



ARIZONA STATE SENATE
Fifty-Fourth Legislature, First Regular Session

AMENDED
FACT SHEET FOR S.B. 1354

graduate medical education; appropriation

Purpose

Appropriates \$50,000,000 from the state General Fund (GF) to the Arizona Health Care Cost Containment System (AHCCCS), University of Arizona's Health Science Center, Department of Health Services (DHS) and Board of Medical Student Loans in FY 2020 to address the statewide shortage of physicians and nurses.

Background

AHCCCS established the Graduate Medical Education (GME) Program in 1997 to reimburse hospitals that have GME programs for operational costs, such as compensation and benefits for residents and supervising faculty, as well as administrative and facility-management costs associated with GME programs ([A.R.S. § 36-2903.01](#)).

Statute defines *GME* as a program, including an approved fellowship, that prepares physicians for the independent practice of medicine by providing clinical education in a medical discipline to medical students who have completed a recognized undergraduate medical education program ([A.R.S. § 36-2901](#)).

S.B. 1354 appropriates \$50,000,000 from the state GF in FY 2020.

Provisions

1. Appropriates \$20,000,000 to AHCCCS in FY 2020 to for GME programs in critical-access hospitals and community health centers in rural areas.
2. Appropriates \$11,000,000 to the University of Arizona's Health Sciences Center in FY 2020.
3. Appropriates \$10,000,000 to DHS to create a grant program for postsecondary nursing education assistance and assistance to healthcare institutions to implement a program that employs retired physicians and nurses to provide oversight and guidance for new graduates of medical and nursing programs.
4. Appropriates \$4,000,000 to DHS in FY 2020 for the Primary Care Provider Loan Repayment Program.
5. Appropriates \$5,000,000 to the Board of Medical Student Loans in FY 2020 for purposes of medical student loan repayment.
6. Includes a legislative intent clause.
7. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Adds \$50,000,000 in appropriations from the state GF in FY 2020 to address the statewide shortage of medical professionals.
2. Adds a legislative intent clause.

Amendments Adopted by Committee of the Whole

1. Expands language to address the statewide shortage of nurses.
2. Eliminates language relating to medical malpractice.
3. Adds a grant program administered by DHS for nursing and medical program assistance.

Senate Action

APPROP 2/19/19 DPA 9-0-0

Prepared by Senate Research

February 28, 2019

LMM/DRD/kja