



State of Arizona

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FOR IMMEDIATE RELEASE
June 19, 2013

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Governor Jan Brewer Signs Legislation to Improve Quality, Efficiency and Transparency in Health Care

PHOENIX – Governor Jan Brewer today signed into law HB 2045. This legislation takes an important first step in promoting transparency in health care pricing and modernizes an outdated hospital reimbursement methodology for the AHCCCS program.

The bill mandates that physicians and hospitals make available to the public the price of their most commonly provided services. Beginning Oct. 1, 2014, the bill also requires AHCCCS to adopt a payment methodology that will reimburse hospitals based on inpatient diagnosis rather than simply the length of hospital stay. The intent is to encourage efficient delivery of care and reduce taxpayer expense via AHCCCS.

“Today, Arizonans have little or no information about the actual cost of different medical procedures,” said Governor Brewer. “This common sense legislation will make the price of health care services available to patients. It also will ensure that the price AHCCCS pays for services is based on the quality of care patients receive rather than simply the number of days they stayed in the hospital. I thank Representative Carter for sponsoring this important legislation.”

Pursuant to HB 2045, physicians will be required to make available the price of their 25 most commonly services. Large hospitals will be required to post the price of their 50 most commonly inpatient and outpatient services. These prices can be posted online or made available to the public in some other form that is readily accessible and understandable.

The bill also modernizes AHCCCS’ 25-year-old inpatient reimbursement methodology, which is currently based on the number of days a patient stays in the hospital. Moving to a reimbursement system based on diagnosis rather than length of stay changes the focus from keeping people in the hospital to treating patients in the most efficient and effective manner possible. This new diagnosis-related methodology also allows for better tracking of health outcomes and trends.

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