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Inaugural grantee meeting spotlights grantees; provides a wealth of expert information

Humor and networking add to success

Participants at the first grantee meeting of the Southern Rural Access Program (SRAP) received a wealth of information from the grantees and other experts during the three day conference held at the Omni Hotel at CNN Center in Atlanta, March 24-26. Nearly 80 people from the eight grantee states, the National Advisory Committee, the National Program Office, The Robert Wood Johnson Foundation and other health care organizations attended the event.

Acknowledging that a full agenda had been planned, SRAP National Program Director Michael Beachler said that comments shared with him revealed that the ambitious agenda provided the basis for a successful and meaningful meeting.

"We had a full agenda and a host of presenters scheduled for this first grantees' meeting," said Beachler. "This ambitious undertaking resulted in a better understanding for all the participants of the challenges facing the grantees, the specific components of the program and the process by which they will be evaluated. Our grantees also received an additional measure of encouragement by hearing some of the stories of those who have been successful in their initiatives to improve access to care."

Beachler touts program successes, challenges and opportunities

The meeting kicked off Wednesday afternoon with a summary by Beachler of the program's successes. In his remarks he noted the broad participation in the entire process, the strong and diverse nature of the lead agencies, the innovative and realistic program ideas and the opportunities to leverage both government and philanthropic dollars.

He also cited several major challenges of the program including:

- complex, multi-layered and potential fragile partnerships unfolding in many of the states
- tighter state budgets in some states
- the complexity and flexibility of the program
- difficulty with sustaining program momentum.

Conversely, he also highlighted the opportunities presented through new state leadership in several of the states, national primary care workforce supply dynamics, new leadership and expanded federal funding opportunities from the Health Resources and Services Administration and potential new state resources to improve health as a result of the tobacco settlement.

Beachler closed with a summary of the long-range benefits of involvement with a multi-site Robert Wood Johnson Foundation program. Along with the venture capital and technical assistance available, he stressed that peer learning will occur as the eight state projects interact and learn from one another.

Grantees share innovative ideas

Interspersed throughout the first two days of the meeting were presentations by the lead agencies outlining the components of their respective programs. Initiatives highlighted were:

- locum tenens, i.e. relief coverage for isolated providers, programs
- start-up of a multi-county rural health network
- establishment of an academy to train leaders in rural health
- creation of a health professions training consortium program to increase minority workforce participation
- improvements in rural transportation
- restructuring of physician incentive program
- the use of Practice Sights recruitment software
- convening of a state advisory panel

Other Topics

Other topics discussed throughout the conference included:

- an overview of the revolving loan fund
- a synopsis of the program evaluation process
- financial monitoring
- the role of communications
- a rural health leaders panel presentation
- federal access improvement opportunities
- the Georgia Network Technical Assistance Effort
- recruitment and retention of providers
- an overview of the 21st Century Challenge Fund
- Second Phase Review Process.



Future Primary Providers of Alabama

Students from the Rural Health and Medical Scholars Program were all smiles after spending a day at the first grantees' meeting learning about the dire need for primary care providers in the medically underserved areas of the South. Students in attendance were (Back L-R) **Callie Cason** and **Brian Valentine** and (Front L-R) **Shameka Clark**, **Audra Ford** and **Lee Thompson**. Standing to the left of the group is **John Wheat, MD, MPH**, Director - Rural Medical Scholars Program at the University Of Alabama School Of Medicine, who made the student's visit possible.

Gov. Barnes sparks attendees

Governor Roy E. Barnes addresses the early morning crowd at the first grantees' meeting. Looking on are Michael Beachler (left) and Georgia Commissioner for Health and Human Resources Tommy Olmstead (right).

Thursday's opening remarks by **Governor Roy E. Barnes** of Georgia sparked the second day of the meeting into full gear. Attendees were clearly excited to hear that the Governor had made improving the health and health care of rural Georgians one of his major priorities.



Barnes urged the Southern Rural Access Program participants to encourage their doctors and hospitals to not pack up and move to the nearest big city; to make health care available to people wherever they live; and to allow hospitals that are deeply ingrained in their communities to keep their doors open in an effort to keep the American dream alive and well.

Barnes asked the early morning group to "just think about what happens to a community when a hospital shuts its doors. "Well, we know that jobs disappear, tax bases shrink and it becomes harder than ever for our communities to attract industry," replied the Governor. "When doctors and nurses are pulled farther away from patients, we compromise the quality of care our rural residents receive."

The Governor then shared several successes of his first legislative session. He said the passage of an HMO reform measure giving every Georgian the right to choose his or her own doctor will make it harder for insurance companies to force patients to abandon their local doctors and hospitals for treatment elsewhere. The law will also provide insured patients with the right to sue health maintenance organizations for actual damages. He also praised the General Assembly for the passage of a state budget that contained a measure to appropriate more money than ever to increase reimbursement rates for Medicaid, whose recipients comprise the majority of patients seen at rural hospitals.

Plus, the Governor added that the creation of the Department of Community Health will combine the buying power of Medicaid recipients and state employees to lower costs and provide better health care to participants. Barnes also made a commitment to employ a portion of Georgia's tobacco settlement to create a fund to benefit rural hospitals.

He then praised the Robert Wood Johnson Foundation for making the country a better, more caring place for so many people and making a profound difference in the life of our nation.

In closing, Barnes said he has found in his first weeks as Georgia's governor that health care is one of the most important issues facing our nation today. He advised the group to speak up for

issues that matter to people and to not hesitate to take on the establishment in order to promote better health for their people.



Rita Culvern of the East Georgia Health Cooperative and National Program Deputy Director **Isiah Lineberry** discuss Rita's presentation on the Georgia Network Technical Assistance Effort.

West Virginia hosts news conference to announce participation in Southern Rural Access Program



Gathered for the news conference announcing West Virginia's participation in the Southern Rural Access Program are (L-R) **Jim Anderson** (WV USDA Office), **Joan Ohl** (WV Secretary of HHR), **Jody Smirl** (House of Delegates), **Kelly Given** (House of Delegates), **WV Governor Cecil Underwood**, **Beverly Railey Walter** (Claude Worthington Benedum Foundation), **Henry Taylor, MD** (WV State Health Officer), **Michael Beachler** (National Program Office) and **Sister Jane Harrington** (Sisters of St. Joseph Foundation).

Doc Hollywood comes to CNN

As the luncheon speaker at the March Grantees' Meeting Jim Hotz, M.D., a.k.a. Doc Hollywood, added a dose of humor with his candid, down-to-earth account of life as a small town doctor in rural Southwest Georgia. He advised the audience "to keep your eye on the prize" – the improvement of the quality of life of rural Southern communities.

Hotz said, "For the program to have optimal effect it must create an environment in which programs become led by people who value community service. If the people leading the programs apply the remedies provided by the program to the needs of their rural communities, then there will be a measurable improvement in the quality of life of the citizens in that state."

Hotz said that primary care is the door most people enter to achieve and maintain health in this country and that the door is too narrow in rural areas. He said this leads to poor aggregate health outcomes in rural communities.

Hotz emphasized that access is **not** for the creation of jobs in the health field, **not** for the improvement of financial status of health providers and medical institutions, **not** for the economic development of rural communities and **not** for the expansion of training sites for academic medical centers. He called these actions by-products of an effective access program, not the goal of an effective access program.



Dr. Jim Hotz addresses luncheon crowd

"Programs that concentrate only on the needs of institutions, educators and providers and not on the needs of communities will ultimately become entangled in turf battles, financial wars and ego conflicts and will fail in their fundamental mission of community service," warned Hotz. "Programs that take their eye off the prize will never achieve the prize."

Hotz went onto explain that success of a program depends directly upon the values of the people who lead the program. "Access programs must be managed by people who value the prize," emphasized Hotz. "The task of improving access to Southern rural communities is extraordinarily complex and programs will easily become distracted and disoriented, unless the individuals who lead the programs follow the compass provided by the needs of their communities. By paying attention to indicators of needs and measuring progress in achieving the goal of improved quality of life, programs will develop effective health care access."

Editor's Note: Dr. Hotz is a NAC member and the Director of Albany Area Primary Health Care. According to the author, Neil Shulman, MD, Dr. Hotz was an inspiration for the novel, *Doc Hollywood*. Dr. Hotz also co-authored a sequel entitled, *Where Remedies Lie*.



Session break provides ideal opportunity for networking

National Program Director **Michael Beachler** chats with (left to right) **Suzanne McCarthy** of the Arkansas Center for Health Improvement, **Graham Adams** of the South Carolina Office of Rural Health and **Charles McGrew** of the Arkansas Department of Health during a session break.

Revolving loan funds offer capital necessary to improve access to care in rural communities

One of the five major components of the Southern Rural Access Program is the development of a revolving loan fund to help rural communities improve their health infrastructure. The loan fund initiative has three primary goals:

- reduce the costs of borrowing money for rural providers serving underserved communities while increasing access to capital
- improve the health system infrastructure in rural communities while aiding in economic development efforts
- support the other components of the Southern Rural Access Program.

Most of the states are still in the planning stage of developing their revolving loan program. The exceptions are South Carolina who has a viable program and West Virginia who has been successful in securing some of its start-up money.

Examples of loan uses may include those to enhance emergency medical services systems, purchase management and clinical information systems for networks or provider-sponsored organizations, or as start-up capital for primary care practices.

"Projects will be given considerable flexibility concerning the size of the loans to individual providers," said **Cassandra Logan**, National Program Office Coordinator. "(RWJ) Foundation support for an individual project's loan fund could range from \$500,000 to \$1.2 million. For each Foundation dollar granted, a minimum of six dollars from other sources should be committed to the revolving loan fund."

Logan stressed that a revolving loan fund should be consistent with the grantee's overall strategic access improvement plan and should have a minimal life span of 10 years.

A revolving loan fund should offer capital that increases access to primary care and other health and wellness services that improve health care and health status in rural places.

"Communities must view a healthcare infrastructure as integral to their economic

development," said **Tom McRae**, President – Arkansas Enterprise Group. "Communities without an economic development future cannot sustain a system of healthcare. Overall economic strategy should be a consideration in lending for healthcare initiatives."

"The availability of a viable health care delivery system is an integral part of a community's economic infrastructure in the same way that educational, transportation and public utility systems are integral to building a foundation for economic development in a community," stressed **Sharon Lansdale**, Executive Director – Center for Rural Health Development, Inc. in West Virginia.

An effective fund requires active partnership among public, private, for-profit and non-profit sources to secure the match required by RWJF, to sustain the fund and to leverage additional capital into individual deals. South Carolina was successful in securing a \$900,000 Rural Business Enterprise Grant from the U.S. Department of Agriculture (USDA) and West Virginia is awaiting word from the USDA on an intermediary relending request of two million dollars. Other potential partners include the Small Business Administration, state economic development agencies, state housing finance agencies, state health departments, banks, non-profit loan funds, secondary market funds and Community Development Finance Institutions.

"The availability of a viable health care delivery system is an integral part of a community's economic infrastructure in the same way that educational, transportation and public utility systems are integral to building a foundation for economic development in a community."

Sharon Lansdale

According to McRae, "A mix of partners brings the potential of acquiring matching resources that far exceed RWJ's six to one requirement."

In West Virginia, Lansdale has targeted a start-up funding goal of \$3.5 million for her state's revolving loan fund. Sources of funding include an already approved \$500,000 state budget appropriation, and requests of \$500,000 each from RWJF and the Claude Worthington Benedum Foundation, plus two million dollars from the USDA.

Lansdale said her business plan includes leveraging its funds to involve private capital. "The loan fund will provide low interest loans between 40 and 50 percent for qualified applicants who demonstrate a project need consistent with the program's goals. The additional 50 to 60 percent of funds required to complete the loan package will need to be provided by a private source, such as a bank or another loan fund, or through equity."

In addition to financial resources, a revolving loan fund must have a loan administrator who is knowledgeable on development finance, plus be familiar with the unique needs of rural providers, understand how to market the program and be prepared to provide various forms of technical assistance.

"Don't underestimate borrowers' need for technical assistance," warns **Allison Coleman**, Managing Director of Boston-based Community Health Center Capital Fund and Capital Link. "If they were an expert at obtaining financing, they wouldn't need you. And, if possible, don't build the cost of technical assistance into your cost of capital; find alternate funding sources."

A fund must meet the needs of its clients, while adopting loan and risk management policies that insure its long-term stability. According to McRae, "Access to capital and terms of financing are more important to rural borrowers than the rate of interest. A fund should not advertise itself as offering low interest rates. Each loan should be structured on its cash flow ability and sound business principals."

When trying to meet the needs of customers, Coleman advises loan fund administrators to understand the borrower's needs and capacities. "Not all capital needs can or should be met with debt. 'Triage' the project first. Perform a preliminary financial analysis and then develop a game plan. Capital Link, a health center technical assistance resource (funded by the federal government), may be able to assist health center borrowers by providing resource documents and consultant referrals, as appropriate. Capital Link can also assist the borrower by identifying financing options and obtaining debt and equity financing."

According to **Graham Adams**, Project Director for South Carolina's program, his experience has shown that loans in his state are being primarily used for construction and renovation projects with some funds being used for the purchase of equipment. "We have developed a low interest, long term loan program for rural health care facilities and providers. We set terms and conditions on a case-by-case basis, but loans normally are below the prime lending rate. Loan servicing is provided by a commercial lending partner."

Debbie Oswalt, Executive Director – Virginia Health Care Foundation, reports that her organization has responded to the extremely competitive nature of today's financial marketplace by becoming more flexible, stressing customization and tailoring each loan to the individual. "Marketing staff now stress low rates and customization rather than giving specific terms," said Oswalt. "Our loan program financier will try to match or do better than the low rate loans offered by competitors."

Editor's Note: This story was written based on presentations given at the March grantees' meeting.

More information on establishing a revolving loan fund can be found by contacting any of the sources quoted in this story.

Graham Adams	803-771-2810
Allison Coleman	617-422-0350
Sharon Lansdale	304-344-4471
Isiah Lineberry	717-531-2090
Tom McRae	870-246-9739
Debbie Oswalt	804-828-5804

Newsmakers

Mary Huntley, Director - Office of Community and Rural Health Services for the West Virginia Department of Health and Human Resources, was elected chairperson of the Statewide Health Resources Constituency and a member of the Board of Trustees of the National Rural Health Association.

Isiah Lineberry, National Program Deputy Director, was appointed to the Board of Directors of the Universal Service Administration Company (USAC) and also elected to USAC's Rural Health Care Committee.

Program Coordinator **Cass Logan** has been accepted into the economics doctoral program at Penn State University. She also has accepted an assistantship. Her last day with the National Program Office will be July 30. Best wishes to the future Dr. Logan.

Steve Shelton, Executive Director - East Texas Area Health Education Center, has been elected president of the National AHEC organization.

Bernard Simmons, chair of the Board of Directors of the Mississippi Primary Health Care Association, was re-elected Speaker of the House of the National Association of Community Health Centers.

Southern Rural Access Program accepts challenge to improve basic health care in rural areas

RWJF awards over \$2.9 million in initial phase of program

Providing rural Americans with access to health care has been a challenge to policy-makers, researchers, providers and rural health advocates for decades. Despite a number of federal-level and state-level efforts, many rural areas continue to have fragmented health delivery systems, a shortage of health professionals, inadequate access to capital for health care infrastructure and high proportions of working poor people without health insurance.

In response, The Robert Wood Johnson Foundation (RWJF) in 1998 issued a call for proposals to help improve access to basic health care in eight of the most rural, medically underserved states of the country.

Since February RWJF, the nation's largest philanthropy devoted to improving health and health care, has made a series of planning and implementation grants totaling \$2,932,175 to the participants of the Southern Rural Access Program. The funds represent the initial installment of a \$13.9 million investment to improve access to basic health care for the nation's most rural and underserved populations in the South.

"The Southern Rural Access Program represents a long-term investment by the Foundation to improve the quality of life for some of the nation's poorest and most medically underserved citizens. Based on the lessons learned from the first three-year phase of the program, the Foundation intends on supporting subsequent phases of the program," said RWJF Vice President **Nancy J. Kaufman**. "We are excited about participating in this community-driven, public-private partnership to improve access to health care to those most in need."

The Southern Rural Access Program, funded by RWJF and administered by The Penn State Geisinger Health System, benefits Alabama, Arkansas, Georgia, Louisiana, Mississippi, South Carolina, the eastern portion of Texas and West Virginia. The Claude Worthington Benedum Foundation is providing additional financial support for work in West Virginia and it is hoped that other regional and local philanthropies will become partners in the program.

The program is designed to improve access by improving the primary care and rural health infrastructure in underserved communities. Under this program grantees will work to:

- establish a cadre of health professions students committed to becoming leaders in rural health areas
- recruit and retain family practitioners, nurse practitioners and other primary care providers into underserved communities
- build rural health provider networks serving multiple communities
- establish a revolving loan fund to help rural doctors, clinics and other providers secure capital financing at terms and conditions that better meet their needs.

According to **William H. Brandon**, chairman of the Program's National Advisory Committee and president of the Southern Development Corporation, "The Rural Access Program is more than a bandaid approach to solving the access problems inherent in the rural South. It is a long-term, infrastructure-building effort which should positively impact underserved communities for years to come."

From July to November 1998, the Foundation accepted one proposal per state from an agency designated as the lead agency to act on behalf of a broad consortium of agencies interested in improving access to care in rural underserved areas. Throughout the next year the states' lead agencies and other partners will refine their plans in order to secure additional Foundation resources during the first phase.

"The Southern Rural Access Program represents a break from the traditional type of grant program funded by the Foundation," said **Michael Beachler**, National Program Office director. "While there are specific goals for this program, the solutions and action plans will be innovative and unique to meet the diverse needs of each state's rural population."

Southern Rural Access Program Grantees, Lead Agencies & Key Partners

Initial Phase I Grant Awards

Alabama	\$286,917 for 18 months
<p>West Alabama Health Services d.b.a. Family HealthCare of Alabama (grantee & co-lead agency) Eutaw, AL James W. Coleman, CEO (205-372-4770)</p> <p>Alabama Family Practice Rural Health Board (co-lead agency) Guntersville, AL Neil Christopher, MD, Chairman (256-582-3015)</p>	
Arkansas	\$536,737 for 15 months
<p>Arkansas Center for Health Improvement (grantee & lead agency) Little Rock, AR M. Kathryn (Kate) Stewart, MD, MPH, Associate Director (501-660-7586)</p>	
Georgia	\$383,522 for 15 months
<p>Office of Rural Health, GA Department of Human Resources (grantee & lead agency) Atlanta, GA John W. Robitscher, Director (404-651-6363)</p> <p>Mercer University School of Medicine (key partner) Macon, GA Becky Ryles, Program Director (912-752-2721)</p>	
Louisiana	\$513,678 for 15 months
<p>Louisiana State University Medical Center Health Care Services Center (grantee & lead agency) Baton Rouge, LA Paul Balson, MD, Assistant Vice Chancellor (225-922-0488) Marsha Broussard, Director (504-680-9352)</p> <p>Department of Health and Hospitals (key partner) Baton Rouge, LA Larry Herbert, MD (225-342-3417)</p>	
Mississippi	\$398,156 for 18 months
<p>Mississippi Primary Health Care Association (grantee & lead agency) Jackson, MS Robert M. Pugh, Executive Director (601-352-2502) Marcus Garner, Project Director (601-355-7226)</p>	
South Carolina	\$458,482 for 15 months

Office of Rural Health (grantee & lead agency) SC Office of Recruitment & Retention of Health Professions Columbia, SC Graham Adams, Project Director (803-771-2810)	
Texas	\$348,283 for 15 months
East Texas Area Health Education Center (AHEC) (grantee & lead agency) The University of Texas Medical Branch at Galveston Galveston, TX Steven R. Shelton, MBA, PA-C, Executive Director (409-772-7884)	
Center for Rural Health Initiatives (key partner) Austin, TX Robert J. (Sam) Tessen, Project Director (512-479-8891)	
West Virginia	Claude Worthington Benedum Foundation grant of \$250,000 for 12 months
The Center for Rural Health Development, Inc. (grantee & lead agency) Charleston, WV Sharon Lansdale, RPh, MS, Executive Director (304-344-4471)	

**The Robert Wood Johnson Foundation has provided initial funding for all the states except West Virginia.

National Advisory Committee Members

<p>William H. Brandon, Chair President, Southern Development Corp. First National Bank of Phillips County Helena, AR</p>	<p>Doris Barnette Principal Advisor to the Administrator Health Resources and Services Admin. Rockville, MD</p>
<p>Regina Benjamin, MD, MBA Family Physician Spanish Fort, AL</p>	<p>Cornelia D. Gibbons Senior Policy Analyst Office of Planning DH & Environmental Control Columbia, SC</p>
<p>Debra L. Griffin, MHS CEO/Administrator Humphreys County Memorial Hospital Belzoni, MS</p>	<p>Frances Henderson, EdD, RN Dean, School of Nursing Alcorn State University Natchez, MS</p>
<p>A. Paul Holdren President and CEO Prime One Charleston, WV</p>	<p>James Hotz, MD Director of Clinical Services Albany Area Primary Health Care, Inc. Albany, GA</p>
<p>Michael McKinney, MD CEO and President Centine Corp. and Superior Health Plan Austin, TX</p>	<p>Tom McRae President, Arkansas Enterprise Group Arkadelphia, AR</p>
<p>Charles H. "Pete" McTier President Robert W. Woodruff Foundation, Inc Atlanta, GA</p>	<p>Sandra B. Nichols, MD Medical Director United Health Care Little Rock, AR</p>
<p>Joe Rosier, CPA, CFA CEO Rapides Foundation Alexandria, LA</p>	<p>Gary Wiltz, MD Medical Director Teche Action Clinic Franklin, LA</p>

Meet Our NAC Members

Editor's Note: The National Advisory Committee (NAC) is a diverse group of experts who advise the Robert Wood Johnson Foundation and National Program Office (NPO) on all aspects of the program. The NAC is appointed by and reports to the Foundation with activities coordinated by the NPO. The NAC is available to assist the NPO in developing grantee selection criteria; reviewing and rating grant applications; making site visits to applicants; making final recommendations to the Foundation for funding; participating in the program's annual meeting; serving as advisors to the NPO; providing technical assistance to sites; and assisting with dissemination of program activities and results.

William H. Brandon, NAC Chairman Southern Development Bancorporation

William H. Brandon is the chief executive officer of the Southern Development Bancorporation, an umbrella holding company that includes banking and real estate development subsidiaries that channel their profits into a not-for-profit subsidiary known as the Arkansas Enterprise Group (AEG). The AEG uses its resources on a variety of rural economic development issues, including employment and self-employment, micro enterprise and small business loans. With over 30 years in the banking industry, Brandon is the former president of both the First National Bank of Phillips County, Arkansas, and the Arkansas Bankers Association. Brandon is also well known nationally through his positions as former president of the American Bankers Association, past chair of the Fannie Mae National Advisory Council and former member of the Board of Directors, Memphis Branch Federal Reserve Bank of St. Louis.

In his role as chairman, Brandon uses his wealth of business experience and acumen to keep the committee focused and moving forward. As Chairman of the Helena Regional Medical Center Board of Directors Brandon said he knows first hand the value of following a vision and the dedication and commitment which goes into improving the quality of medical care. He also knows the importance of maintaining a local healthcare provider presence, even in the most rural parts of the country.

Brandon said he wants the Committee's work to be meaningful. "The current healthcare environment in the rural South has been a long time in the making. It won't be corrected overnight. People have to be willing to stay for the long-term. The greatest challenge will be staying long enough and keeping the momentum to put the building blocks in place.

"It's an immense challenge...more work than any one group can do," emphasized Brandon. "We need synergy...to blend things into a network. RWJ has a lot of clout and can give us the leadership to push this project forward. To make a difference we must collaborate. We must bring an obsession to the program to make it work. We must push the project forward and we need individuals and groups committed for the long haul. We cannot accept anything less."

Frances C. Henderson, EdD, RN
Alcorn State University

Frances C. Henderson serves as the Dean for the School of Nursing and as a professor at Alcorn State University in Natchez, Mississippi. With 40+ years in the nursing and education professions, her resume includes countless articles, research projects, presentations, awards, honors, activities and volunteer efforts.

Topics she has researched range from family-centered adolescent health promotion in rural areas and teen pregnancy to health and safety concerns of African-American farmers and agricultural health and farm safety in a community-based partnership model.

After graduating from Dillard University in New Orleans, Henderson spent the early part of her career working in several VA Hospitals before settling into a career building 19-year stay in California where she served in a variety of educational capacities. In 1986 she returned to the South when she accepted the chairmanship of the Department of Baccalaureate Nursing and a teaching position at Alcorn State University. In 1988 she was named Dean of the School of Nursing.

As a member of the NAC Henderson said she welcomes the opportunity to participate with this interdisciplinary team in critiquing proposals to provide and enhance access to primary care health care for unserved and underserved populations in the southern region of the US. She said through the work of the Southern Rural Access Program that she envisions a network of community-based approaches through which primary health care is accessible, affordable, acceptable and available to people living in traditionally underserved areas.

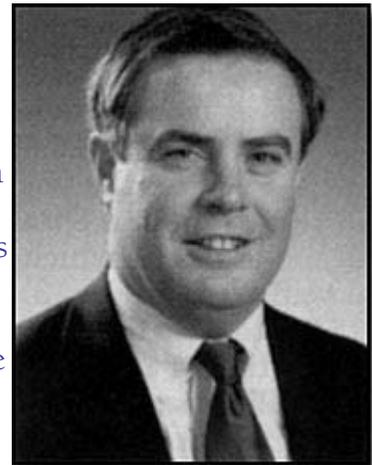
"I envision these services being delivered by interdisciplinary primary care providers who are indigenous to the area," said Henderson. "Further, I envision the development of a fiscal framework in targeted communities through which services can continue to be delivered and the health care needs of the most vulnerable can be adequately addressed."

According to Henderson, the greatest challenge facing the program is the sustainability of the services beyond the initial funding to meet the changing needs of the population being served.

A message from the program director

The Southern Rural Access Program presents an exciting opportunity to improve access in eight of the most underserved states in the country. The program represents a different and innovative type of grant making approach for the Robert Wood Johnson Foundation. For only the second time in the 26-year history as a national philanthropy, the Foundation has targeted a specific region of the country for a multi-site effort.

The first regional effort, Healthy Futures, was a 1988-92 program designed to help six Southern states reduce infant mortality and was successfully led by Charlie Mahan MD, currently the Dean of the School of Public Health at the University of Southern Florida. Charlie, his deputy Paul Boisvert and state program directors such as Doris Barnette (then of Alabama) recognized the value of having the six sites with similarities in health care delivery systems and policy cultures learn from each other. We intend to nurture a similar regional learning environment with this program (though it will be quite difficult to even approach Charlie's legendary sense of humor).



Michael P. Bleacher

Another distinguishing program feature is that the range of access-related issues covered by this program is broader than usual for the Foundation. The premise is that linking related issues such as rural health leadership development, recruitment and retention of primary care providers, building of rural health networks and improving access to capital for providers in rural underserved communities will bring additional value.

The program also seeks to form partnerships with local and regional philanthropies that are interested in improving access in the South. These grant makers are not only important sources of venture capital, but just as important, are very knowledgeable about their states' health care systems. The hope here is to secure greater synergy from the partnerships with philanthropies, new state and/or federal investments and the more closely linked partnerships of providers and advocates who are working together on a series of related-access issues. When this occurs, the Southern Rural Access Program can serve as an important catalyst to help build capacity and strengthen the viability of rural health care in underserved communities. We are quite encouraged by the variety, strength, breadth and enthusiasm of the partnerships formed to date.

This newsletter serves as an important communication vehicle to help nurture the regional learning environment of this program. We intend to keep you apprised of the progress and accomplishments of the program's grantees and their partners. We also intend to profile some of the visionary regional leaders such as Bill Brandon and Frances Henderson of our National Advisory Committee, who are making the rural South a healthier and more economically viable place to live and raise a family. We will also attempt to keep you apprised of major health care policy updates that are occurring in the region such as Mississippi's new \$4 million per year investment in community health centers and Georgia's new managed care reform law.

The Foundation has signaled its intention to make this program a long-term effort as it recognizes that it will take time, effort and considerable ingenuity to make progress. National Program Office staff welcome your comments on the program, as well as how we can best use this newsletter to improve communication among those interested in improving care in underserved rural areas. We welcome you to work with us throughout the coming years so that we can collectively make a difference.

Rural Health Happenings

Legal Issues and the Formation of Rural Health Networks

July 27 & 28 • Allegro Hotel, Chicago, IL

Sponsor: Networking for Rural Health Project - the ALPHA Center

Contact: Katherine Browne, 202-296-1818

Turning the Clock on Healthcare: Facing Our Challenges

October 27 & 28 • Coliseum Ramada Inn, Jackson, MI

Sponsor: Mississippi Rural Health Association

Contact: Robert Pugh, 601-352-2502

Southern Rural Access Program Grantee Meeting: Focus on Rural Health Networks

Mid-November - Early December (TBD) • Location TBD

Sponsor: National Program Office and possibly the Networking for Rural Health Project of the ALPHA Center

Contact: Isiah Lineberry, 717-531-2090

5th Annual National Rural Health Association Minority Conference: Community Voices Calling Us to Action

December 9-11 • Hyatt Regency Technical Center, Denver, CO

Contact: Linda McKenzie, 814-756-3144

Legislative and Policy Updates

Arkansas – The Legislature enacted laws which include the following five rural health initiatives:

1. \$200,000 in increased funding for the Rural Physician Incentive Program and approval for the restructuring of the payment and design of the program to improve the recruitment of physicians in rural, underserved areas. The measure allows \$25,000 of the total \$55,000 four-year grant to be paid when the physician enters the community and improves the payback provision when the physician decides not to fulfill the four-year service obligation.

2. Development of a Quality Assessment and Grievance System for Managed Care Carriers and Rural Health Networks which gives the state Health Department authority to regulate managed care organizations and rural health networks.
3. Restructuring of the Rural Revolving Program by reducing the matching requirement from 50% to 25% for those communities that have successfully completed a state-approved needs assessment.
4. Authorization of \$100,000 for the establishment of a locum tenens program contingent upon matching support from RWJF; however, actual dollars are not available as of yet to fund the program.
5. \$6,000,000 appropriation to the Department of Information Systems to provide grants to public and/or non-profit entities for the development of a statewide distance learning network, a telemedicine network and other related technology projects.

Mississippi – The Legislature established a Health Care Trust Fund to fund health care expansion and improve access to health care for Mississippians. The Legislature appropriated \$50 million beginning July 1 to support this effort. Some of the funds will be used to provide \$4 million annually for the next five years to Community Health Centers to increase services to the uninsured and underserved; increase the Children’s Health Insurance Program (CHIP) to 200% of the federal poverty level; fund the State’s newly developed Trauma Care System; adjust Medicaid fee reimbursements to physicians to expand the Medicaid program; and allow chronically ill disabled workers to buy Medicaid by purchasing the State’s share for those whose incomes are not greater than 250% of the federal poverty level.

Many of these newly appropriated funds and activities will be used directly to increase access to basic health services for many rural Mississippi residents and will allow the SRAP Stakeholders Board to work more closely with the State Health Department, Division of Medicaid and other state and elected officials and providers to strengthen their partnerships and increase health care access.

Texas - The Legislature appropriated a \$50 million endowment to the Center for Rural Health Initiatives to establish a Rural Health Facility Capital Improvement Revolving Loan Fund. Interest from the endowment may be used to finance a rural revolving loan fund to help government-sponsored and not-for-profit hospitals, clinics and other providers better access capital for facility improvements and other purposes. The Legislature increased funding for Emergency Medical Services by \$100 million per year, with 60% devoted to rural areas and 40% to urban areas. The Legislature also revised Texas’s Indigent Care Program to provide greater incentives for counties to financially participate in this program to aid medically indigent adults and began developing the development of a core set of services. Texas also became the first state to require Medicaid to continue to pay certified rural health clinics and federally qualified health centers on a 100% cost basis. Finally, the Legislature passed a State Children’s Health Insurance Program that will provide health care coverage to children under age 19 in families with incomes at or below 200 percent of the poverty level.