

DRG-Based Inpatient Hospital Payment System
Estimated Fiscal Impact Under New APR-DRG v34 System
Exhibit 3 - DRG Rebase Projection by System

(Note: Aggregate payments do not include more than \$431M in total supplemental payments.)

Provider System	Simulated FFS Payments Under Current APR-DRG v31 Without Transition							Simulated FFS Payments Under Rebased APR-DRG v34				Payment Comparison	
	FYE 2016 Cases	FYE 2016 Days	Average Length of Stay	APR-DRG Case Mix Index	Simulated Base DRG Payment	Simulated Outlier Payment	Simulated Total Claim Payments	APR-DRG Case Mix Index	Simulated Base DRG Payments	Simulated Outlier Payments	Simulated Total Claim Payments	Estimated Payment Change	Estimated Payment Change Percentage
	A	B	C = B / A	D	E	F	G = E + F	H	I	J	K = I + J	L = K - G	M = L / G
Abrazo Health Care	22,734	77,973	3.4	0.791	101,879,005	856,362	102,735,367	0.787	103,338,827	889,429	104,228,256	1,492,889	1.5%
Banner Health	64,717	261,841	4.0	0.881	340,271,481	13,899,268	354,170,749	0.875	349,765,850	14,426,522	364,192,372	10,021,623	2.8%
Benson Hospital	38	101	2.7	0.511	94,225	-	94,225	0.540	103,002	-	103,002	8,777	9.3%
Canyon Vista Medical Center	1,171	2,677	2.3	0.473	3,257,816	-	3,257,816	0.481	3,409,698	-	3,409,698	151,882	4.7%
CHS	5,178	16,272	3.1	0.666	20,118,350	68,325	20,186,675	0.670	20,050,683	73,602	20,124,285	(62,390)	-0.3%
Cobre Valley Regional Medical Center	776	1,832	2.4	0.453	2,034,943	30,117	2,065,060	0.458	2,113,990	29,092	2,143,082	78,022	3.8%
Copper Queen Community Hospital	23	86	3.7	0.566	63,538	2,488	66,026	0.561	65,167	3,854	69,021	2,996	4.5%
Dignity	21,422	86,460	4.0	0.875	118,767,736	4,176,876	122,944,612	0.872	119,511,671	4,421,979	123,933,651	989,039	0.8%
Green Valley Hospital	103	307	3.0	0.867	416,729	-	416,729	0.880	438,210	-	438,210	21,481	5.2%
Hacienda Healthcare	66	789	12.0	1.267	756,724	7,908	764,632	1.252	849,116	8,797	857,914	93,282	12.2%
HonorHealth	10,019	45,902	4.6	1.216	66,964,074	1,911,107	68,875,181	1.196	66,993,189	2,130,517	69,123,706	248,525	0.4%
Iasis Healthcare Corporation	4,697	17,374	3.7	1.009	26,257,707	310,951	26,568,657	0.973	25,757,408	346,012	26,103,420	(465,237)	-1.8%
Kingman Regional Medical Center	2,037	7,258	3.6	0.804	9,919,338	98,982	10,018,320	0.788	10,214,242	103,296	10,317,539	299,219	3.0%
La Paz Regional Hospital	82	304	3.7	0.701	284,877	86,029	370,906	0.719	294,985	84,639	379,624	8,718	2.4%
LifePoint Health	2,001	5,330	2.7	0.679	8,289,405	50,136	8,339,541	0.684	8,555,206	53,054	8,608,260	268,719	3.2%
Mayo Clinic Care Network	304	1,985	6.5	2.123	2,236,548	475,080	2,711,628	2.040	2,190,760	503,842	2,694,602	(17,026)	-0.6%
MIHS	9,564	38,734	4.0	0.935	54,315,764	6,828,441	61,144,204	0.934	60,381,492	6,256,910	66,638,403	5,494,198	9.0%
Mt. Graham Regional Medical Center	803	1,604	2.0	0.357	1,818,791	1,380	1,820,171	0.372	1,932,211	1,483	1,933,693	113,523	6.2%
N. AZ	5,197	20,544	4.0	1.119	37,071,776	2,487,816	39,559,592	1.094	35,429,567	2,649,138	38,078,705	(1,480,887)	-3.7%
New Vision Health, LLC	532	2,303	4.3	1.086	2,923,278	1,284,853	4,208,131	1.079	2,956,502	1,352,774	4,309,276	101,145	2.4%
Northern Cochise Community Hospital	36	141	3.9	0.647	119,536	36,796	156,332	0.639	123,620	38,017	161,637	5,305	3.4%
Out-of-State Hospitals	639	4,757	7.4	1.441	5,708,098	831,886	6,539,984	1.435	5,983,928	852,084	6,836,012	296,028	4.5%
Phoenix Children's Hospital	6,683	38,815	5.8	1.494	86,378,367	21,320,629	107,698,996	1.501	96,465,937	21,607,804	118,073,741	10,374,745	9.6%
Summit Healthcare	1,974	5,216	2.6	0.558	6,415,877	66,537	6,482,414	0.567	6,724,760	69,755	6,794,516	312,101	4.8%
TMC Healthcare	11,376	41,522	3.6	0.708	46,674,627	1,482,392	48,157,019	0.716	51,401,627	1,375,631	52,777,258	4,620,239	9.6%
White Mountain Regional Medical Center	21	57	2.7	0.525	51,971	2,909	54,880	0.543	55,473	2,637	58,110	3,230	5.9%
Wickenburg Community Hospital	23	72	3.1	0.633	81,475	422	81,896	0.642	85,625	418	86,043	4,146	5.1%
Yavapai Regional Medical Center West C	2,100	5,742	2.7	0.669	8,722,841	95,694	8,818,535	0.671	8,786,932	106,045	8,892,976	74,441	0.8%
Yuma Regional Medical Center	5,932	18,415	3.1	0.661	22,709,027	176,432	22,885,459	0.661	24,559,087	183,963	24,743,050	1,857,591	8.1%
Statewide Inpatient Total	180,248	704,413	3.9	0.887	974,603,925	56,589,812	1,031,193,737	0.882	1,008,538,766	57,571,293	1,066,110,060	34,916,323	3.4%