## Primary Care Areas

### *February 2010*

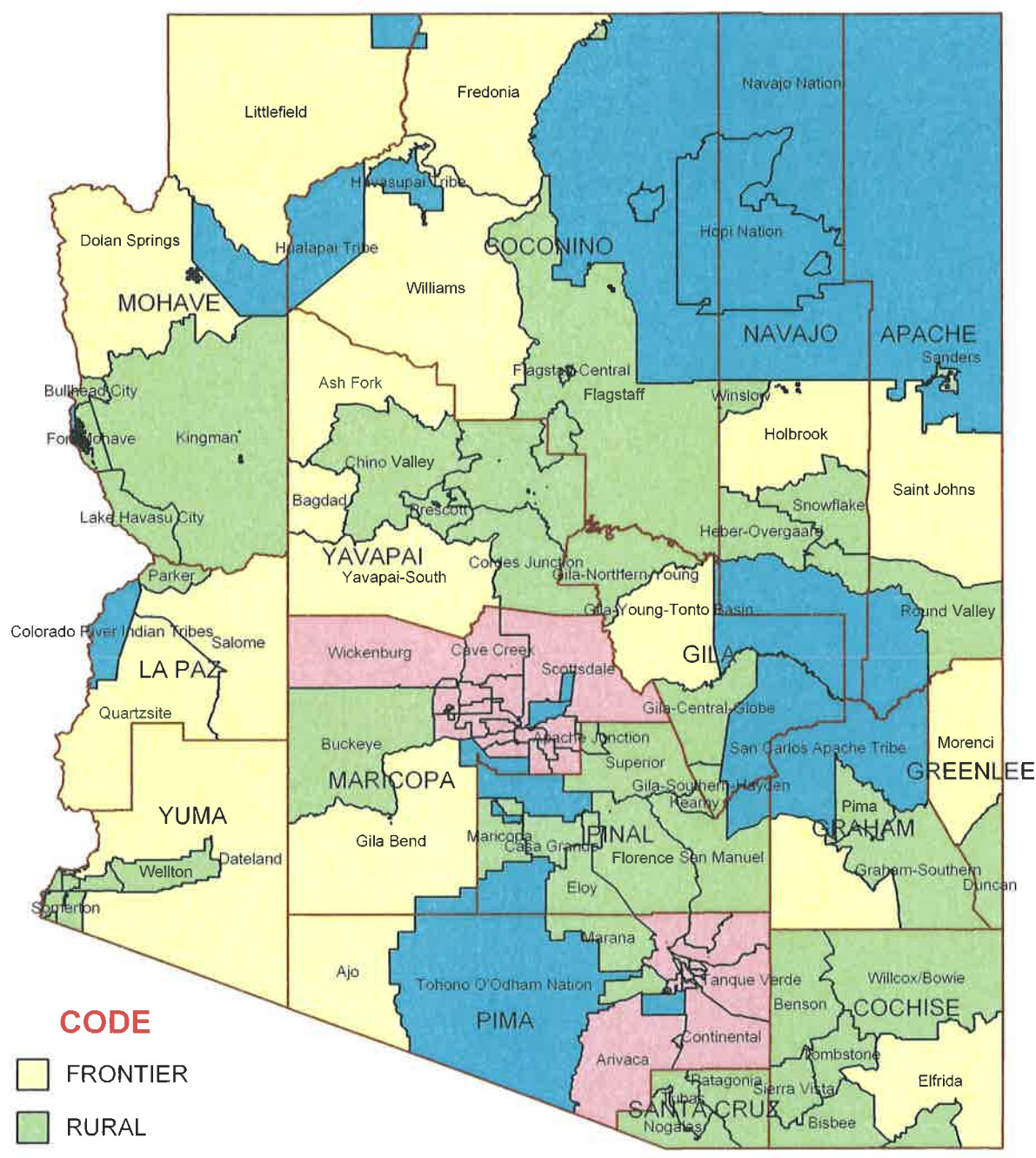


BUREAU OF HEALTH SYSTEMS DEVELOPMENT  
Arizona Department of Health Services

# Arizona

## Frontier, Rural, Urban and Indian PCAs

### *February 2010*

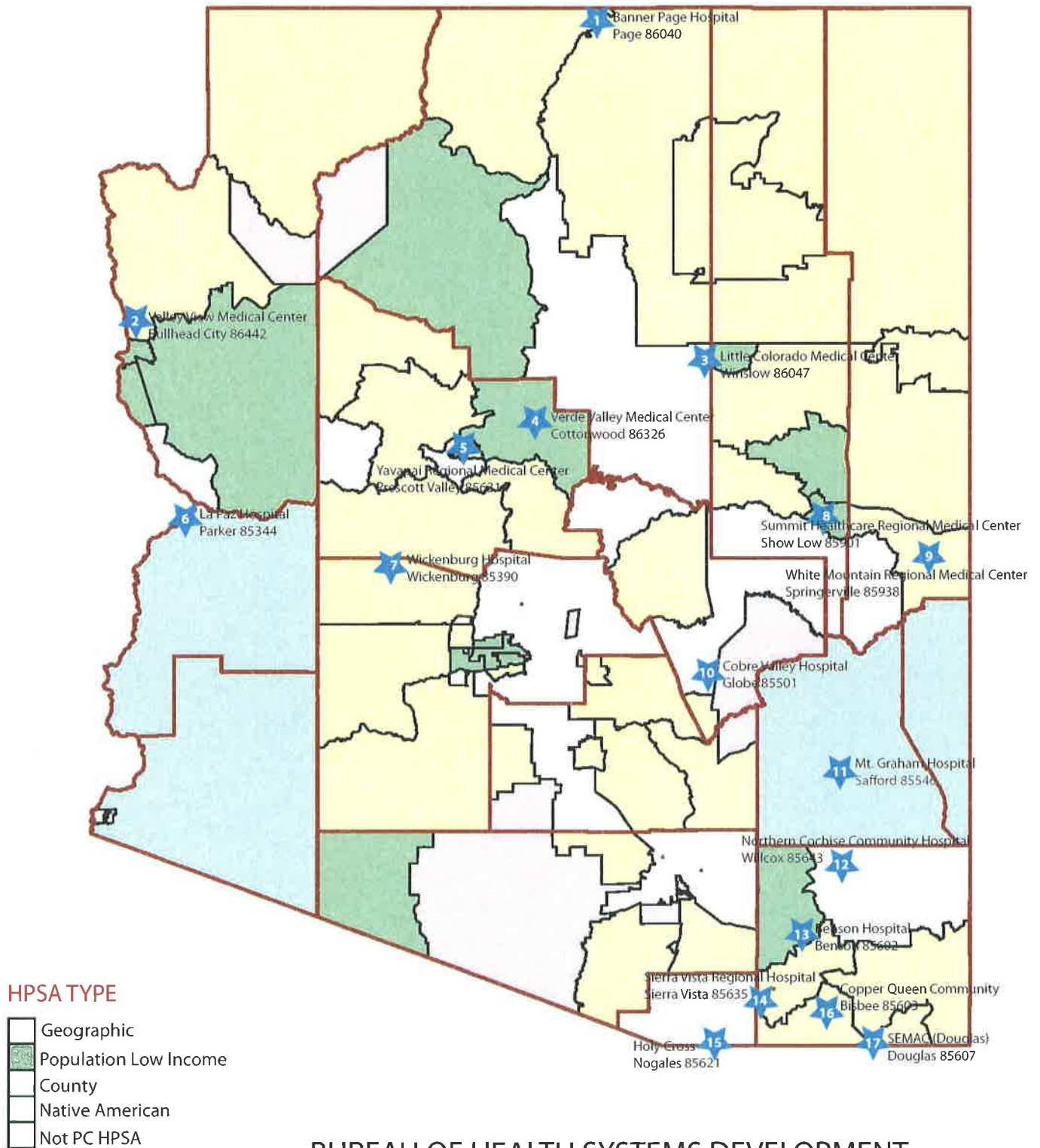


- CODE**
- FRONTIER
  - RURAL
  - URBAN
  - INDIAN

BUREAU OF HEALTH SYSTEMS DEVELOPMENT  
Arizona Department of Health Services



# Primary Care Health Professional Shortage Areas Arizona - February 2010

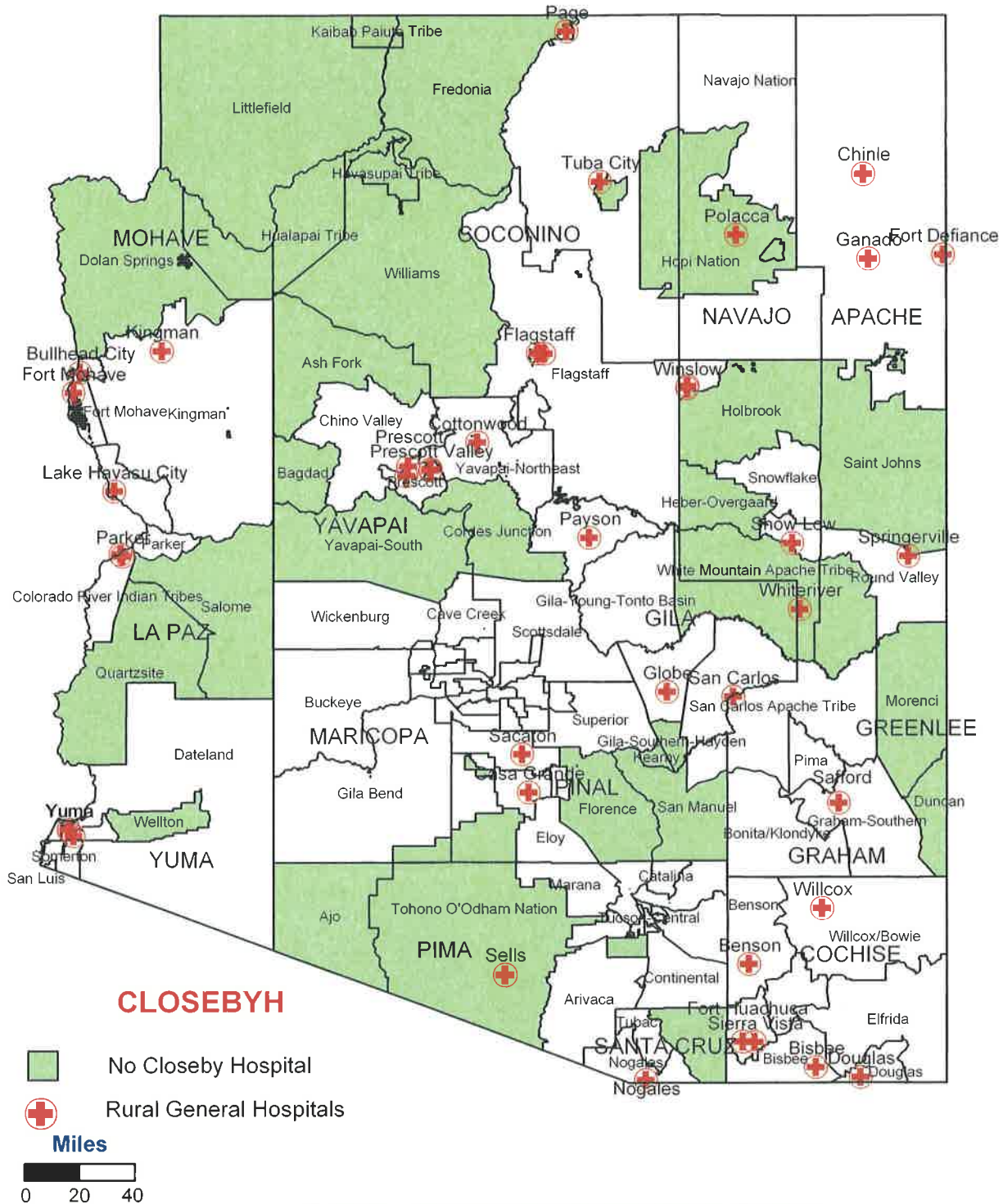


BUREAU OF HEALTH SYSTEMS DEVELOPMENT  
Arizona Department of Health Services



# Arizona Primary Care Areas More Than 30 Minutes from Nearest Hospital

2010

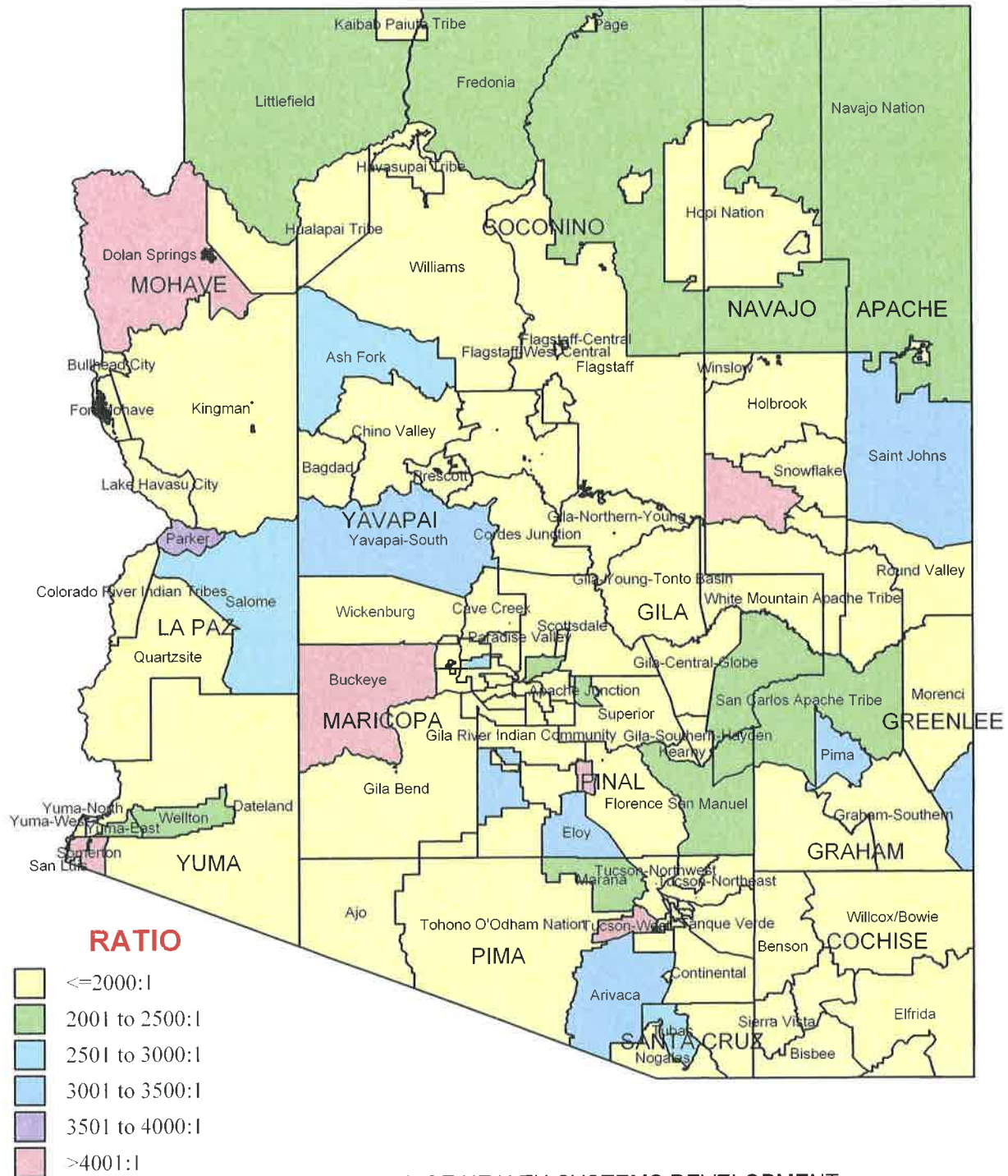


BUREAU OF HEALTH SYSTEMS DEVELOPMENT  
Arizona Department of Health Services

# Arizona

## Population to Provider Ratios

### 2010



BUREAU OF HEALTH SYSTEMS DEVELOPMENT  
Arizona Department of Health Services

# Exhibit 5

# Legend of SAVE/Critical Access Hospitals in Arizona

**Banner Page Hospital**

Page 86040  
Phone: 928.645.2424

**Valley View Medical Center**

Bullhead City 86442  
Phone: 928.763.2273

**Little Colorado Medical Center**

Winslow 86047  
Phone: 928.289.4691

**Verde Valley Medical Center**

Cottonwood 86326  
Phone: 928.634.2251

**Yavapai Regional Medical Center**

Prescott Valley 856314  
Phone: 928.445.2700

**La Paz Hospital**

Parker 85344  
Phone: 928.669.9201

**Wickenburg Hospital**

Wickenburg 85390  
Phone: 928.684.5421

**Summit Healthcare Regional Medical Center**

Show Low 85901  
Phone: 928.537.4375

**White Mountain Regional Medical Center**

Springerville 85938  
Phone: 928.333.4368

**Cobre Valley Hospital**

Globe 85501  
Phone: 928.402.1122

**Mt. Graham Hospital**

Safford 85546  
Phone: 928.348.4000

**Northern Cochise Community Hospital**

Willcox 85643  
Phone: 520.384.3541

**Benson Hospital**

Benson 85602  
Phone: 520.586.2261

**Sierra Vista Regional Hospital**

Sierra Vista 85635  
Phone: 520.458.4641

**Holy Cross**

Nogales 85621  
Phone: 520.287.2771

**Copper Queen Community Hospital**

Bisbee 85603  
Phone: 520.432.6400

**SEMAC (Douglas)**

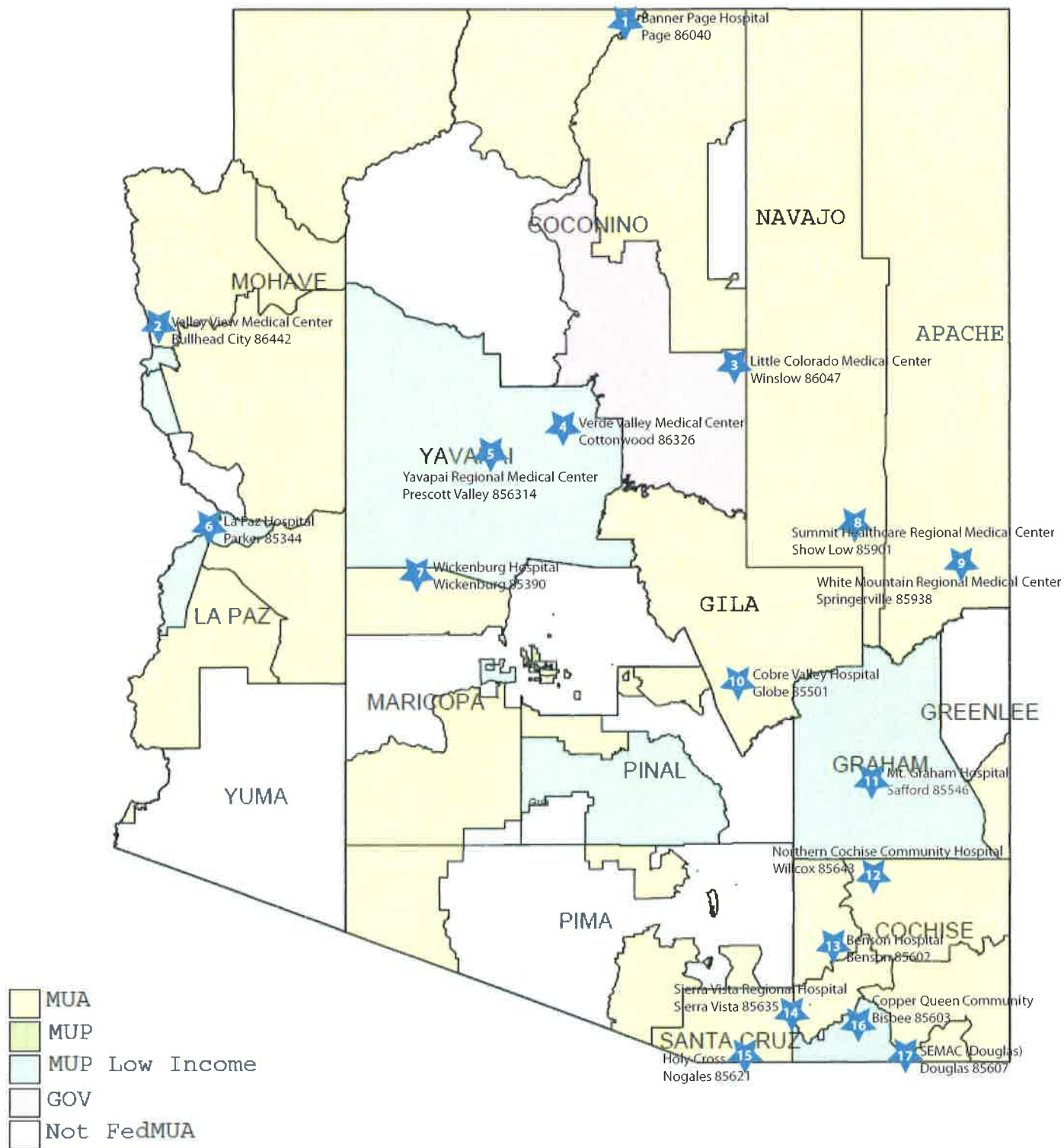
Douglas 85607  
Phone: 520.364.7931



# Map of SAVE/Critical Access Hospitals in Arizona



# Federally Medically Underserved Areas and Populations Arizona - May 2010



BUREAU OF HEALTH SYSTEMS DEVELOPMENT  
Arizona Department of Health Services

	SMAC (Douglas)	Verde Valley Medical Center	Little Colorado Medical Center	Wickenburg Hospital	La Paz Hospital	Sierra Vista Regional Hospital	Copper Valley Regional Medical Center	Mc Graham Hospital	Northern Cochise Community Hospital	Benson Hospital	Banner Page Hospital	Copper Queen Community	TOTAL
<b>PAYMENTS</b>													
Medicaid Hospital Services - Inpatient	942,998	12,434,870	3,050,051	100,369	713,894	7,179,161	1,657,000	3,972,966	466,462	107,531	3,050,000	272,608	33,897,909
Medicaid Hospital Services - Outpatient	4,236,823	7,758,612	4,677,805	949,195	2,141,680	7,539,373	5,907,000	6,593,689	2,226,677	2,483,900	2,150,000	2,483,900	49,148,654
Charity Hospital Services - Inpatient	186,676	210,706	23,108	41,360	17,720	42,426	106,010	47,610	7,281	734,268	-	16,685	1,433,850
Charity Hospital Services - Outpatient	676,774	304,000	383,104	252,658	91,042	119,823	116,234	80,725	61,928	-	-	135,048	2,221,285
Medicaid Physician Services - Inpatient	-	-	-	-	117,181	-	-	-	-	-	15,000	-	132,181
Medicaid Physician Services - Outpatient	-	-	-	-	35,003	1,191	-	-	-	-	65,000	-	101,194
Charity Physician Services - Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Charity Physician Services - Outpatient	-	-	-	-	7,613	873	-	-	-	-	-	-	8,486
Other Services - Medicaid	-	-	228,571	-	311,204	-	582,579	-	127,681	-	325,000	1,499,369	3,074,404
Other Services - Charity	-	-	75,058	-	13,500	-	-	-	19,118	-	98,000	18,258	223,934
SAVE Pool	127,273	2,374,312	671,917	27,954	136,846	1,570,088	471,290	877,182	64,296	41,446	262,838	48,009	6,673,451
CAH Pool	191,053	-	263,216	57,683	-	-	259,044	-	88,271	73,806	187,659	106,323	1,227,055
DSH Pool	82,771	-	142,679	-	-	-	5,000	28,866	7,497	-	99,237	24,283	390,333
<b>TOTAL PAYMENTS</b>	<b>6,444,318</b>	<b>23,082,500</b>	<b>9,515,508</b>	<b>1,429,219</b>	<b>3,585,683</b>	<b>16,452,835</b>	<b>9,104,157</b>	<b>11,551,038</b>	<b>3,069,212</b>	<b>3,440,951</b>	<b>6,252,734</b>	<b>4,604,483</b>	<b>96,532,738</b>
<b>COSTS</b>													
Medicaid Hospital Services - Inpatient	767,386	12,243,599	4,212,900	177,450	1,404,758	10,267,555	3,757,872	7,035,187	974,164	200,202	2,122,671	531,976	43,699,720
Medicaid Hospital Services - Outpatient	5,746,926	8,299,852	6,461,246	762,018	3,223,443	6,686,357	3,477,530	8,685,708	1,989,048	1,687,658	2,775,015	3,103,550	52,898,351
Charity Hospital Services - Inpatient	56,366	985,572	21,713	85,509	145,854	450,463	474,838	267,470	117,142	121,143	105,500	87,549	2,919,119
Charity Hospital Services - Outpatient	340,579	1,262,576	359,976	360,400	642,437	859,677	521,376	694,392	647,477	589,312	134,752	558,414	6,971,368
Medicaid Physician Services - Inpatient	-	-	-	-	227,204	-	-	-	-	-	219,097	-	446,301
Medicaid Physician Services - Outpatient	-	-	-	-	68,017	5,554	-	-	-	-	392,677	-	466,248
Charity Physician Services - Inpatient	-	-	-	-	16,116	-	-	-	-	949,504	1,233	-	966,853
Charity Physician Services - Outpatient	-	-	-	-	37,606	3,716	-	-	-	-	15,785	-	57,108
Other Services - Medicaid	-	-	907,710	-	307,834	-	582,579	-	347,357	-	335,986	2,002,351	4,483,817
Other Services - Charity	-	-	112,025	-	74,692	-	-	-	92,787	-	92,787	90,304	369,808
<b>TOTAL COSTS</b>	<b>6,911,257</b>	<b>22,791,599</b>	<b>12,075,570</b>	<b>1,385,378</b>	<b>6,147,962</b>	<b>18,273,321</b>	<b>8,814,195</b>	<b>16,682,757</b>	<b>4,073,188</b>	<b>3,547,818</b>	<b>6,195,504</b>	<b>6,374,145</b>	<b>113,272,694</b>
<b>UNCOMPENSATED COSTS</b>	<b>(466,939)</b>	<b>290,901</b>	<b>(2,560,062)</b>	<b>43,841</b>	<b>(2,562,279)</b>	<b>(1,870,386)</b>	<b>289,962</b>	<b>(5,131,719)</b>	<b>(1,003,976)</b>	<b>(106,867)</b>	<b>57,230</b>	<b>(1,769,661)</b>	<b>(14,739,956)</b>



**S.E. Arizona Med. Ctr.  
Cost to Charge Ratios**

**Source: Medicare Cost Report 2010**

Source of Data :  
Cost data is from the other worksheets in this package  
The payment data is from the same claims charges and days  
extracted from the provider records

Facility Name	Medicare Provider Number	Provider Location	Cost Report FY Ending	SOUTH EAST AZ MEDICAL CENTER	DOUGLAS	Dec. 31, 2010	Unrecovered	Inpatient Cost	Chgs.	RCC	Cost
From the other workbook Schedules											
Medicaid Hospital Services - Inpatient				942,998	767,386	175,612		1,882,200		0.437254	2,016,270
Medicaid Hospital Services - Outpatient				4,236,823	5,746,926	-1,510,103		257,345		0.015541	112,525
Charity Hospital Services - Inpatient				186,676	56,366	130,310		95,988		0.167969	1,492
Charity Hospital Services - Outpatient				676,724	340,579	336,145		921,380		0.284708	154,763
Medicaid Physician Services - Inpatient								1,662,892		0.458505	473,439
Medicaid Physician Services - Outpatient								265,148		0.392447	121,572
Charity Physician Services - Inpatient								47,217		0.151667	18,530
Charity Physician Services - Outpatient								283,177		0.230038	42,949
Other Services - Medicaid								1,757,720		0.579614	404,342
Other Services - Charity								12,936		1.352289	7,498
								1,200			1,623
Total Ancilla				5,305,003							1,338,732
Total				7,187,203							3,355,002
Overall Inpatient Cost to Charge											<b>0.466802</b>

Outpatient Cos	Chgs.	RCC	Cost
Routine	0		0
OR	1,468,155	0.437254	641,957
Anesthesia	732,602	0.015541	11,385
Radiology	11,655,611	0.167969	1,957,781
Lab	6,800,312	0.284708	1,936,103
RT	750,325	0.458505	344,028
PT	1,643,507	0.392447	644,989
Med. Sup.	2,631,111	0.151667	399,053
Drugs	2,114,731	0.230038	486,468
ER	4,297,785	0.579614	2,491,056
Observation	70,494	1.352289	95,328
Total Ancilla	32,164,633		9,008,150
Total	32,164,633		9,008,150

All Services 6,043,221 6,911,257 -868,036

Note:  
Rural Health Clinics are entitled to full cost reimbursement for both Medicare and Medicaid. Therefore any payments in excess of reimbursements are ignored for the purpose of this workbook.

Overall Inpatient Cost to Charge 0.280064

Program Costs / Charges and Payments

Medicaid Inpatient Charges 2,020,123  
Medicaid Inpatient Costs 942,998

Medicaid Outpatient Charges 15,128,063  
Medicaid Outpatient Costs 4,236,823

Self Pay & Charity Inpat. Chgs. 399,904  
Self Pay & Charity Inpatient Costs 186,676

Self Pay and Charity Outpatient Cha 2,416,321  
Self Pay & Charity Outpatient Costs 676,724

Payments received ::	Inpat.	Outpat.	Total
Medicaid	767,386	5,746,926	6,514,312
Self Pay & Charity	56,366	340,579	396,945
Total Payments	823,752	6,087,505	6,911,257

**Arizona Hospital Provider Pool Assessment  
Workbook for Federal Claiming**

Source of Data :

Cost data is from the other worksheets in this package  
The payment data is from the same claims charges and days  
extracted from the provider records

**Facility Name**  
**Medicare Provider Number**  
**Provider Location**  
**Cost Report FY Ending**

Verde Valley

From the other workbook Schedules

	<u>Costs</u>	<u>Payments</u>	<u>Unrecovered Costs</u>
Medicaid Hospital Services - Inpatient	12,243,599	12,434,870	
Medicaid Hospital Services - Outpatient	8,299,852	7,758,612	
Charity Hospital Services - Inpatient	985,572	210,706	
Charity Hospital Services - Outpatient	1,262,576	304,000	
Medicaid Physician Services - Inpatient			
Medicaid Physician Services - Outpatient			
Charity Physician Services - Inpatient			
Charity Physician Services - Outpatient			
Other Services - Medicaid	0	0	0
Other Services - Charity	0	0	0
<b>All Services</b>	<b>22,791,599</b>	<b>20,708,188</b>	

**Note:**

Rural Health Clinics are entitled to full cost reimbursement for both Medicare and Medicaid. Therefore any payments in excess of reimbursements are ignored for the purpose of this workbook.

Verde Valley Medical Center

1 Medicaid Inpatient Hospital Pymts	12,434,870
2 Medicaid Inpatient Costs	12,243,599
5 Medicaid Outpatient Hospital Pymts	7,758,612
6 Medicaid Outpatient Costs	8,299,852
3 Self Pay & Charity Inpat. Hospital Pymt:	210,706
4 Self Pay & Charity Inpatient Costs	985,572
7 Self Pay and Charity Outpat. Hosp Pym	304,000
8 Self Pay & Charity Outpatient Costs	1,262,576

**PAYMENT AND COST SUMMARY**

From other Worksheets  
Payments are from inter:  
claims data

Source of Data :

Cost data is from the other worksheets in this package  
 The payment data is from the same claims charges and days  
 extracted from the provider records

Facility Name Little Colorado  
 Medicare Provider Number  
 Provider Location Winslow  
 Cost Report FY Ending Dec. 31, 2010

	Costs	Payments	Unrecovered Costs
From the other workbook Schedules			
Medicaid Hospital Services - Inpatient	4,212,900	3,050,051	
Medicaid Hospital Services - Outpatient	6,461,246	4,677,805	
Charity Hospital Services - Inpatient	21,713	23,108	
Charity Hospital Services - Outpatient	359,976	383,104	
Medicaid Physician Services - Inpatient			
Medicaid Physician Services - Outpatient			
Charity Physician Services - Inpatient		0	
Charity Physician Services - Outpatient		0	
Other Services - Medicaid	907,710	228,571	
Other Services - Charity	112,025	75,058	
All Services	12,075,570	8,437,696	

Note:

Rural Health Clinics are entitled to full cost reimbursement for both Medicare and Medicaid. Therefore any payments in excess of reimbursements are ignored for the purpose of this workbook.

1. Medicaid <u>inpatient hospital payments;</u>	3,050,051
2. Medicaid <u>inpatient hospital costs;</u>	4,212,900
3. Charity care and self-pay <u>inpatient hospital payments;</u>	23,108
4. Charity care and self-pay <u>inpatient hospital costs;</u>	21,713
5. Medicaid <u>outpatient hospital payments;</u>	4,677,805
6. Medicaid <u>outpatient hospital costs;</u>	6,461,246
7. Charity care and self-pay <u>outpatient hospital payments;</u>	383,104
8. Charity care and self-pay <u>outpatient hospital costs;</u>	359,976
9. Medicaid <u>physician payments;</u>	
10. Medicaid <u>physician costs;</u>	
11. Charity care and self-pay <u>physician payments;</u>	
12. Charity care and self-pay <u>physician costs;</u>	
13. All other Medicaid <u>non-hospital payments (clinic service)</u>	228,571
14. All other Medicaid <u>non-hospital costs (clinic services anc)</u>	907,710
15. Charity care and self-pay <u>non-hospital payments (clinic</u>	75,058
16. Charity care and self-pay <u>non-hospital costs (clinic servi</u>	112,025

**Wickenburg Community Hospital  
Cost to Charge Ratios**

Source: Medicare Cost Report 2010

Source of Data :  
Cost data is from the other worksheets in this package  
The payment data is from the same claims charges and days  
extracted from the provider records

Facility Name WICKENBURG COMMUNITY HOSPITAL  
Medicare Provider Number  
Provider Location WICKENBURG  
Cost Report FY Ending Dec. 31, 2010

From the other workbook Schedules  
Medicaid Hospital Services - Inpatient 177,450  
Medicaid Hospital Services - Outpatient 762,018  
Charity Hospital Services - Inpatient 85,509  
Charity Hospital Services - Outpatient 360,400  
Medicaid Physician Services - Inpatient  
Medicaid Physician Services - Outpatient  
Charity Physician Services - Inpatient  
Charity Physician Services - Outpatient  
Other Services - Medicaid  
Other Services - Charity

Costs 100,369  
Payments 949,195  
Unrecovered Costs 41,360  
252,658

Inpatient_Cost	Chgs.	RCC	Cost
Routine	1,618,720	0.371385	1,608,809
Radiology	441,247	0.427810	163,873
Lab	591,097	0.688671	252,877
RT	217,829	0.518985	150,013
PT	224,891	0.190114	116,715
OT	6,347	0.763324	1,207
ST	11,029	0.136508	8,419
EKG	235,040	0.349226	32,085
Med. Sup.	140,979	0.976806	48,627
Drugs	261,223	1.029288	255,164
ER	102,346		105,344
Total Ancilla	2,232,028		1,134,323
Total	3,850,748		2,743,132
Overall Inpatient Cost to Charge			0.712363

All Services 1,385,378

Outpatient_Cost	Chgs.	RCC	Cost
Routine	6,162,589	0.371385	2,288,693
Radiology	4,303,392	0.427810	1,841,034
Lab	373,114	0.320155	119,454
IV Therapy	184,752	0.688671	127,233
RT	1,133,314	0.518985	588,173
PT	349	0.190114	66
OT	6,552	0.763324	5,001
ST	1,739,230	0.136508	237,419
EKG	286,826	0.349226	98,934
Med. Sup.	793,012	0.976806	774,619
Drugs	2,328,928	1.029288	2,397,138
ER	64,317	0.975994	62,773
Observation			
Total Ancilla	17,376,375		8,540,538
Total	17,376,375		8,540,538
Overall Inpatient Cost to Charge			0.491503

Note:  
Rural Health Clinics are entitled to full cost reimbursement for both Medicare and Medicaid. Therefore any payments in excess of reimbursements are ignored for the purpose of this workbook.



Program Costs / Charges and Payments

Medicaid Inpatient Charges 249,101  
Medicaid Inpatient Costs 177,450

Medicaid Outpatient Charges 1,550,384  
Medicaid Outpatient Costs 762,018

Self Pay & Charity Inpat. Chgs. 120,036  
Self Pay & Charity Inpatient Costs 85,509

Self Pay and Charity Outpatient Charges 733,262  
Self Pay & Charity Outpatient Costs 360,400

Payment data is per your other reports

Cash Receipts  
AHCCCS Inpatient 100,369  
AHCCCS Outpatient 949,195

Selfpay Revenue  
Inpatient 113,059  
Outpatient 713,426

Bad Debt & Charity (based on revenue)  
Bad Debt & Charity - Inpatient 78,707  
Bad Debt & Charity - Outpatient 461,120

Bad Debt & Charity (based on cost)  
Bad Debt & Charity - Inpatient 37,363  
Bad Debt & Charity - Outpatient 218,894

## Arizona Hospital Provider Pool Assessment Workbook for Federal Claiming

**Source of Data :**

Cost data is from the other worksheets in this package  
The payment data is from the same claims charges and days  
extracted from the provider records

**Facility Name** La Paz Regional Hospital  
**Medicare Provider Number** 03-0067  
**Provider Location** Parker, AZ  
**Cost Report FY Ending** September 30, 2010

**PAYMENT AND COST SUMMARY**

From other Worksheets and  
Payments are from internal  
claims data

	<u>Costs</u>	<u>Payments</u>	<u>Unrecovered</u>
<b>From the other workbook Schedule:</b>			
Medicaid Hospital Services - Inpa:	1,404,758	713,894	690,864
Medicaid Hospital Services - Outj	3,223,443	2,141,680	1,081,763
Charity Hospital Services - Inpa:	145,854	17,720	128,134
Charity Hospital Services - Outp:	642,437	91,042	551,395
Medicaid Physician Services - Inj	227,204	117,181	110,023
Medicaid Physician Services - Ou:	68,017	35,003	33,014
Charity Physician Services - Inp:	16,116	0	16,116
Charity Physician Services - Outj	37,606	7,613	29,993
Other Services - Medicaid	307,834	311,204	0
Other Services - Charity	74,692	13,500	61,192
<b>All Services</b>	<b>6,147,962</b>	<b>3,448,837</b>	<b>2,702,494</b>

**Note:**

Rural Health Clinics are entitled to full cost reimbursement for both Medicare and Medicaid. Therefore any payments in excess of reimbursements are ignored for the purpose of this workbook.

**Arizona Hospital Provider Pool Assessment  
Workbook for Federal Claiming**

**Source of Data:**

Cost data is from the other worksheets in this package  
The payment data is from the same claims charges and days  
extracted from the provider records

**Facility Name**  
**Medicare Provider Number**  
**Provider Location**  
**Cost Report FY Ending**

Sierra Vista Regional Health Center  
03-0043  
Sierra Vista, AZ  
Jun. 30, 2010

**PAYMENT AND COST SUMMARY**  
From other Worksheets and  
Payments are from internal  
claims data

	Costs	Payments	Unrecovered Costs
<b>From the other workbook Schedules</b>			
Medicaid Hospital Services - Inpatient	10,267,555	7,179,161	3,088,394
Medicaid Hospital Services - Outpatient	6,686,357	7,539,373	0
Charity Hospital Services - Inpatient	450,463	42,426	408,037
Charity Hospital Services - Outpatient	859,677	119,823	739,854
Medicaid Physician Services - Inpatient	0	0	0
Medicaid Physician Services - Outpatient	5,554	1,191	4,363
Charity Physician Services - Inpatient	0	0	0
Charity Physician Services - Outpatient	3,716	873	2,843
Other Services - Medicaid	0	0	0
Other Services - Charity	0	0	0
<b>All Services</b>	<b>18,273,321</b>	<b>14,882,847</b>	<b>4,243,490</b>

**Note:**

Rural Health Clinics are entitled to full cost reimbursement for both Medicare and Medicaid. Therefore any payments in excess of reimbursements are ignored for the purpose of this workbook.

## Arizona Hospital Provider Pool Assessment Workbook for Federal Claiming

**Source of Data :**

Cost data is from the other worksheets in this package  
The payment data is from the same claims charges and days  
extracted from the provider records

**Facility Name** Cobre Valley Reg. Med. Ctr.  
**Medicare Provider Numbe** 03-1314  
**Provider Location** Globe AZ  
**Cost Report FY Ending** Dec. 31, 2010

**PAYMENT AND COST SUMMARY**

From other Worksheets and  
Payments are from internal  
claims data

	<u>Costs</u>	<u>Payments</u>	<u>Unrecovered</u> <u>Costs</u>
<b>From the other workbook Schedules</b>			
Medicaid Hospital Services - Inpatient	3,757,872	1,657,000	2,100,872
Medicaid Hospital Services - Outpatient	3,477,530	5,907,000	0
Charity+Bad Debt Hospital Services - Inpati	474,838	106,010	368,828
Charity+Bad Debt Hospital Services - Outpat	521,376	116,234	405,142
Medicaid Physician Services - Inpatient	0	0	0
Medicaid Physician Services - Outpatient	0	0	0
Charity Physician Services - Inpatient	0	0	0
Charity Physician Services - Outpatient	0	0	0
Other Services - Medicaid	646,985	582,579	64,406
Other Services - Charity	0	0	0
FQHC, CAH and SAVE Pools			
All Services		8,368,823	2,939,249

**Note:**

Rural Health Clinics are entitled to full cost reimbursement for both Medicare and Medicaid. Therefore any payments in excess of reimbursements are ignored for the purpose of this workbook.

**MT. GRAHAM REGIONAL MEDICAL CENTER  
AHCCCS REMITTANCE SUMMARY  
FY2010**

Source of Data :  
Cost data is from the other worksheets in this package  
The payment data is from the same claims charges and days  
extracted from the provider records

**AHCCCS INPATIENT**

Facility Name	Medicare Provider Number	Provider Location	Cost Report FY Ending	INS.	DESCRIPTION	Payments	Costs	Unrecovered Costs	NONCOVERED CHARGES				
									TOTAL CHARGES	DEDUCT	CO-PAY	COINS.	
MT GRAHAM		SAFFORD	Dec. 31, 2010	X	AHCCCS APIPA IP				\$ 55,586	\$ -	\$ -	\$ -	\$ -
				X5	AMERICAN INDIAN HEALTH PLAN				\$ 1,221,086	\$ -	\$ -	\$ -	\$ -
				X6	AHCCCS OTHER				\$ 216,193	\$ -	\$ -	\$ -	\$ -
				X7	AHCCCS STATE IP				\$ 263,539	\$ 22,906	\$ -	\$ -	\$ -
				X8	UNIVERSITY FAMILY CARE				\$ 4,433,532	\$ 491,067	\$ -	\$ -	\$ -
				X9	COCHISE LTC				\$ 197,021	\$ -	\$ -	\$ -	\$ -
				X1	MERCY CARE				\$ 8,281,118	\$ 870,763	\$ -	\$ -	\$ 149
				XZ	MEDICAID OUT OF STATE				\$ 40,570	\$ 24,601	\$ -	\$ -	\$ -
					<b>TOTAL MEDICAD INPATIENT</b>				\$ 14,708,646	\$ 1,446,648	\$ -	\$ -	\$ 149

**AHCCCS OUTPATIENT**

Facility Name	Medicare Provider Number	Provider Location	Cost Report FY Ending	INS.	DESCRIPTION	Payments	Costs	Unrecovered Costs	NONCOVERED CHARGES				
									TOTAL CHARGES	DEDUCT	CO-PAY	COINS.	
				XB	AHCCCS APIPA OP				\$ 114,342	\$ 1,410	\$ -	\$ -	\$ -
				XB2	MERCY CARE				\$ 197,216	\$ 4,931	\$ -	\$ -	\$ -
				XB5	AMERICAN INDIAN HEALTH PLAN				\$ 2,080,492	\$ 13,660	\$ -	\$ -	\$ -
				XB6	AHCCCS OTHER				\$ 310,944	\$ 24,021	\$ -	\$ -	\$ 1,301
				XB7	AHCCCS STATE OP				\$ 139,846	\$ 9,506	\$ -	\$ -	\$ -
				XB8	UNIVERSITY FAMILY CARE				\$ 7,359,397	\$ 648,270	\$ -	\$ -	\$ -
				XB9	COCHISE LTC				\$ 145,089	\$ 4,288	\$ -	\$ -	\$ -
				XB1	MERCY CARE				\$ 37,933	\$ 4,795	\$ -	\$ -	\$ -
				XB1	MERCY CARE				\$ 13,678,655	\$ 919,794	\$ -	\$ -	\$ -
				XBF	AHCCCS RECURRING				\$ 9,774	\$ -	\$ -	\$ -	\$ -
				XBZ	MEDICAID OUT OF STATE				\$ 96,468	\$ 16,054	\$ -	\$ -	\$ -
				XP	AHCCCS OTHER				\$ 327,751	\$ 7,791	\$ -	\$ -	\$ -
				XP1	APIPA				\$ 16,915	\$ 522	\$ -	\$ -	\$ -
				XP2	MERCY CARE				\$ 1,757,976	\$ 17,676	\$ -	\$ -	\$ 450
				XP8	UNIVERSITY FAMILY CARE				\$ 686,856	\$ 30,299	\$ 104	\$ -	\$ -
				XP9	COCHISE LTC				\$ 18,866	\$ 1,123	\$ -	\$ -	\$ -
				XPZ	MEDICAID OUT OF STATE				\$ 187	\$ -	\$ -	\$ -	\$ -
					<b>TOTAL MEDICAID OUTPATIENT</b>				\$ 26,978,707	\$ 1,704,139	\$ 104	\$ -	\$ 1,751

Note:  
Rural Health Clinics are entitled to full cost reimbursement for both Medicare and Medicaid. Therefore any payments in excess of reimbursements are ignored for the purpose of this workbook.



MT GRAHAM REGIONAL MEDICAL CENTER  
 REVENUE BY FINANCIAL CLASS - SUMMARY  
 YTD FY 2010

REVENUE											
CHARGE	TYPE 1 - INPATIENT		TYPE 2 - OUTPATIENT		TYPE 3 - ER		TYPE 5 - OBS		TOTAL		
	PERCENT	CHARGES	PERCENT	CHARGES	PERCENT	CHARGES	PERCENT	CHARGES	PERCENT	CHARGES	
ME ####	44.0%	\$ 12,607,824	30.4%	\$ 5,380,964	18.2%	\$ 2,150,921	32.6%	\$ 40,273,943	32.6%	\$ 40,273,943	
ME ####	27.2%	\$ 7,859,353	19.0%	\$ 12,112,893	40.9%	\$ 1,905,755	28.9%	\$ 34,332,111	27.8%	\$ 34,332,111	
BLL ####	8.8%	\$ 6,653,656	16.0%	\$ 2,988,988	10.1%	\$ 656,069	9.9%	\$ 14,333,051	11.6%	\$ 14,333,051	
CO ####	8.4%	\$ 12,266,048	29.6%	\$ 6,813,399	23.0%	\$ 1,321,895	20.0%	\$ 24,264,573	19.7%	\$ 24,264,573	
HM ####	10.4%	\$ 1,700,932	4.1%	\$ 744,858	2.5%	\$ 340,642	5.2%	\$ 7,544,053	6.1%	\$ 7,544,053	
PR ####	1.2%	\$ 370,686	0.9%	\$ 1,567,159	5.3%	\$ 219,008	3.3%	\$ 2,716,061	2.2%	\$ 2,716,061	
TO ####	100.0%	\$ 41,458,500	100.0%	\$ 29,608,251	100.0%	\$ 6,594,290	100.0%	\$ 123,463,792	100.0%	\$ 123,463,792	

ROOM & BOARD AND ANCILLARY REVENUE											
CHARGE	INPATIENT - A/C# 30100		OUTPATIENT - A/C#30200		TOTAL						
	PERCENT	CHARGES	PERCENT	CHARGES	PERCENT	CHARGES					
ME ####	44.0%	\$ 20,139,709	25.9%	\$ 40,273,943	32.6%	\$ 40,273,943					
ME ####	27.2%	\$ 21,878,001	28.2%	\$ 34,332,111	27.8%	\$ 34,332,111					
BLL ####	8.8%	\$ 10,298,714	13.3%	\$ 14,333,051	11.6%	\$ 14,333,051					
CO ####	8.4%	\$ 20,401,343	26.3%	\$ 24,264,573	19.7%	\$ 24,264,573					
HM ####	10.4%	\$ 2,786,431	3.6%	\$ 7,544,053	6.1%	\$ 7,544,053					
PR ####	1.2%	\$ 2,156,853	2.8%	\$ 2,716,061	2.2%	\$ 2,716,061					
TO ####	100.0%	\$ 77,661,051	100.0%	\$ 123,463,792	100.0%	\$ 123,463,792					

37%

Mt. Graham Regional Medical Center  
 Cost to Charge Ratios

Source: Medicare Cost Report 2010

Inpatient	Chgs.	RCC	Cost
Routine	9,508,494		9,373,267
Nursery	675,643		512,183
OR	2,540,989	0.466619	1,185,674
Deliver	1,155,228	0.756891	874,382
Anesthe	137,919	0.062781	8,659
Radiolo	3,105,147	0.143714	446,253
Lab	3,742,815	0.263033	984,484
Whole B	398,210	0.511810	203,808
RT	8,564,984	0.132247	1,132,693
PT	395,026	0.881332	348,149
Speech	14,046	1.276221	17,926
EKG	172,428	0.402049	69,325
Med. Su	5,449,797	0.427945	2,332,213
Drugs	4,182,199	0.344067	1,438,957
Sleep I	3,520	0.251336	885
Clinic	2,591	1.793874	4,648
ER	1,878,357	0.578087	1,085,854
Observa	171,550	0.680179	116,685
Total A	31,914,806		10,250,593
Total	42,098,943		20,136,043
Overall Inpatient Cost to Charge			0.478303

<u>Outpati</u>	<u>Chgs.</u>	<u>RCC</u>	<u>Cost</u>
Routine	0		0
Nursery	0		0
OR	4,614,815	0.466619	2,153,360
Deliver	530,845	0.756891	401,792
Anesthe	221,009	0.062781	13,875
Radiolc	30,639,009	0.143714	4,403,255
Lab	12,027,590	0.263033	3,163,653
Whole B	378,285	0.511810	193,610
RT	1,643,977	0.132247	217,411
PT	1,742,335	0.881332	1,535,576
Speech	54,906	1.276221	70,072
EKG	1,031,815	0.402049	414,840
Med. Su	2,820,746	0.427945	1,207,124
Drugs	4,569,406	0.344067	1,572,182
Sleep I	818,454	0.251336	205,707
Clinic	618,258	1.793874	1,109,077
ER	11,975,596	0.578087	6,922,936
Observa	387,563	0.680179	263,612
Total A	74,074,609		23,848,082
Total	74,074,609		23,848,082
Overall Inpatient Cost to Char			0.321947

Program Costs / Charges and Payments

Medicaid Inpatient Charges	14,708,646
Medicaid Inpatient Costs	7,035,187
Medicaid Outpatient Charges	26,978,707
Medicaid Outpatient Costs	8,685,708
Self Pay & Charity Inpat. Chg	559,207
Self Pay & Charity Inpatient	267,470
Self Pay and Charity Outpatie	2,156,853
Self Pay & Charity Outpatient	694,392

Payment data is per your other reports

APPROVED AMOUNT	CONTRACT AMOUNT	REMITTANCE AMOUNT	A/R AMOUNT
\$ 20,928	\$ 34,659	\$ 17,201	\$ 51,859
\$ 426,331	\$ 604,489	\$ 348,739	\$ 953,228
\$ 36,836	\$ 92,347	\$ 36,836	\$ 129,182
\$ 142,694	\$ 97,938	\$ 47,822	\$ 145,760
\$ 1,372,269	\$ 2,127,394	\$ 1,080,405	\$ 3,207,799
\$ 54,078	\$ 142,943	\$ 42,302	\$ 185,246
\$ 3,130,792	\$ 4,236,460	\$ 2,346,067	\$ 6,582,527
\$ 3,594	\$ 12,376	\$ 3,594	\$ 15,969
\$ 5,187,521	\$ 7,348,605	\$ 3,922,966	\$ 11,271,571

APPROVED AMOUNT	CONTRACT AMOUNT	REMITTANCE AMOUNT	A/R AMOUNT
\$ 28,555	\$ 73,322	\$ 27,546	\$ 100,868
\$ 34,192	\$ 157,898	\$ 23,520	\$ 181,418
\$ 469,297	\$ 1,295,133	\$ 461,460	\$ 1,756,593
\$ 66,678	\$ 182,164	\$ 66,586	\$ 248,751
\$ 37,562	\$ 92,778	\$ 32,619	\$ 125,397
\$ 1,397,396	\$ 3,476,219	\$ 1,369,823	\$ 4,846,042
\$ 35,038	\$ 105,530	\$ 35,038	\$ 140,569
\$ 6,616	\$ 26,522	\$ 5,728	\$ 32,250
\$ 3,804,364	\$ 8,816,310	\$ 3,661,646	\$ 12,477,956
\$ 7,017	\$ 2,757	\$ 7,017	\$ 9,774
\$ 23,397	\$ 57,017	\$ 19,914	\$ 76,931
\$ 107,071	\$ 202,675	\$ 103,223	\$ 305,898
\$ 5,118	\$ 11,275	\$ 5,061	\$ 16,336
\$ 583,103	\$ 1,117,175	\$ 558,290	\$ 1,675,465
\$ 211,130	\$ 427,651	\$ 209,636	\$ 637,287
\$ 6,972	\$ 10,771	\$ 6,569	\$ 17,340
\$ 11	\$ 176	\$ 11	\$ 187
\$ 6,823,518	\$ 16,055,373	\$ 6,593,689	\$ 22,649,063

**Northern Cochise Community Hospital  
Cost to Charge Ratios**

Source: Medicare Cost Report 2010

<u>Inpatient Costs</u>	<u>Chgs.</u>	<u>RCC</u>	<u>Cost</u>
Routine	3,419,695		1,608,809
Nursing Facility	1,380,350		
OR	18,523	0.136534	2,529
Anesthesia		0.249172	0
Radiology	553,435	0.205611	113,792
Lab	1,392,286	0.116476	162,168
RT	1,055,479	0.347011	366,263
PT	341,143	0.555559	189,525
OT	74,000	1.699346	125,752
ST	47,552	1.049285	49,896
EKG	37,445	0.000000	0
Med. Sup.	145,926	0.800930	116,877
Drugs	1,138,808	0.591776	673,919
ER	170,184	0.292218	49,731
Total Ancillary	4,974,781		1,850,451
Total	8,394,476		3,459,260
Overall Inpatient Cost to Charge			<b>0.412088</b>

<u>Outpatient Costs</u>	<u>Chgs.</u>	<u>RCC</u>	<u>Cost</u>
Routine	0		0
OR	975,193	0.136534	133,147
Radiology	8,810,973	0.249172	2,195,448
Lab	5,081,050	0.205611	1,044,720
Whole Blood	190,568	0.116476	
RT	411,877	0.347011	142,926
PT	651,599	0.555559	362,002
OT	97,727	1.699346	166,072
ST	77,163	1.049285	80,966
EKG	204,077	0.000000	0
Med. Sup.	285,988	0.800930	229,056
Drugs	827,882	0.591776	489,921
ER	6,764,690	0.292218	1,976,764
Observation	428,344	1.147124	491,364
Total Ancillary	24,807,131		7,312,385
Total	24,807,131		7,312,385
Overall Inpatient Cost to Charge			<b>0.294769</b>

**Program Costs / Charges and Payments**

Medicaid Inpatient Charges	2,359,120
Medicaid Inpatient Costs	972,164
Medicaid Outpatient Charges	6,747,810
Medicaid Outpatient Costs	1,989,048
Self Pay & Charity Inpat. Chgs.	284,265
Self Pay & Charity Inpatient Costs	117,142
Self Pay and Charity Outpatient Charges	2,196,554
Self Pay & Charity Outpatient Costs	647,477

Payment data is per your other reports

**Clinics**

The average cost to charge ratio for the clinics is 1.07.  
That is, the cost is actually 107% of the charges.

Clinic Charges FY2010 - AHCCCS	324,632
Cost - per 1.07	347,357
Total Self Pay Charges - FY2010	44,011
Cost - per 1.07	90,304



1. Medicaid <u>inpatient hospital payments</u> ; <b>\$466,461.91</b>	466,461.91
2. Medicaid <u>inpatient hospital costs</u> ;	
3. Charity care and self pay <u>inpatient hospital payments</u> ; <b><u>\$7281.36</u></b>	7,281.36
4. Charity care and self pay <u>inpatient hospital costs</u> ;	
5. Medicaid <u>outpatient hospital payments</u> ; <b><u>\$2,226,676.87</u></b>	2,226,676.87
6. Medicaid <u>outpatient hospital costs</u> ;	
7. Charity care and self pay <u>outpatient hospital payments</u> ; <b><u>\$61,927.73</u></b>	61,927.73
8. Charity care and self pay <u>outpatient hospital costs</u> ;	
9. Medicaid <u>physician payments</u> ;	
10. Medicaid <u>physician costs</u> ;	
11. Charity care and self pay <u>physician payments</u> ;	
12. Charity care and self pay <u>physician costs</u> ;	
13. All other Medicaid non-hospital <u>payments</u> (clinic services and other professional separated by type of service); <b>RHC \$127,681.26</b>	127,681.26
14. All other Medicaid non-hospital <u>costs</u> (clinic services and other professional separated by type of service);	
15. Charity care and self pay non-hospital <u>payments</u> (clinic services and other professional separated by type of service); <b>RHC \$19,118.49</b>	19,118.49
16. Charity care and self pay non-hospital <u>costs</u> (clinic services and other professional separated by type of service).	

**Benson Hospital  
Cost to Charge Ratios**

**Source: Medicare Cost Report 2010**

<u>Inpatient Costs</u>	<u>Chgs.</u>	<u>RCC</u>	<u>Cost</u>
Routine	570,658		570,658
OR	3,940	9.295272	36,623
Anesthesia	0	0.000000	0
Radiology	233,421	0.266728	62,260
Lab	321,469	0.374461	120,378
RT	317,415	0.969277	307,663
PT	63,245	0.973871	61,592
OT	18,584	0.684173	12,715
Speech	1,981	0.987054	1,955
EKG	34,992	0.182532	6,387
Med. Sup.	188,287	1.089459	205,131
Med. Devices	0	0.000000	0
Drugs	522,482	0.318562	166,443
ER	163,469	0.533051	87,137
Total Ancillary	1,869,285		1,068,285
Total	2,439,943		1,638,943

Overall Inpatient Cost to Charge

**0.671714**

1. Medicaid inpatient hospital payments; \$107,531
2. Medicaid inpatient hospital costs; \$200,202
3. Charity care and self pay inpatient and outpatient hospital payments; \$734,268
4. Charity care and self pay inpatient and outpatient hospital costs; \$949,504
5. Medicaid outpatient hospital payments; \$2,483,900
6. Medicaid outpatient hospital costs; \$2,372,242
7. Medicaid physician payments; I don't have this information
8. Medicaid physician costs; I don't have this information
9. Charity care and self pay physician payments; I don't have this information.

Charity care and self pay physician costs; I don't have this information

<u>Outpatient Costs</u>	<u>Chgs.</u>	<u>RCC</u>	<u>Cost</u>
Routine	0		0
OR	2,532	9.295272	23,536
Anesthesia	0	0.000000	0
Radiology	3,974,542	0.266728	1,060,122
Lab	3,470,250	0.374461	1,299,473
RT	248,025	0.969277	240,405
PT	1,416,740	0.555515	787,020
OT	210,687	0.684173	144,146
Speech	27,217	0.987054	26,865
EKG	279,792	0.182532	51,071
Med. Sup.	152,672	1.089459	166,330
Med. Devices	0	0.000000	0
Drugs	1,638,527	0.318562	521,972
Sleep Lab	0	0.000000	0
ER	3,950,993	0.533051	2,106,081
Observation	190,030	0.862244	163,852
Total Ancillary	15,562,007		6,590,873
Total	15,562,007		6,590,873
Overall Inpatient Cost to Charge			<b>0.423523</b>

Program Costs / Charges and Payments

Medicaid Inpatient Charges	298,046
Medicaid Inpatient Costs	200,202
Medicaid Outpatient Charges	3,984,805
Medicaid Outpatient Costs	1,687,658
Self Pay & Charity Inpat. Chgs.	180,349
Self Pay & Charity Inpatient Costs	121,143
Self Pay and Charity Outpatient Charges	1,391,450
Self Pay & Charity Outpatient Costs	589,312

No clinic in 2010.

## Arizona Hospital Provider Pool Assessment Workbook for Federal Claiming

**Source of Data:**

Cost data is from the other worksheets in this package  
The payment data is from the same claims charges and days  
extracted from the provider records

Facility Name Page Hospital  
Medicare Provi03-1304  
Provider LocalPage, AZ  
Cost Report F)Dec. 31, 2010

**PAYMENT AND COST SUMMARY**

From other Worksheets and  
Payments are from internal  
claims data

	<u>Costs</u>	<u>Payments</u>	<u>Unrecovered Costs</u>
From the other workbo			
Medicaid Hospital Ser	2,122,671	3,050,000	0
Medicaid Hospital Ser	2,775,015	2,150,000	625,015
Charity Hospital Ser	105,500	0	105,500
Charity Hospital Ser	134,752	0	134,752
Medicaid Physician S	219,097	15,000	204,097
Medicaid Physician S	392,677	65,000	327,677
Charity Physician Ser	1,233	0	1,233
Charity Physician Ser	15,785	0	15,785
Other Services - Medi	335,986	325,000	10,986
Other Services - Char	92,787	98,000	0
All Services	6,195,504	5,703,000	1,425,046

**Note:**

Rural Health Clinics are entitled to full cost reimbursement for both Medicare and Medicaid. Therefore any payments in excess of reimbursements are ignored for the purpose of this workbook.

**Copper Queen Comm. Hospital  
Cost to Charge Ratios**

Source: Medicare Cost Report 2010

Source of Data :  
Cost data is from the other worksheets in this package  
The payment data is from the same claims charges and days  
extracted from the provider records

Facility Name COPPER QUEEN  
Medicare Provider Number  
Provider Location  
Cost Report FY Ending Dec. 31, 2010

From the other workbook Schedules	Costs	Payments	Unrecover PT Costs	Inpatient Costs	Chgs.	RCC	Cost
Medicaid Hospital Services - Inpatient	531,976	272,608		Routine	1,678,761		1,608,809
Medicaid Hospital Services - Outpatient	3,103,550	2,483,900		OR	145,471	0.476571	69,327
Charity Hospital Services - Inpatient	87,549	16,685		Anesthesia	116,521	0.256632	29,903
Charity Hospital Services - Outpatient	558,414	135,048		Radiology	305,418	0.177468	54,202
Medicaid Physician Services - Inpatient				Lab	363,330	0.211025	76,672
Medicaid Physician Services - Outpatient				RT	150,000	0.593060	88,959
Charity Physician Services - Inpatient				Unrecover PT	104,276	0.555515	57,927
Charity Physician Services - Outpatient				EKG	12,835	0.158296	2,032
Other Services - Medicaid	2,002,351	879,139		Med. Sup.	125,077	0.382065	47,788
Other Services - Charity	90,304	18,258		Med. Devices	75,000	0.475319	35,649
RHC - reconciliation - payments	6,374,145	4,425,868		Drugs	374,334	0.536899	200,980
All Services				ER	403,733	0.361442	145,926
				Total Ancillary	2,175,995		809,364
				Total	3,854,756		2,418,173
				Overall Inpatient Cost to Charge			0.627322

Outpatient Costs	Chgs.	RCC	Cost
Routine	0		0
OR	1,118,389	0.476571	532,992
Anesthesia	833,426	0.256632	213,884
Radiology	7,635,104	0.177468	1,354,987
Lab	8,249,025	0.211025	1,740,751
RT	504,924	0.593060	299,450
PT	1,173,958	0.555515	652,151
EKG	176,285	0.158296	27,905
Med. Sup.	659,692	0.382065	252,045
Med. Devices	75,015	0.475319	35,656
Drugs	669,074	0.536899	359,225
Sleep Lab	337,738	0.461257	155,784

Note:  
Rural Health Clinics are entitled to full cost reimbursement for both Medicare and Medicaid. Therefore any payments in excess of reimbursements are ignored for the purpose of this workbook.

ER	6,430,857	0.361442	2,324,382
Observation	597,716	0.477690	285,523
Total Ancillary	28,461,203		8,234,735
Total	28,461,203		8,234,735
Overall Inpatient Cost to Charge			<b>0.289332</b>

Program Costs / Charges and Payments

Medicaid Inpatient Charges	848,012
Medicaid Inpatient Costs	531,976
Medicaid Outpatient Charges	10,726,608
Medicaid Outpatient Costs	3,103,550
Self Pay & Charity Inpat. Chgs.	139,560
Self Pay & Charity Inpatient Costs	87,549
Self Pay and Charity Outpatient Charges	1,930,011
Self Pay & Charity Outpatient Costs	558,414

Payment data is per your other reports

Clinics

The average cost to charge ratio for the clinics is 1.0  
That is, the cost is actually 107% of the charges.

Clinic Charges FY2010 - AHCCCS	1,871,356
Cost - per 1.07	2,002,351
Total Self Pay Charges - FY2010	84,396
Cost - per 1.07	90,304

Copper Queen Community Hospital  
RHC - AHCCCS

10/1/08 to 9/30/2009

Date	Billed Amount	Visits	Paid Amount
10-08 to 12-08	\$ 342,708.00	2,180	\$168,310.15
01-09 to 03-09	\$ 383,884.00	2,404	\$180,076.34
04-09 to 06-09	\$ 401,253.00	2,555	\$189,725.78
07-09 to 09-09	\$ 406,044.00	2,506	\$183,009.35
		231	\$17,078.28
		90	\$6,629.84
<b>Total</b>	<b>\$ 1,533,889.00</b>	<b>9,966</b>	<b>\$ 744,829.74</b>

Total Coun	9,966	744,829.74	
Kids - 4.9%	488	36,496.66	
Difference	9,478	708,333.08	
Duals	1,481	186,801.00	
Total coun	10,959	138.28	1,515,364.33
Claims Payments Received (regular and dual eligibles)			(895,134.08)
Quarterly Supplemental Payments			(1,010,347.00)
Ending Overpayment per summary			(390,116.75)