



August 26, 2014

Tucson Medical Center appreciates the opportunity to provide input on the proposed Transition Plan submitted by University Family Care and Banner Health.

As a locally-governed, non-profit community hospital, TMC similarly appreciates Arizona Health Care Cost Containment System's review of the plan, as well as its efforts to secure a complete understanding of this significant change in the regional health care market.

While University Family Care and Banner have jointly affirmed a commitment to maintaining the health plan's current operational structure, Tucson Medical Center seeks additional clarification in three areas to further ensure this change of plan ownership will meet the dual goals of serving the best interest of the public and strengthening the performance of the health plan.

- **Transparency in access to care**

To ensure consistency for the 126,000 AHCCCS-eligible individuals served by the health plan, as well as to ensure robust competition within health plans, Tucson Medical Center appreciates the assurances in the Transition Plan that University Family Care will continue to operate in a consistent manner with how the plan operates today. We were likewise encouraged to learn that the independence of the health plan will remain intact under existing leadership.

To document that these pledges are implemented, TMC would request the establishment of pre-transition baseline data relative to a host of key indicators, including, but not limited to:

- ✓ percent of plan members who have access to non-University providers
- ✓ percent of denials
- ✓ compensation rates to non-university clinical providers

Those benchmarks, in conjunction with periodic reports to AHCCCS, would allow for the measurement and tracking of post-transition impacts through the duration of the contract, ending September 2018.

- **Graduate Medical Education and Disproportionate Share Hospital funding**

Although AHCCCS has acknowledged that the question of match funding is outside the scope of the formal change of ownership requirement, TMC supports the agency's request for additional information.

TMC, along with many other hospitals across the state, has established a relationship with the University as a funding partner for both programs, which have helped offset the costs of providing uncompensated care and providing training for medical school graduates.

It is important to us that this critical funding vehicle continue to be available post-acquisition, as its discontinuation would have significant negative impacts. We are eager to receive greater clarity on its status moving forward.

- **Tucson Hospitals Medical Education Program**

High quality medical care depends on high quality medical education. Tucson Medical Center is proud to participate in the Tucson Hospitals Medical Education Program, which was established in 1963 to provide graduate and continuing medical education. The program has been closely affiliated with the University of Arizona since 1963.

Nearly 50 residents rotate through TMC every month for general and specialty training in areas as diverse as surgical, pediatric, orthopaedic, neurologic and women's services.

Their contributions are crucial in helping this hospital provide effective, compassionate care, including to our AHCCCS patients, who comprise 28 percent of our patient base.

TMC is committed to continuing our academic affiliation with the University post-acquisition to protect the medical education program that has existed at TMC for 50 years. We would hope that the commitment is mutual.

There is no question that health care is evolving. While the University of Arizona Health Network has been a valuable partner in building the health of this community, TMC understands that hospitals across the nation have been forced to employ a variety of strategies to remain successful and respond to the realities of the marketplace.

A potential narrowing of the network base over time remains a concern. Tucson Medical Center would expect that the University of Arizona Health Network and Banner Health share TMC's conviction that competition is not only important in providing more choice, higher quality and lower costs for consumers, but is imperative in meeting the rising demand for service.

University Family Care has been successful in building strong alliances and TMC remains hopeful that if the proposed change is accepted, it will continue to be a good partner with the community and its providers.

Comments submitted by Julia Strange, vice president, Community Benefit, on behalf of Tucson Medical Center. For further information, call 520-324-2017.