



2024 ANNUAL REPORT



As we look back on 2024, I would like to take a moment to reflect on the power of the collective. Your participation in our combined legislative efforts as well as in our various grant funded programs is critical as we work to advance health and healthcare in Arizona.

This year's annual report showcases what we have accomplished together over the course of this past year. We will remain your steadfast advocate as we continue to bring together diverse voices to advance health and healthcare in Arizona.

Thank you for your membership, participation and engagement.

In health,

Ann-Marie Alameddine

President and CEO
Arizona Hospital and Healthcare Association

AzHHA

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VA Health Care System

In October 2024, the Board of Directors approved five new healthcare executives to serve on its board.

Scan the QR code to learn more.



Legislative & policy recap

Advancing the voice of the collective to advance health and healthcare in Arizona.



In the 2024 legislative session, AzHHA and its member hospitals successfully advanced healthcare policies to hold health insurers accountable and expand the options for interfacility transportation. While AzHHA's priority legislation, [HB2290 certificates of operation: interfacility transfers](#) and [HB2035 insurance: claims: appeals: provider credentialing](#), did not pass, we were able to make significant progress. For example, we successfully flipped votes on HB2035 and advanced the legislation further than in prior years.

In addition to advancing AzHHA's legislative priorities, the policy and advocacy team prepared for a legislative session that was overshadowed by an impending \$1.3 billion general fund shortfall. The budget shortfall made it one of our top priorities to vigilantly monitor the budget process. At the beginning of the budget season, AzHHA got its first look at legislative budget proposals that would have adversely impacted hospitals and health systems, specifically the decision to discontinue additional funding for the Critical Access Hospital (CAH) payment pool and a need to fund a shortfall in the behavioral health system.

After learning of the decision to discontinue the CAH increase, AzHHA went into budget negotiations focused on securing the continuation of the CAH pool increase from last year. With the unwavering grass-tops work of our CAH members, we successfully secured this funding. AzHHA also learned that the Governor's office was interested in increasing payments to hospitals via the hospital assessment, but some of those funds would be diverted to manage the behavioral health shortfall. AzHHA was called to a meeting with the Governor's Chief of Staff, where a proposal was made to increase the hospital assessment

and redirect some of those dollars to fund behavioral health services delivered through the Arizona Health Care Cost Containment System (AHCCCS).

AzHHA staff immediately convened the Board of Directors to discuss the Governor's proposal. Despite much trepidation, the Board agreed to remain neutral, conditional on a number of provisions and guardrails. We successfully negotiated these changes to minimize any negative impacts on Arizona hospitals. Ultimately, the increased assessment was used to draw down additional HEALTHHII payments, a portion of which was used to increase the aggregate hospital reimbursement above the FY 2024 level.

In addition to our priority legislation efforts and the state budget, we successfully defeated legislation opposed by AzHHA and amended other legislation to protect our members. AzHHA also worked hard to support our sister associations, such as the Arizona Medical Association (ArMA). For example, AzHHA supported ArMA's bill for the expansion of the scope of practice for medical assistants (MAs) - [HB2113 medical assistants: scope of practice](#). This bill expanded the MAs scope by allowing them to relay information to patients if charted by the provider and start the prior authorization process for patients.

For more details, scan the QR code to download the AzHHA 2024 Legislative Report.



Amplifying our collective voice on key regulatory issues

Throughout the year, we consolidated member feedback on proposed rules at both the state and federal levels. We sent comment letters to ensure our collective voices were heard on key topics, including:

- ▶ The Centers for Medicare and Medicaid Services' (CMS') hospital outpatient prospective payment system (PPS) and ambulatory surgical center payment systems for FY 2025 and the inadequacy of the outpatient PPS.
- ▶ CMS' inpatient PPS and long-term care hospital (LTCH) PPS proposed rules for FY 2025 and the inadequacy of the inpatient and LTCH PPS, the proposed high-outlier payments for LTCH PPS, the CAH scoring method and the new mandatory Transforming Episode Accountability Model (TEAM) payment model.
- ▶ CMS' FY 2025 Inpatient Rehabilitation Facility (IRF) PPS and the shortcomings in the annual payment updates for IRFs — in particular, the market basket forecasts and updates.
- ▶ Comments to CMS' Request for Information (RFI) on Medicare Advantage (MA) focused on enforcement and compliance with existing MA rules, specific areas of opportunity for additional scrutiny, prior authorization and access to post-acute care services.
- ▶ The Arizona Department of Health Services' Health Care Institution rules to ensure members can meet their regulatory obligations in a streamlined fashion to minimize administrative burden while promoting high-quality patient care.
- ▶ AHCCCS' hospital assessment and HEALTHII payment model with a focus on rebasing the reimbursement model using the most up-to-date data, postponing pay-for-performance metrics until hospitals have had sufficient time to make positive impacts and lowering the number of payments tied to quality metrics as there are circumstances beyond a hospital's control that impact quality.
- ▶ Change Healthcare's security breach, which imposed significant operational and financial consequences on hospitals, other providers and the communities they serve. AzHHA asked that the Arizona Department of Insurance and Financial Institutions (DIFI) act within its regulatory authority to ensure the payor community is supporting hospitals and other providers during the extraordinary cyber disruption. We also requested that AHCCCS direct its managed care organizations to support hospitals and other providers by advancing payments to address cashflow and extend the timeframes for filing timely claims, corrected claims and appeals.

In the courts

- ▶ AzHHA joined 25 other hospital associations in filing an amicus brief urging the correction of Medicare disproportionate share hospital (DSH) calculation (*Advocate Christ Medical Center v. Becerra*).
- ▶ AzHHA filed an amicus brief to protect civil liability protections that were granted during the public health emergency (*Roebuck v. Mayo Clinic*).

What's next for AzHHA's policy and advocacy efforts:

Our team is already preparing for what 2025 will bring with the election results and the next regular legislative session. AzHHA remains committed to the best interests of Arizona hospitals and the patients they serve.

AzHHA membership perks

Giving you access to member-only services and resources.

Healthcare Leadership Academy

The AzHHA Foundation is partnering with Creighton University to provide a Healthcare Leadership Academy (HLA) to AzHHA member hospitals. The primary goal of the HLA is to cultivate leadership in the hospital environment such that tomorrow's C-suite is prepared to provide vision, articulate and live organizational purpose, and promote operational and clinical innovation.



Through this program, AzHHA members have the opportunity to advance the skillset of mid-level managers through coursework that addresses many aspects of hospital operations, including project management, finance, human resources and healthcare policy. The HLA also provides a unique opportunity for participants to learn alongside other up-and-coming leaders in the state in a small class environment.

In March 2024, we launched our first cohort and our second cohort will start in March 2025.

Affiliated Partners Program

The Affiliated Partners Program helps AzHHA members achieve their missions and improve the health of people and communities across the state by providing meaningful, innovative and affordable business solutions that meet the needs identified by the program's board of directors.

In 2024, we added two new partners to the program, 3Dhealth, which optimizes and refines physician development plans, and Duffy Group, an executive recruitment firm with a specialization in the healthcare industry. These additions bring the total number of partners to 10.

[Learn more about the program – including discounted services to AzHHA members – by scanning the QR code.](#)



Staying in the know

In 2024, we offered free-to-members educational webinars on a variety of topics including:

- ✓ The Arizona abortion law
- ✓ EMTALA (a three-part series)
- ✓ How to organize and manage an educational program for facilities
- ✓ Workforce compensation strategies
- ✓ Optimizing your hospital's physician recruitment strategies

As a benefit of membership, AzHHA also offers hospital-specific DataGen reports to help increase the understanding of the financial impact of proposed changes and annual updates. These reports are delivered to members each month.

Hospital and Healthcare members

Hospital

Acute Care

Community Health Systems (CHS)

- » Northwest Medical Center
- » Northwest Medical Center — Houghton
- » Northwest Medical Center — Sahuarita
- » Oro Valley Hospital
- » Western Arizona Regional Medical Center

Kingman Regional Medical Center

Lifepoint Health

- » Canyon Vista Medical Center
- » Havasu Regional Medical Center
- » Valley View Medical Center

Mayo Clinic Hospital

Onvida Health

Summit Healthcare

TMC Health

- » Tucson Medical Center

Valleywise Health

Behavioral Health

Acadia Healthcare

- » Agave Ridge Behavioral Hospital
- » Oasis Behavioral Health Hospital
- » Sierra Tucson
- » Sonora Behavioral Health Hospital

Aurora Behavioral Health System

- » Aurora Behavioral Health System — Glendale
- » Aurora Behavioral Health System — Tempe

Avanir Behavioral Health Center at Surprise

The Guidance Center

Haven Behavioral Hospital of Phoenix

Lifepoint Health

- » Copper Springs East
- » Copper Springs Hospital
- » El Dorado Springs Behavioral Health

Phoenix Medical Psychiatric Hospital

Polara Health

Universal Health Services, Inc.

- » Palo Verde Behavioral Health
- » Quail Run Behavioral Health
- » Valley Hospital
- » Via Linda Behavioral Hospital

Critical Access

Benson Hospital

Cobre Valley Regional Medical Center

Copper Queen Community Hospital

La Paz Regional Hospital

Little Colorado Medical Center

Mt. Graham Regional Medical Center

Northern Cochise Community Hospital

White Mountain Regional Medical Center

Wickenburg Community Hospital

Federal

Chinle Comprehensive Health Care

Gila River Health Care

- » Hu Hu Kam Memorial Hospital

Phoenix Area Indian Health Services

- » Hopi Health Care Center
- » Parker Indian Health Center
- » Phoenix Indian Medical Center

Sage Memorial Hospital, Navajo Health Foundation

San Carlos Apache Healthcare Corporation

Tsehootsooi Medical Center

Tuba City Regional Healthcare Corporation

Veterans Administration

- » Northern Arizona VA Health Care System
- » Phoenix VA Health Care System
- » Southern Arizona VA Health Care System

Post-Acute Care

Encompass Health Corporation

- » Encompass Health Rehabilitation Hospital of East Valley
- » Encompass Health Rehabilitation Hospital of Northwest Tucson
- » Encompass Health Rehabilitation Hospital of Scottsdale
- » Encompass Health Rehabilitation Institute in Tuscon
- » Encompass Health Valley of the Sun Rehabilitation Hospital
- » Yuma Rehabilitation Hospital

Ernest Health

- » Mountain Valley Regional Rehabilitation Hospital
- » Rehabilitation Hospital of Northern Arizona

Lifepoint Health

- » Cornerstone Specialty Hospitals Tucson
- » Dignity Health East Valley Rehabilitation Hospital — Chandler
- » Dignity Health East Valley Rehabilitation Hospital — Gilbert

Select Medical Corporation

- » HonorHealth Rehabilitation Hospital
- » Select Specialty Hospital — Phoenix
- » Select Specialty Hospital — Phoenix Downtown
- » Select Specialty Hospital — Tucson East
- » Select Specialty Hospital — Tucson Northwest

Specialty

The CORE Institute Specialty Hospital

Healthcare

Arizona Center for Rural Health,
University of Arizona

Calvary Healing Center

Casa Grande Academy

Community Bridges

Donor Network of Arizona

Fountain Hills ER and Medical Center

Hospice of the Valley

Jacob's Hope, Inc.

Legacy Foundation of Southern Arizona

The Neighborhood Christian Clinic

PHI Air Medical

Ryan House

AzCHER:

Arizona Coalition for Healthcare Emergency Response

Preparing Arizona's healthcare and public health systems for emergency response.



The Arizona Coalition for Healthcare Emergency Response (AzCHER) is the healthcare coalition serving the state of Arizona. Our purpose is to build resilience in the state's healthcare delivery system so that it is prepared to respond to and recover from a large-scale emergency or disaster and to contribute to the disaster response efforts.

AzCHER has 1,000 members in the coalition, and the coalition conducts trainings and exercises around the top vulnerabilities in Arizona.



Highlights from 2024:

Response: Real world events

Collaborated and coordinated with multiple other agencies to **assist in the St. Luke's evacuation of 90 behavioral health patients.**

The lessons learned from this event were presented at the Arizona Heat Summit.

Provided leadership and support during the closure of the Baxter plant as a result of Hurricane Helene which impacted IV supplies. AzCHER coordinated bi-weekly surveys and calls, **and helped coalition members stay informed** about the situation and shared guidance on how to conserve supplies.

Responded to flood at White Mountain Regional Medical Center and **provided sand bags and guidance** to help in response.

Provided **support to the Havasupai Tribe** in procuring supplies after a major flood event.

Assess needs

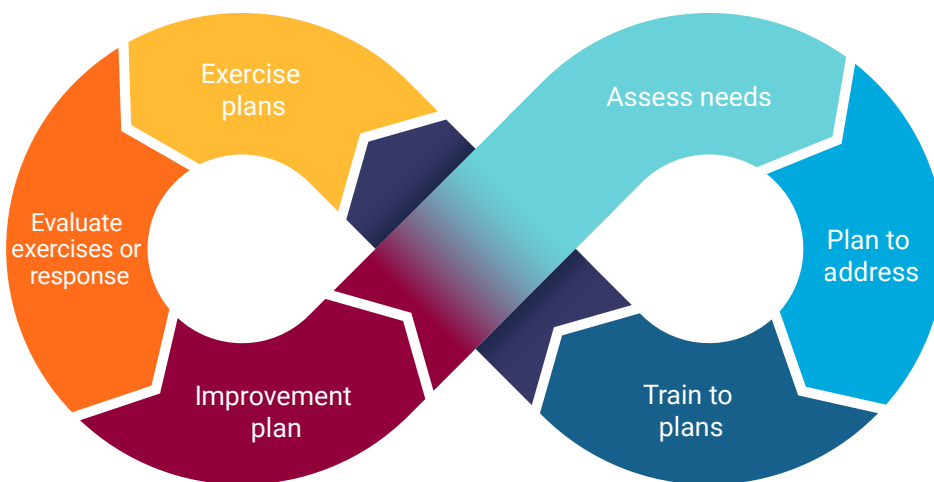
Released the 2023-24 Community Hazard Vulnerability Assessment/Resource Gap Analysis Summary Report which equips us with the information needed to strengthen our healthcare emergency response capabilities to ensure the well-being of everyone in Arizona. The assessment identified the following statewide top five healthcare hazards:

1. Temperature extreme (heat)
2. Staffing shortage
3. Severe weather
4. Cyberattack
5. Communications/telephone failure/network failure

Plan to address

- **Completed a Chemical Response Plan** and toolkit for responders.
- **Completed the Crisis Standards of Care Concepts of Operations** in alignment with the state level Concepts of Operations.

Planning process



Exercise plans

- Crisis Standards of Care tabletop exercise, January 2024.
- Chemical Surge tabletop exercise, March and April 2024.
- Medical Response Surge Exercise (MRSE), March 2024.
- Jumanji Too functional exercise, May 2024.
- Healthcare Social Media Exercise, August 2024.



Train to plans

- Provided **emergency preparedness and response training** to over 700 people.
- Conducted a training in Medical Moulage to **enhance realism** in full scale exercises.
- Held the Fourth Annual Conference with the theme of “Guarding the Healthcare Galaxy, Gearing Up for When Systems Go Down.” The conference had more than 115 attendees with speakers from the FBI and the Cybersecurity and Infrastructure Security Agency, and **focused on the critical role of cybersecurity** in the healthcare sector while **addressing emerging threats** and challenges in the digital landscape.

Care Improvement

Leading healthcare collaboratives to work with hospitals to solve our top challenges, namely improving the nursing workforce and maternal health in Arizona.

Arizona Alliance for Innovation on Maternal Health (AIM)

AzHHA helps hospitals in our state implement maternal evidence-based practices and safety bundles. Guided by a team of experts, our goal is to end preventable maternal death and severe maternal morbidity.



Obstetric simulation event, November 2024

Highlights from 2024:

- ▶ The Annual AIM Collaborative Conference focused on efforts to enhance care for maternal mental health conditions and was sold out weeks in advance of the registration deadline.
- ▶ For the first time, the team held a pre-conference event which brought together nurses and other team members from across the state for education, including simulation using advanced, realistic and responsive mannequins to prepare for OB emergencies. Eight facilities from across the state were selected to participate.
- ▶ The team continued to host frequent coaching calls to support the implementation of the Severe Hypertension in Pregnancy Bundle and the Obstetrical Hemorrhage Bundle.

Arizona Transition to Practice Program

The Arizona Transition to Practice Program for New Graduate Registered Nurses supports and develops new nurses, provides evidence-based professional development, accelerates the novice nurse to a competent nurse more rapidly, and addresses resilience and emergency preparedness.



Highlights from 2024:

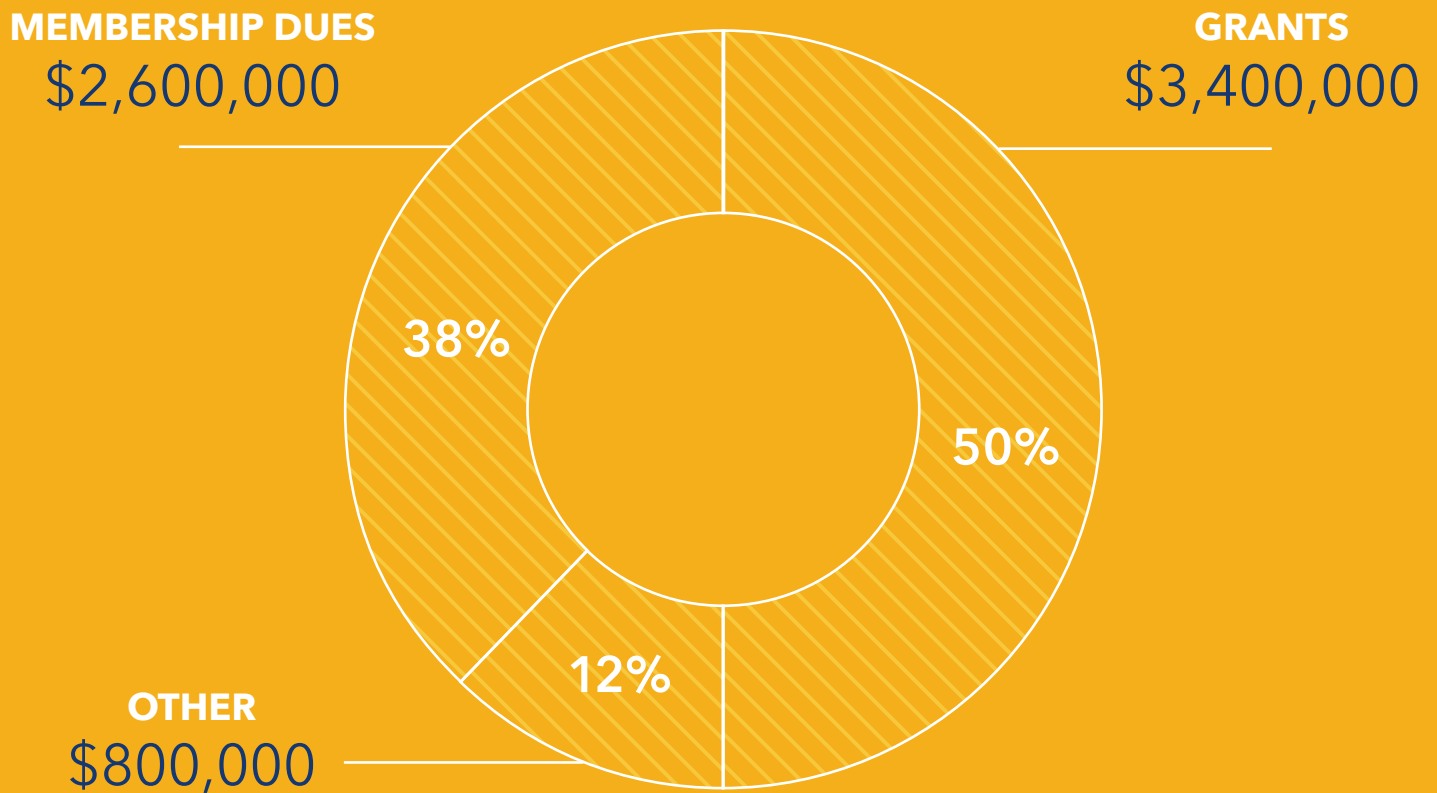
- ▶ Three cohorts of new graduate nurses – a total of **80 new graduate nurses and 85 new preceptors.**
- ▶ **14 participating facilities**, with a focus on rural and underserved areas.
- ▶ The team **fosters a collaborative approach** by conducting site visits with participating facilities to help tailor the program to meet the needs of that specific location.

Program participants at AzNA regional townhall, September 2024

BY THE NUMBERS



AzHHA programs remain self-funded, funded completely through grants, not member dues.



TOTAL
\$6,800,000

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