



Arizona Hospital and Healthcare Association

Improve Access and Coverage for America's Uninsured

Nearly 47 million Americans have no health insurance, 1 million of whom live in Arizona. According to the U.S. Census Bureau, Arizona now has the 12th highest uninsured rate in the nation, and the highest rate of uninsured children. People who lack health insurance often delay seeking care until their conditions are chronic, and turn to hospital emergency departments for treatment. Too often, hospitals care for patients whose medical conditions could have been treated in a primary care setting. And frequently, hospitals do not receive payment for this care. In 2007, Arizona's hospitals collectively incurred \$312 million in uncompensated care costs. Because these costs must be passed on to other payors, all healthcare consumers bear the financial brunt of uncompensated care in the form of higher insurance premiums. This cost-shifting amounts to a hidden "healthcare tax" on the insured.

First Things First: Cover America's Children

The Arizona Hospital and Healthcare Association (AzHHA) joins the American Hospital Association (AHA) in urging Congress to improve access to healthcare coverage to as many as possible as soon as possible, starting with the 9 million American children who have no health insurance. We applaud the U.S. Senate and House for making SCHIP reauthorization a priority this year, and respectfully urge Arizona's congressional delegation to support adequate funding for the program during the budget reconciliation process and a formula that is fair to states that cover more children. AzHHA supports efforts to expand SCHIP, and will work with Arizona's congressional delegation to build on the program's success.

Support the Health Coverage Coalition for the Uninsured's Plan

AzHHA is encouraged that a coalition of disparate national organizations representing the business community, caregivers and others have put aside their differences to agree upon a multi-faceted proposal to extend coverage to millions of Americans. The coalition's plan would improve access to coverage by extending public programs for low-income Americans, providing meaningful tax subsidies for the purchase of private health insurance, and maintaining incentives for employers to offer coverage.

AzHHA urges Arizona's congressional delegation to support the reauthorization and expansion of SCHIP and supports AHA's leadership role in the Health Coverage Coalition for the Uninsured.

Protect and Reauthorize Section 1011 Funds for Care Provided to Undocumented Immigrants

AzHHA remains grateful for the leadership of Senator Kyl and Arizona's congressional delegation in securing federal funds for care hospitals provide to undocumented immigrants through section 1011 of the Medicare Modernization Act of 2003. We appreciate our lawmakers' leadership in protecting these funds during earlier congressional discussions regarding funding offsets. AzHHA is committed to working with Arizona's congressional delegation, the AHA and other state hospital associations to ensure section 1011 funds remain intact.

Arizona hospitals depend on the section 1011 funds to offset a portion of the costs they incur treating undocumented immigrants. The most recent report on section 1011 claims compiled by Trailblazer, which contracts with the Centers for Medicare and Medicaid Services to pay section 1011 claims, reveals that Arizona hospitals continue to provide a significant amount of uncompensated care to undocumented immigrants. According to Trailblazer, for the quarter ending March 31, 2007, the value of submitted claims related to that quarter totaled \$44.8 million. Of that amount, Trailblazer paid Arizona hospitals nearly \$7.6 million.

The section 1011 funds were authorized through the end of fiscal year 2008. Unless Congress reauthorizes these funds before September 30, 2008, hospitals will no longer be able to recover any portion of the costs they incur caring for undocumented patients. However, hospitals' legal obligation to care for all patients under the federal Emergency Treatment and Labor Act—without regard to their citizenship status or ability to pay for services—will not cease when section 1011 expires. In the absence of federal immigration reform that includes healthcare coverage for immigrants, AzHHA believes Congress has an obligation to pay hospitals and other healthcare providers for the care they are legally required to provide to undocumented immigrants. **AzHHA urges Congress to reauthorize the section 1011 funds before the September 30, 2008 expiration date.**

AzHHA also urges our congressional delegation to seek solutions to assist hospitals with discharge and transition of undocumented and foreign national patients who need long-term and other types of post-inpatient care.