

2026 Policy Priorities

Ensure Financial Sustainability and Quality of the Hospital and Healthcare Delivery System

Hospitals and health systems across the Arizona have extraordinarily risen to meet the needs of a quickly growing and aging state while under tremendous financial strain as unprecedented increases in costs related to staffing, supplies, medications, and equipment persist. Additionally, recent federal funding reductions are placing significant pressure on the healthcare delivery system by reducing Medicaid payments, increasing uncompensated care, and placing more strain on healthcare services.

We advocate to:

- Receive Commensurate Funding to eliminate the practice of the State over taxing hospitals for non-hospital Medicaid expenditures and to offset state general fund spending. We will continue to work with policymakers need to ensure that Medicaid and Medicare reimbursement rates are sufficient to cover the costs of care, allowing the continuance of providing high-quality services without financial strain.
- Support measures for eligible recipients to navigate options and receive healthcare coverage to prevent gaps in healthcare access
- Support measures that widen Medicaid eligibility without assessing the hospitals, as this will increase access to preventive and necessary medical services for underserved populations, reducing long-term healthcare costs and improving community health outcomes. Ensure that essential health care services are available in all communities by improving vital state and federal funding for Medicare, Medicaid, the Children’s Health Insurance Program and the Health Insurance Marketplaces.
- Ensure that Medicaid hospital supplemental payments maximize federal funding opportunities including Directed Payments and other payment options, Medicaid Disproportionate Share Hospital (DSH), as well as the financing sources that support them, continue to be available to help hospitals serve the Medicaid, uninsured and structurally marginalized populations in their communities.
- Protect the 340B program and oppose efforts to scale back, reduce the benefits, or expand the regulatory burden of the program.
- Ensure that additional Medicaid coverage requirements do not result in an increase in the hospital assessment.
- Streamline and coordinate quality measures in payment programs to focus on the measures that most improve patient health and outcomes while reducing unnecessary burden on providers and reducing the amount of hospital financing and payments put at risk.
- Prevent further reductions in physician payments which may have a negative impact on patients’ access to certain services, support adjustments for inflation and rising input costs, and eliminate the burden placed on hospitals to subsidize the difference in federal reimbursement rates.

- Ensure patient access to primary care and other outpatient services by rejecting additional payment cuts that do not recognize legitimate differences among provider settings (also known as so-called site-neutral payment policies), as well as policies that restrict patient access to certain sites of care.
- Work with the hospital and health care industry, state and federal governments, and other stakeholders to advance and adopt cyber policies that are streamlined, effective and feasible to implement to reduce cybercrimes.
- Manage enterprise risk across the health care continuum by supporting legislation to curb lawsuit abuse, address the sharp increases in settlements and verdict awards, and reduce litigation costs. Recent judicial rulings in multiple cases have destabilized existing statutory protections for the healthcare industry and created uncertainty for healthcare providers.

Reduce Regulatory Burdens

It is critical to have a balanced regulatory environment that supports innovative delivery approaches, maximizes cost efficiency opportunities, and expands the provider network. The Alliance supports efforts to remove unnecessary, or oppose additional regulations and licensing requirements, that create administrative and cost burdens, add additional complexity and uncertainty, and/or are redundant or contradictory to federal laws and regulations with little or no impact to patient care or safety. The Alliance opposes employment provisions that place limitations on private employer rights to set operational and workforce policies.

We advocate to:

- Eliminate payer practices and regulations that create unnecessary administrative burdens and inhibit patient access to timely and quality care.
- Streamline and coordinate quality measures in payment programs to focus on the measures that most improve health and outcomes while reducing unnecessary burden on providers.
- Make permanent certain telehealth and other flexibilities that reduced unnecessary administrative burden during the PHE.
- Reduce disparate and unnecessary regulatory requirements placed on hospitals from state regulatory agencies.
- Ensure public policies are aligned with state and federal laws and government regulatory bodies, so hospitals are not held to conflicting regulations.

Increasing Coverage and Improving Access to Care

The Alliance supports efforts to increase the number of Arizonans with comprehensive health insurance and to create greater access to care including behavioral health. The Alliance supports a strong public-private model that relies on a strong commercial insurance market alongside government Medicare and Medicaid programs.

The Alliance also supports the use of secure advancing technologies including telehealth and advancements in federal health information exchange as important and accessible tools for healthcare providers to best serve their patients while creating cost-saving efficiencies within the delivery system.

We advocate to:

- Hold commercial health insurers accountable for ensuring appropriate patient access to care, including reducing the excessive use of prior authorization, ensuring adequate provider networks, ensuring prompt payment, and stopping pharmacy policies that create patient safety risks and limit patient access to certain medications in hospital settings.
- Make permanent state pilot health at home or telehealth programs.
- Maintain a regulatory framework that allows for the safe and ethical use of advancing technologies specific to the healthcare sector to improve patient care and recognize cost efficiencies.
- Implement policies and practices to better integrate and coordinate behavioral health services with physical health services to improve patient outcomes.

Grow and Support Arizona's Economy and Healthcare Workforce Needs

As one of the fastest growing states in the country, quality healthcare is an essential component of Arizona's infrastructure similar to water, energy, and transportation. The state must adequately plan for continued population growth, as well as an aging population that utilizes more healthcare services, to ensure continued economic development activity and vibrant communities.

We advocate to:

- Address physician shortages, including shortages of behavioral health providers, by increasing the number of residency slots eligible for Medicare and Medicaid funding and increasing graduate medical education (GME) funding in Arizona for direct and indirect medical education expenses.
- Address nursing shortages by continuing state support for nursing workforce development programs to support recruitment, retention and advanced education for nurses and other allied health professionals and investing in nursing schools, nurse faculty salaries, and hospital and healthcare facility training.
- Address behavioral health workforce shortages by continuing state support for behavioral health specialists training programs.
- Support increasing capabilities of support staff to reduce administrative burdens that take clinicians away from the bedside and contribute to burnout.
- Support K-12 dual enrollment opportunities, CTE expansion, apprenticeship and internships for healthcare workforce programs.

- Support eliminating expenditure authority limitations of Arizona's community colleges and support increase of funding for healthcare workforce training in higher education institutions within the state.
- Enhance workplace safety for all team members, including by enacting state and federal protections for health care workers against violence and intimidation, providing violence prevention training programs, coordination with state and local law enforcement, and victims' rights organizations.