



Request Authority to Enter Into IGA with AHCCCS to Use Pediatric Health Care Initiative Funds to Finance AHCCCS Payments to Phoenix Children’s Hospital (Ordinance S-50190)

Request to authorize the City Manager, or his designee, to enter into an Intergovernmental Agreement (IGA) with the Arizona Health Care Cost Containment System (AHCCCS) to implement the provisions of Ordinance S-45435 to allow the funding of the nonfederal share of certain AHCCCS payments to eligible children’s hospitals within the City of Phoenix, namely Phoenix Children’s Hospital (PCH), from the Pediatric Health Care Initiative Fund. Also request that the City Treasurer be authorized to accept and the City Controller be authorized to disburse the funds.

Summary

In March 2019, the City of Phoenix passed Ordinance S-45435 extending authorization for the Pediatric Health Care Initiative to allow donated funds to finance a broader scope of AHCCCS payments to PCH, after the original program financed by the City ended. At the time of passage, there was not a clear opportunity for use of the City’s funds and so the ordinance did not include authority to enter into an intergovernmental agreement with AHCCCS. Given the challenges PCH is facing as a result of COVID-19, AHCCCS is seeking federal approval for enhanced payments to PCH. PCH has lost revenue totaling \$32 million in the last month and has not, up to this point, received federal assistance through the Coronavirus Aid Relief and Economic Security (CARES) Act because relief for hospitals has been distributed through the Medicare program (in which PCH, as a children’s hospital, does not participate). There is an opportunity for the Pediatric Health Care Initiative Fund to help finance these and other AHCCCS payments, as outlined in Ordinance S-45435, for the duration of the ordinance. The City’s funds will be of particular benefit, as the federal government has increased its matching rate for AHCCCS services; PCH will receive \$4 for every \$1 provided by the City. An IGA is required to enable the City to transfer the funds to AHCCCS for this purpose, and to outline the terms of AHCCCS’ use of those funds.

Concurrence/Previous Council Action

- City Council approved Ordinance S-41038 on July 2, 2014.
- City Council approved Ordinance S-45435 on March 6, 2019.

Responsible Department

This item is submitted by City Manager Jeffrey Barton and the Law and Finance departments.