

Congress of the United States
Washington, DC 20515

March 15, 2006

The Honorable Ralph Regula
Chairman
House Appropriations Committee
Subcommittee on Labor, HHS
and Education
2358 Rayburn HOB
Washington, DC 20515

The Honorable David Obey
Ranking Minority Member
House Appropriations Committee
Subcommittee on Labor, HHS
and Education
1016 Longworth HOB
Washington, DC 20515

Dear Mr. Chairman and Ranking Member Obey:

As members of the House Rural Health Care Coalition (RHCC) and on behalf of our constituents in rural America, we urge you to support rural health care programs by including funding for them in the FY07 Labor, Health and Human Services, and Education Appropriations bill. Funding approved by the committee is critical to the effective delivery of many health programs in rural and underserved communities across the country. We are writing to ask for your continued support of efforts to improve rural health care services by giving strong and favorable consideration to the following programs, which are of the highest priority to the RHCC:

Rural Hospital Flexibility Grants

FY 2007 RHCC Request
FY 2006 Appropriation

\$40 million
\$39.2 million

This funding line supports both the Medicare Rural Hospital Flexibility Grant program and the Small Hospital Improvement Grant program. The Medicare Rural Hospital Flexibility (FLEX) Grant program is instrumental in guaranteeing access to basic inpatient and outpatient services to residents of rural communities. FLEX program funding can be used to determine if a facility would benefit from conversion to Critical Access Hospital (CAH) status under Medicare. While this funding has helped more than 1,200 facilities convert to CAH status, more than 10% of these facilities still have negative operating margins. That is why the FLEX program also supports quality improvement projects and the development of networks of hospitals and other providers such as tertiary care sites or emergency medical service providers to meet the full range of services for Medicare beneficiaries in rural areas.

Under the Small Hospital Improvement program, nearly 50 hospitals grants of approximately \$9,300 are awarded to purchase computer hardware and software and train staff on computer information systems that are necessary to comply with federal regulations. Unlike FLEX grants, this program is not solely tied to Critical Access Hospitals but rather to any rural hospital with 50 beds or less. These small grants greatly aid rural facilities in integrating quality improvement strategies and the ongoing implementation of the Prospective Payment System and HIPAA rules that further the need to obtain new technology. According to past reports to Congress, these funds meet critical needs for these small hospitals that would go unmet given

their precarious financial situation and lack of operating funds needed to keep pace with constant software and hardware upgrades needed to operate in a complex environment.

Rural Health Outreach and Network Development Grant Program

FY 2007 RHCC Request	\$40 million
FY 2006 Appropriation	\$39.3 million

The Rural Health Outreach funding line supports innovative health care delivery systems as well as vertically integrated health care networks in rural areas. Projects funded under this funding line have brought care that would not otherwise have been available to at least 2 million rural citizens across the country. The grants fund demonstration programs and usually last no more than three years. The intent is to provide initial support for innovative ideas in rural communities and then to transition off federal funding as the projects become self sufficient. Grant programs in this line include: Rural Health Outreach Services Grants, Rural Network Development Grants, Rural Network Planning Grants, and Delta Network Development Grants.

Office for the Advancement of Telehealth

FY 2007 RHCC Request	\$10.0 million
FY 2006 Appropriation	\$6.9 million

This grant program helps increase access to quality care services in underserved and rural communities through the use of advanced telecommunications and information technology. These grants support distance-provided clinical services, and are designed to reduce the isolation of rural providers, foster integrated delivery systems through network development, and test a range of telehealth applications. Given the many challenges facing health care providers and their patients in rural communities, improving the availability of telehealth services is a critical step forward for our rural constituents. We respectfully request that the Subcommittee provide \$10.0 million in the FY07 Labor, HHS, and Education appropriations legislation for this important program.

State Offices of Rural Health Grant Program

FY 2007 RHCC Request	\$8.4 million
FY 2006 Appropriation	\$8.2 million

This program is a small matching grant program to states to promote the operation of state offices of rural health. Since the initiation of the program in 1991, the number of state offices has increased from 14 to 50. The concept behind the program is to create a state focus for rural health interests, bring technical assistance to rural communities, and help them tap state and national resources available for rural health and economic development. The RHCC requests that the Subcommittee provide adequate funding to support the State Offices of Rural Health Grants and enhance the effectiveness of the important programs they oversee.

Rural Health Research Grant Program

FY 2007 RHCC Request	\$9.0 million
FY 2006 Appropriation	\$9.0 million

This grant program supports eight academic-based rural health research centers, which study rural health issues, including rural hospitals, health professionals, delivery of mental health services, and functioning of managed care, in rural healthcare delivery systems. This research program is the only one in the Department of Health and Human Services (HHS) that solely examines the rural dimensions of traditional health services research. This research plays an essential role informing the Office of Rural Health Policy staff about key Medicare, Medicaid and workforce issues and their impact on the ability of rural providers to provide essential health care services to rural communities. As Congress continues to modify and reform Medicare, rural communities will rely on the research provided through these centers to adapt to federal policy changes.

National Health Service Corps (NHSC)

FY 2007 RHCC Request	\$131.4 million
FY 2006 Appropriation	\$126.8 million

The NHSC plays a critical role in maintaining the health-care safety net by placing primary health-care providers in our nation's most underserved rural communities. Currently, more than 2,700 NHSC clinicians are providing primary care services to nearly 4 million Americans. Unfortunately, this represents only 20% of our nation's underserved population. We request this increase in funding as it is estimated that an additional 8,015 primary care practitioners, 6,454 dental practitioners and 1,494 mental health practitioners are needed to serve the 50 million Americans without adequate health care in their communities. Moreover, President Bush's commitment to expand the number of individuals served by community health centers will require additional health professionals to staff these facilities. We request that the Subcommittee provide \$131.4 million for this program which plays a key role in providing clinicians to community health centers.

Area Health Education Centers

FY 2007 RHCC Request	\$29 million
FY 2006 Appropriation	\$29 million

Area Health Education Center funding provides direct financial support to schools for healthcare workforce development and education. AHECs link the resources of university health science centers with local planning, educational and clinical resources. This network of health-related institutions provides multidisciplinary educational services to students, faculty and local practitioners, ultimately improving health care delivery in medically underserved areas. This is an effective program as primary care graduates of this and other Title VII health professions

programs are up to ten times more likely to serve minority and disadvantaged populations by practicing in medically underserved communities.

Rural and Community Access to Emergency Devices

FY 2007 RHCC Request	\$1.5 million
FY 2006 Appropriation	\$1.5 million

Automated external defibrillators (AEDs) are small, easy-to-use devices that shock a heart back to normal rhythm during cardiac arrest, saving the life of the victim. Access to AEDs for police forces, fire departments, first responders, and community organizations in rural areas is critical to increasing the survival rates of cardiac arrest victims in remote locations. The Rural and Community Access to Emergency Devices program assists in purchasing emergency devices such as AEDs and in training first responders in their use.

Rural Emergency Medical Services Training and Equipment Assistance Program

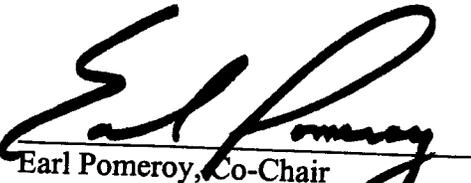
FY 2007 RHCC Request	\$500,000
FY 2006 Appropriation	\$0

The technology that rural EMS squads possess significantly lags behind what is required to adequately provide care. Rural communities struggle to afford the necessary funding to enable EMS providers to recruit and retain personnel and purchase the equipment that is needed to respond to an emergency. Consequently, EMS squads are becoming smaller and dangerously ill equipped, jeopardizing rural resident's access to needed emergency care. The Rural EMS Training and Equipment Assistance grant program authorizes funding that can be used for a variety of purposes including training volunteers in emergency response, as well as purchasing new equipment. We request that the Subcommittee maintain funding for this modest, yet valuable program.

The RHCC is grateful for your support in recognizing the need for providing a sound future for the delivery of rural health care. We hope you will continue to support the millions of Americans in rural and underserved areas by acknowledging and considering these funding priorities.

Sincerely,


Greg Walden, Co-Chair
House Rural Health Care Coalition


Earl Pomeroy, Co-Chair
House Rural Health Care Coalition

Barbara Cubie

Alfred Hastings

Bill Shuster

Jim Beck

Tommy Baldwin

Don Young

Tommy Dunne

Pat Royce

Jim Matheson

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Jim Snyder Ala. Hertz

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