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New Study Shows ‘Significant Positive Economic Impact’ to State with Passage of Senate Bill 1354

Arizona Bill to Combat Severe Physician Shortage Will Drive State’s Economy and Patient Access to Care

PHOENIX—April 23, 2019—The Arizona Hospital and Healthcare Association (AzHHA) commissioned a study to ascertain how the passage of a legislative proposal to combat the state’s severe physician shortage would affect the economy and patient access to care. The result of the independent economic-impact study, released today, shows “significant positive economic impact” to the state and expanded patient access to care over the next ten years if Arizona Senate Bill (SB) 1354 is passed.

The bill would enable hospitals across the state to increase the number of post-graduate physician residents they train through state funding that was cut more than a decade ago. The study, prepared by Rounds Consulting Group, Inc., shows that increasing the number of physician residents at three rural hospitals alone would result in 845 new high-paying jobs and $911 million in economic output over ten years.

“Although the study was limited to three hospitals, the same economics apply at the state level,” explains Jim Rounds, the consulting firm’s President and Chief Economist. “I’m certain further studies would show the statewide impact could be four or five times higher.”

The benefits of educating additional physician residents aren’t exclusively economic. Arizona’s primary care physician (PCP) shortage is one of the worst in the nation, meeting only 42% of the state’s PCP needs, according to the University of Arizona Center for Rural Healthcare. SB 1354 would also help eliminate the physician shortages that result in this limited access to care for patients statewide.

Additionally, the bill lessens the issue of physicians leaving Arizona after graduation because they are unable to secure the limited amount of in-state residency positions.

“Physicians stay where they train after graduation,” says Ann Marie Alameddin, President and CEO of AzHHA. “Almost 75% of medical students who finish post-graduate training in Arizona stay in Arizona. This means state funding for physician residencies will move the needle on the state’s physician shortage and be a game-changer for rural communities.”

In addition to restoring funding for physician residencies, SB 1354 also helps alleviate the physician shortage by appropriating state funds to four other programs: the University of Arizona Medical School, primary care provider loan repayment, medical student loan repayments and nurse training.

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About the Arizona Hospital and Healthcare Association (azhha.org)

Now in its 80th year, AzHHA is the association giving statewide Arizona hospitals a voice to collectively build better healthcare and health for Arizonans. As the champion for healthcare leadership in Arizona, AzHHA and its member hospitals explore ideas and take collaborative action at the state capitol, in hospitals and at home to attain the best healthcare outcomes for Arizonans. Through Better Care, Better Health and Lower Costs, we will make Arizona the Healthiest State in the Nation.