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## 21st Century Challenge Fund awards \$500,000 grant to Georgia Health Policy Center

Through the 21st Century Challenge Fund the Southern Rural Access Program (SRAP) has awarded \$500,000 to the Georgia Health Policy Center to establish an innovative rural health access improvement effort with the Philanthropic Partnership for a Healthy Georgia. The Partnership is an innovative, groundbreaking private-public effort involving the Georgia philanthropic community, the Georgia Department of Community Health (DCH) and SRAP.

The Robert W. Woodruff Foundation committed \$500,000 and DCH has committed one million dollars to the project. The pooled resources will support community initiatives by not-for-profit organizations that are designed to improve access and health status for underserved rural populations. The grantees will be expected to match through cash or in-kind contributions 25 percent of the dollars funded by the Philanthropic Partnership. To be eligible applicants must represent or be a part of a regional system of care as recognized by DCH's Office of Rural Health Services.

Nine priority areas have been targeted for funding:

1. Comprehensive care management systems that address physical and behavioral health and social service needs.
2. Chronic disease management programs.
3. Common information and referral systems to support program eligibility and enrollment functions.
4. Programs that improve access to pharmaceutical services.
5. Initiatives that address transportation needs.
6. Programs that improve access to oral health services.
7. Health promotion, prevention and wellness programs that address health disparities within the community.
8. The integration of behavioral health and primary care services.
9. Programs that address workforce shortage issues within the healthcare field.

Under the leadership of project director Tina Smith all funds for the matching grants program will be administered by the Georgia Health Policy Center and awarded to community organizations through a request for proposal process.

A review committee comprised of Georgia-based philanthropic representatives, DCH staff and a SRAP National Program Office representative will review and make decisions on the grant proposals. Georgia Health Policy Center staff, funded by an additional operational support grant from Georgia philanthropies and state funds, will give ongoing guidance and support for the grantees.

# Gov. Barnes' 1999 challenge leads to creation of Philanthropic Collaborative for a Healthy Georgia

Governor Roy Barnes challenged the business and philanthropic communities to work with state government to address Georgia's healthcare problems at a 1999 conference hosted by the Georgia Health Foundation. As a result, the Philanthropic Collaborative for a Healthy Georgia was born.

The Collaborative is an informal initiative that brings Georgia foundations together to better understand and explore the health-related challenges facing the state and seek opportunities to form partnerships to address these challenges. Spearheaded by a steering committee of representatives from private, corporate and community foundations, the Collaborative is underwritten by participating foundations, including The Robert Wood Johnson Foundation through the 21st Century Challenge Fund. The Georgia Health Policy Center at Georgia State University provides staff support and guidance.

Currently, the Collaboration sponsors three key initiatives – a matching grants initiative; educational opportunities for foundation members to interact with and learn from healthcare experts; and written communications, including a quarterly newsletter and other periodic reports. The matching grants effort focuses on two priorities – school health programs for medically underserved children and rural health. The Collaboration based its decision on the following core health-related problems facing rural Georgians:

- \* Georgians living in rural areas are not as healthy as those living in urban areas.
- \* Health problems, such as heart disease, diabetes and cancer, occur more frequent among rural residents.
- \* The number of uninsured Georgians is increasing.
- \* Many rural communities lack an adequate number of primary care physicians to meet their residents' needs.
- \* Rural healthcare systems are often fragmented and ill equipped to address complex physical, behavioral and social service needs.
- \* Many of Georgia's rural hospitals are at risk of closure.
- \* The financial viability of a local hospital significantly affects the economic well-being of the community.

To be funded under this effort, proposals must describe a comprehensive approach to addressing increased access and the elimination of disparities by including a plan that demonstrates how the communities will organize and administer such a program. Monies awarded through this initiative cannot be used to directly finance the purchase of healthcare services.

A proposal must address more than one of the following activities in an innovative manner:

- \* Comprehensive care management systems that address physical and behavioral health and social service needs.
- \* Chronic disease management programs.
- \* Common information and referral systems to support program eligibility and enrollment functions.
- \* Programs that improve access to pharmaceutical services.
- \* Initiatives that address emergency and non-emergency transportation needs.
- \* Programs that improve access to oral health services.
- \* Health promotion, prevention and wellness programs that address health disparities within the community.
- \* The integration of behavioral health and primary care.
- \* Programs that address healthcare workforce shortage issues within a defined service area.

In addition all proposals must reflect the following:

- \* Representation in a regional rural healthcare system that covers multiple counties and has formal relationships among a variety of community stakeholders, primary, secondary and tertiary healthcare providers, as well as other human service providers.
- \* The program design is specific to community needs, builds on local resources and is data-driven.
- \* The proposal creates new points of access to the healthcare system and/or new services focused on improving health status and decreasing health disparities for the underserved and uninsured.
- \* There is a demonstrated history and current commitment of collaboration in communities included in the proposal. The program is developed and operated through a partnership among the health system, local governments, businesses, economic developers faith institutions, schools and other community organizations.
- \* The proposal includes a mechanism for ongoing community input and feedback.
- \* The proposal shows local commitment to support project activities and describes a plan for sustainability.

- \* The grantee commits to evaluate its progress and impact, including the documentation of changes in access, health status, disparities and cost.
- \* The grantee commits to participate in state-level evaluation and replication activities, including the development of appropriate statewide systems and tools to support local and regional efforts.
- \* Attention is given to diversity and cultural competence in outreach, the provision of services and interactions with the public.
- \* Program services conform with relevant law, regulations and community standards and practice and do not supplant or duplicate existing services or programs.

The matching grants initiative will award funds over two years with a \$200,000 cap. All applications will be subject to a competitive review process and must have a commitment of local cash or in-kind contributions of at least 25% of the total financial award requested through the Access Georgia Rural Health Matching Grants Initiative.

## West Virginia hosts news conference to announce the closing of the first revolving loan fund award



(L-R) **Sharon Lansdale** (Center for Rural Health Initiatives), **Senator Roman Prezioso**, **Jenny Phillips** (USDA), **Craig Robinson** (New River Health Association Director) and **Randy Hernly** (United National Bank) proudly display giant replicas of the checks awarded from the Center and United National Bank for the

refinancing of a previous loan for working capital made to New River Health Association.



(C) **Neale Clark** (Register-Herald Reporter) asks a question during the news conference as (L) **Kelvin Holliday** (Fayette Circuit Clen reporter) and (R) **Jim Toney** (Loan Fund Manager) await the response.



(L-R) **Jim Toney** (Center for Rural Health Initiatives), **Mary Calvert** (New River Health Association CFO), **Craig Robinson** (New River Health Association), a local radio reporter and a guest of Senator Prezioso listen intently to the news that the Benedum Foundation and The Robert Wood Johnson Foundation each gave \$15,200 and the USDA Intermediary Relending Program gave \$120,000 to make the loan possible.

## **Revolving loan funds prove more successful than anticipated; leverage dollars from multiple sources**

The performance of the revolving loan funds since the first grant awards were made in November 1998 has been overwhelmingly successful as more loans have been approved and closed than anticipated. To date, 50 loans have been approved, resulting in over \$14.9 million in capital available to providers in underserved rural areas. RWJF seed capital accounted for seven percent of the funding of the combined loan packages approved that used RWJF seed capital and/or were facilitated by staff supported by RWJF funding.

“This promising start is a remarkable accomplishment given how complex a challenge it can be to establish these loan funds,” said Michael Beachler, SRAP national program office director.

Since 1999, the Robert Wood Johnson Foundation (RWJF) has awarded \$2,092,634 collectively to revolving loan funds in Arkansas, Mississippi, South Carolina and West Virginia for seed capital and related start-up and administrative costs. Another \$484,788 was earmarked in the Southern Rural Access Program core grants of Arkansas, Georgia, Louisiana, Mississippi, South Carolina, Texas and West Virginia for planning and administrative costs.

The most recent seed capital grant award was \$481,684 to South Carolina in October. Prior awards included \$610,850 to Mississippi and \$500,000 each to Arkansas and West Virginia.

Loans made from these funds must be consistent with the project’s overall strategic plan. Projects will be given considerable flexibility concerning the size of the loans to individual providers. Foundation funds should leverage a minimum of an additional six dollars for every Foundation dollar committed to the revolving loan fund.

The loan funds are highly leveraged by combining Foundation funds with other state, federal and private capital vehicles, resulting in an enhanced loan pool size. The loan funds have gained the support of other philanthropic, state, federal and not-for-profit lending organizations through the leveraging of \$3.87 million for seed capital, staffing resources and financial consultants. Southern Financial Partners (SFP) and the Economic Corporation of the Delta have created partnerships with the Southern Rural Access Program to promote rural economic development through rural healthcare infrastructure improvements in Arkansas and Mississippi, respectively.

The loan funds have provided much needed resources for providers to purchase equipment, construct facilities, renovate or expand existing practices, improve practice management and refinance existing debt.

## State summaries of revolving loan fund activity

**Alabama** – Lead agency staff have organized a planning committee to investigate the development of a loan fund. A recent survey showed that there is significant provider interest. To date, no RWJF resources have been requested to plan the loan fund; however, the group anticipates requesting planning resources in the next phase of the program.

**Arkansas** – The project provided unrestricted seed capital to Southern Financial Partners (formerly Arkansas Enterprise Group) for a revolving loan fund to improve access to capital for a broad range of not-for-profit and proprietary providers located in 10 of the most underserved rural communities. Other sources of seed capital included \$300,000 from SFP and \$100,000 from the US Department of Agriculture. The USDA has made available \$700,000 of Intermediary Relending Program resources in three counties, some of which can be targeted for healthcare loans. SFP uses existing loan officers and in-kind resources to develop partnerships with communities and providers and implement and develop the project's technical assistance and marketing strategy.

**Approved Loans:** As of mid-October, 10 loans totaling \$5,033,000 were approved leveraging \$587,500 in RWJF funds. The loans range from \$25,000 to \$1.29 million. The most recent loan closings include a \$50,000 loan to a family practice office for expansion into rural Marianna; a \$235,000 loan for the purchase of a pharmacy in Marked Tree; and one million dollars to Helena Medical Center for working capital. One of the loans awaiting closing is a \$1.29 million surgery center building project.

**Georgia** – SRAP has allocated \$20,000 to complete the planning process associated with the development of a revolving loan fund. A provider survey indicated a high degree of need and interest in the revolving loan fund concept and progress has been made in meeting with banking representatives and other funding partners. Additional planning is needed to finalize the program model, confirm and finalize leverage and matching fund commitments and develop a revolving loan fund application.

**Louisiana** – SRAP funds support a part-time senior rural loan coordinator who works with providers, government agencies and banks to develop loan packages and a part-time senior rural health development specialist responsible for identifying and securing funding for the project's "venture capital fund." This Southeast Louisiana AHEC led project has secured a 10-year no-interest loan of \$500,000 from the Louisiana Public Finance Authority and a \$100,000 Rural Business Enterprise Grant from the USDA for its venture capital pool. Project staff is working with Small Business Development Centers to provide technical assistance to providers. While the venture capital fund initially marketed to providers in a six-parish area in south central Louisiana, interest in the loan fund that was generated from another area of the state resulted in the first loan to close.

**Approved Loans:** To date the loan fund has been able to assist the Lake Arthur Health Clinic by placing a \$100,000 certificate of deposit with the local bank that originally financed the purchase of the property. This collateral CD facilitated a reduction in the

origination fee from two percent to one percent on an approved \$150,000 line of credit for working capital, plus a savings of another two percent reduction in the interest rate on a related \$68,000 real estate loan.

**Mississippi** – In 2000, the Enterprise Corporation of the Delta received \$20,000 in planning funds to provide leadership for the design of Mississippi's revolving loan fund model and proposal. In 2001, RWJF approved a \$610,850 grant of which \$500,000 was seed capital. The Mississippi Hospital Association also was a key partner in developing the initial ideas related to the revolving loan fund.

**Approved Loans:** While there have been no loans approved to date, there are two loans totally \$5 million under review.

**South Carolina** – Since November 1998, SRAP core grant funds have supported a loan fund specialist to market the State Office of Rural Health's Wachovia/US Department of Agriculture revolving loan fund program and serve as a single point of contact for other financing resources for rural healthcare providers. With the addition of \$481,684 of RWJF seed capital in October 2001 and \$320,000 in USDA Rural Business Enterprise grant monies, the loan fund specialist will now be able to service loans leveraged with RWJF and/or USDA money. With the additional resources from RWJF the State Office of Rural Health will have a greater ability to assist other types of providers since the USDA dollars can only be used to leverage loans for private physician offices and rural health clinics. Wachovia Bank also has pledged six million dollars to the fund and will continue to service loans leveraged solely with Wachovia dollars.

**Approved Loans:** Since its inception the loan fund specialist has helped facilitate the approval of 30 loans worth \$5.45 million through increased marketing efforts, technical assistance and accelerated loan closings. Since the awarding of the new SRAP grant, a loan of \$60,000 for new equipment is currently awaiting closing.

**Texas** – Thus far, \$20,000 in grant funds have been used for three planning activities – a needs assessment survey that documented considerable need for capital by providers in the region, development of an organizational plan and the selection of the Ark-Tex Council of Governments (ATCOG) as the loan fund administrator. The next major activity will be for ATCOG to secure resources and develop relationships with private banks, foundations, the USDA and SBA to meet the project's leveraging requirements.

**West Virginia** – Through the core grant RWJF provided \$500,000 in 1999 for unrestricted seed capital and another \$109,000 for start-up staffing, operational costs and marketing of the revolving loan fund in subsequent years. The Claude Worthington Benedum Foundation and the West Virginia legislature each provided \$500,000 in new resources for the loan fund and two million dollars was garnered from the USDA Intermediary Relending Program.

**Approved Loans:** Of the seven loans totaling \$4.2 million dollars approved to date by the loan committee, five have closed and two are awaiting USDA approval. The first loan, awarded to New River Health Association, used \$325,000 in RWJF funds for a facilities refinancing. The other loans included \$750,000 for facilities construction and equipment purchase by Pendleton Community Care; \$300,000 for facility renovation by Montgomery Elderly Care; \$360,000 for equipment purchase by Montgomery General Hospital; and \$460,000 for a facilities refinancing by Tug River Health Association.

## Revolving Loan Partners

**Arkansas:** Arkansas Capital Corporation, Arkansas Development Finance Authority, Arkansas Department of Economic Development, Small Business Association, Southern Financial Partners, USDA and several private funds.

**Louisiana:** LA Public Finance Authority, Louisiana Public Health Institute, Southeast Louisiana AHEC, USDA and private banks.

**Mississippi:** Am South Bank, BankPlus, USDA, federal Bureau of Primary Health Care, MS Hospital Association, MS Hospital Equipment & Facilities Authority, Small Business Administration, Trustmark National Bank and US Dept. of Housing and Urban Development.

**South Carolina:** Wachovia Bank, USDA and Carolina Capital Investment Company.

**West Virginia:** Benedum Foundation, USDA, West Virginia Health Care Authority and several private banks.

## Meet Our NAC Member ...Tom McRae

**President** - Mountain Association for Community Economic Development



The National Advisory Committee for the Southern Rural Access Program is comprised of well-respected professionals from a wide variety of backgrounds who have a strong interest in improving the rural healthcare infrastructure in the South. While most bring hands-on healthcare experience, others bring different talents. Tom McRae is one such person.

Following graduation from the University of Arkansas School of Law and two years as a Peace Corps volunteer in Nepal, McRae has spent the last 35 years applying his legal and financial expertise to improve and sustain community and economic development in the South. Prior to recently accepting the position of president of the Mountain Association for Community Economic Development in Berea, Kentucky, most of McRae's career has been primarily focused on the mountain and Delta regions of Arkansas, Mississippi and Louisiana.

Beginning in 1975 he served for 14 years as president of the Winthrop Rockefeller Foundation where he made great strides in influencing public policy related to tax reform, education, economic development and the environment. McRae also garnered 40% of the vote in the Democratic primary for governor of Arkansas in 1990, despite beginning the race with less than 2% name recognition. Keeping true to his beliefs his campaign platform included sustainable economic development.

McRae then spent several years as the program director for Mid South Delta Local Initiative Support Corporation where he organized new rural development initiatives in the 56-county Delta region encompassing portions of Arkansas, Mississippi and Louisiana. His four years as president of the former Arkansas Enterprise Group (AEG) cemented his grasp on rural economic development. There he established the model system of loan review and administration for AEG's non-profit loan fund, administered a high-risk loan portfolio, provided technical assistance to borrowers, operated human resource development and training programs and advanced public policy initiatives.

It's this experience that has made him so valuable in the development of revolving loan funds. "I was probably invited to serve on the NAC because of my financial background and the program's need for someone who could organize loan funds," surmised McRae.

“Even though I have a banking background, most of my work has focused upon rural development and poverty issues. My global perspective on the rural health economy has helped me more than my non-profit lending background. Rural health is important because rural people have much greater health problems than their urban and suburban neighbors. They have less prevention, wellness, trauma care and access to healthcare in almost every category. Even the most serious auto accidents occur on rural roads.

“You can’t just deal with one rural issue and be effective. You must have collaborative partners working across the board or you need to fill the gaps yourself. Achieving collaboration is a difficult task,” cautioned McRae. There is a strong suspicion of outsiders and confidence building is a great challenge. This often leads to lost opportunities because many rural areas don’t have the internal capacity to take advantage of available resources, particularly in places where there is significant need.”

McRae said the SRAP effort is one of the most effective programs he’s seen. “In many places healthcare and community economic professionals rarely work together, but it is happening through the Southern Rural Access Program. It’s important because communities need a viable healthcare infrastructure to sustain community economic development.”

According to McRae, rural residents often don’t have the means to lobby for themselves to compete with outside interests. “While the program (SRAP) has done much, the vision must be much longer term – a 10 to 15 year proposition. We must get policymakers to support the program – to change the urban/suburban bias. While money is important, sustainability with policymakers is more important for the long run.

“In many rural areas, everyone is disenfranchised. We need to create hope again and a feeling that we can develop the internal capacity necessary for a positive future,” emphasized McRae. “The rural voice is large, but not always in a position to articulate its needs and be heard. We need additional concentration on developing local leadership to focus more on economic and local infrastructure development.”

McRae has played a major role in developing the revolving loan funds in several of the grantee states. “Every place I have visited I have found caring, concerned people. I have been impressed with the people and the infrastructure. They have done an excellent job of bringing in bankers and involving healthcare partners. Every state is different – the culture, the structure of the existing organizations. We can’t impose one model on every state.

“To maintain successful loan funds, though, we must reach more into the community,” continued McRae. “Loan officers need to spend time in the field with borrowers and potential borrowers to develop a rapport and get a grasp on how things really work in the rural community. They must be visible to gain trust in these small communities and be able to work loans at a very personal level.”

McRae is quick to emphasize the critical need for rural development at all levels, not just the establishment of revolving loan funds. “Rural development can’t be done categorically. We must develop an awareness that rural healthcare and rural economics are inextricably entwined.”

**Education:**

- \* University of Arkansas School of Law, JD
- \* University of Arkansas, Fayetteville, BA/History

**Employment Highlights:**

- \* President – MACED
- \* Administrative VP – Heifer Project International
- \* Executive VP – Southern Development Bancorporation
- \* Program Director – Mid South Delta Local Initiatives Support Corporation
- \* Consultant, Writer & Commentator
- \* President – Winthrop Rockefeller Foundation
- \* Staff Coordinator – Arkansas Gov. Dale Bumpers
- \* Peace Corp Volunteer

**Community & Professional Boards**

***Present***

- \* Ozark Society Foundation
- \* Mid-South Delta LISC
- \* Delta Compact

***Past***

- \* Southern Development Bancorporation
- \* Arkansas Enterprise Group
- \* (AR) Governor’s Commission on Tax Reform
- \* Arkansas Community Foundation (founding member)
- \* Arkansas Commission on Health Care Cost Effectiveness
- \* Friends of KLRE (public radio)
- \* Arkansas Constitutional Convention of 1979-80

## A message from the program director

For many years two potential allies have been focused on improving the quality of life for residents of our fragile rural communities. Rural health advocates have stressed the importance of the healthcare infrastructure in relation to the economic viability of these communities. They have emphasized that a healthy local health infrastructure brings jobs into a rural community and plays an important role on whether other employers stay or bring new jobs to the community.



Advocates for community and economic development stress the importance of developing a sustainable economic base and “empowering” communities to build their community assets through “micro enterprises” and developing a new cadre of “social and economic entrepreneurs.” National Advisory Committee member Tom McRae has very articulately outlined the reasons why it is critical that proponents of these two similar and compatible visions work together.

Yet, most observers would say that the rhetoric of working together has outpaced the reality. Certainly, part of this is due to the different languages that the healthcare, economic and community development advocates use. Another factor is that the public, philanthropic and other private funding sources that support these movements view these challenges from their own categorical and philosophical perspectives. For example, Robert Wood Johnson, Benedum, Duke, Rapides and other health-oriented foundations are more likely to view these issues through the healthcare window. Likewise, the Winthrop Rockefeller Foundation, Foundation for the Mid-South, Walton Family Foundation, Mary Babcock Reynolds, Ford and other foundations are more prone to view these issues through an economic and community development lens. The same runs true for governmental funding sources.

That’s one reason why the Southern Rural Access Program states should be very proud about their early progress made on the revolving loan fund component of the program (*see pages 5 & 6*). The loan fund has created a window for the economic development, community development and rural health advocacy communities to work together in new and productive ways – without sacrificing their own philosophical and practical orientations. These loans generally bring new jobs into poor communities – a common objective of economic, community development and healthcare advocates. Our very promising loan fund in Arkansas has been able to capitalize on the wise early “economic and community development oriented investments” of the Winthrop Rockefeller, Walton Family and Kellogg Foundations. Its Mississippi counterpart has benefited from similar

investments from Winthrop Rockefeller, the Foundation for the Mid South, Mary Babcock Reynolds, Pew and Ford Foundations.

The state and national level offices of the USDA have been quiet heroes as they have shown leadership both in developing flexible working relationships with the states, as well as making critical venture capital available. Wachovia Bank has shown considerable leadership in South Carolina, as have state policy makers and the Benedum Foundation in West Virginia.

These loan funds alone won't fully solve the problem of economic development or access to healthcare capital in underserved rural communities. No foundation or government-initiated effort has the muscle to make that claim. However, they do have incredible potential to serve as worthy national models of how access to healthcare capital can be improved, as well as provide a significant testing ground for how the community, economic and rural healthcare development forces can work together collaboratively.

## Legislative and Policy Updates

A statistical report on the nation's health released September 10 by the Department of Health and Human Services' National Center for Health Statistics showed that Americans who live in rural areas fare significantly worse in many key health measures than those who live in the suburbs and large metropolitan areas. According to the report, rural Americans make up 20 percent of the nation's population, but only nine percent of the nation's physicians practice in rural counties. Rural patients also see doctors less frequently and usually later in the course of an illness than their urban and suburban counterparts. The study also found that death rates for working-age adults are higher in the most rural and most urban areas and the highest death rates for children and young adults are in the most rural counties. Residents of the most rural counties also had the fewest visits for dental care. For most of these issues the problem is most profound in the southeast region of the country.

A full copy of the report can be found at [www.cdc.gov/nchs/releases/01news/hus01.htm](http://www.cdc.gov/nchs/releases/01news/hus01.htm)

**Georgia** – Gov. Roy Barnes created the Georgia Cancer Coalition to position Georgia as a national leader in the fight against cancer by accelerating research, prevention, early detection and treatment. The Cancer Coalition along with the Departments of Human Resources and Community Health are in the process of evaluating proposals and awarding funds for two related grant programs. The Cancer Prevention and Screening Challenge Grants will be awarded to rural communities to increase the availability of mammography services. The Rural Cancer Education and Screening Project will make funds available to increase early detection of breast and cervical cancer in rural Georgia, particularly in counties with high mortality and morbidity rates. The Coalition will rely predominantly on tobacco settlement dollars and state revenue to fund its efforts.

**Louisiana** – Gov. Mike Foster signed several pieces of healthcare-related legislation this past session. Act 491 establishes the Health Trust Fund as a special fund. The state legislature may appropriate monies to the fund from a variety of sources: (1) up to one third of the earnings from the Medicaid Trust Fund for the Elderly, (2) state matches to federal funding, (3) uncompensated care payments to state and other public providers and facilities and (4) local government matches to federal funding. The funds can be for direct provider reimbursement for healthcare for the medically indigent; expanding eligibility for uninsured children, parents of Medicaid and LaCHIP enrolled children; work force development; initiatives to provide primary and preventive health services; and initiatives to increase the availability of primary care services for the uninsured. Act 775 amends the Rural Hospital Preservation Act to maximize funding for services rendered by rural hospitals to increase access to healthcare for Medicaid and LaCHIP beneficiaries and the indigent. Act 1024 amends legislation relative to hospitals operated by the Louisiana State University Health Sciences Center (LSUHSC) to provide for the establishment of the Health Care Services Fund, a restricted fund that will receive operating revenues and incur

operating expenses of the healthcare services division and among other things authorizes LSUHSC to retain excess revenues from one year to the next.

Gov. Foster also won legislative support for his Medicaid Formulary that will be developed by a collaboration of physicians, pharmacologists, pharmacists and economists. The measure is expected to reduce growth in the state's pharmacy program by roughly \$60 million in the first year. In addition, he expanded health insurance coverage through LaCHIP to children in families with incomes up to 200 percent of the federal poverty limit, resulting in the addition of over 222,500 children.

**Mississippi** – Gov. Ronnie Musgrove approved the Children's Health Insurance Program reauthorization bill to continue the provision of healthcare coverage to low- and moderate-income children in the state.

**West Virginia** – Nearly 400,000 adults aged 60 and over were mailed Golden Mountaineer Discount pharmacy cards in September. The cards entitle older West Virginians to pharmacy discounts at 420 pharmacies throughout the state, plus toll-free customer service, a pharmacists' help desk 24 hours a day and an online alert to warn pharmacists about possible drug interactions and allergies.

## HRSA selects three SRAP-supported networks for CAP grants

Two rural health networks in Arkansas and one in south central West Virginia received two-year grants from the \$40 million Community Access Program (CAP) funds available for newly participating communities this year. Arkansas River Valley Rural Health Cooperative (ARVRHC) and Delta Hills Community Access Program (an initiative of White River Rural Health Network) were awarded \$437,200 and \$997,485, respectively. Partners in Health Network received a \$483,090 grant. Each of the networks previously received initial start-up support from the Southern Rural Access Program. The grants were made available September 1.

The Health Resources Services Administration initiated the Community Access Program in 2000 to build on existing models of service integration to help healthcare providers develop integrated, community-wide systems that serve the uninsured and underinsured. The grants are designed to increase access to healthcare by eliminating fragmented service delivery, improving efficiencies among safety net providers and encouraging greater private sector involvement.

### Arkansas River Valley Rural Health Cooperative

The ARVRHC currently has 15 members representing clients, providers and supporting members. Through its Community Health Link program ARVRHC offers its members healthcare access, health education, and disease management and information and assistance service.

The Health Care Access Program provides low-income, uninsured residents affordable access to healthcare services, including a sliding fee scale, cost and risk sharing and premiums adjusted for age, gender and health status. The Health Education & Disease Management Program assists and enables local residents in taking responsibility for their own health and wellness by participating in the control and treatment of their chronic health condition. Information and assistance is offered through the prescription drug assistance program, a social services coordinator, four health education coordinators and a computerized resource directory.

### Delta Hills Community Access Program

The Delta Hills Community Access Program has seven key partners – White River Rural Health Center, North Arkansas Human Services System, Baptist Health Medical Center, Boston Mountain Rural Health Center, Arkansas Department of Health, Area Agency on Aging and the White River Regional Housing Authority. Along with area hospitals they provide primary care, cardiac specialty care, emergency care, mental health care, substance

abuse treatment, critical care and oral healthcare for residents of White, Woodruff, Cleburne and Van Buren Counties at 14 clinic sites.

The Network provides system coordination for shared electronic medical records system and is in the process of establishing a community health center in Heber Springs to duplicate existing services offered for primary care, mental health, substance abuse and cardiology care. The Network also plans to co-locate its primary care and mental health sites in two of its counties to provide a seamless system of care in a single location.

## Partners in Health Network

Partners in Health Network is a non-profit rural health network which provides services to eligible 18-64 year olds in all or portions of 11 rural medically underserved counties in West Virginia. Approximately 25.7% of the population is uninsured. Many rural residents still seek home remedies for their healthcare problems in this economically depressed area.

The Partners in Health Network CAP grant will be used to provide access to primary, specialty, inpatient and outpatient care through the implementation of a sliding fee schedule. In addition the Network plans to develop an electronic medical record system, implement a telepsychiatry program within three existing school-based clinics and initiate patient care group visits. The telepsychiatry will provide behavioral healthcare to adolescents through telecommunication and telemedicine. The group visits will focus on asthma, diabetes, attention deficit hyperactive disorder, congestive heart failure and depression.

The Network will work with the Governor's Cabinet on Families and Children and the Kellogg Foundation-funded Community Voices Program to assure that community participation and support are included in the design and enrollment processes.

CAP grants were awarded based on need; progress toward developing an integrated delivery system; the appropriateness and quality of services to be provided, potential for sustainability; and sound management, budget and evaluation plans.

## HRSA awards Delta grantees \$3.2 million for technical assistance

Through its Office of Rural Health Policy the Health Resources and Services Administration (HRSA) announced in early September that Southern Rural Access Program communities in Alabama, Arkansas, Louisiana and Mississippi were awarded first year Delta State Rural Development Network grants. HRSA allocated over \$5.43 million to fund rural health network development in the Delta counties of the eight states comprising the Delta Regional Authority. Although the program is approved for three years, subsequent funding will be contingent on future federal appropriations.

Alabama Tombigbee Regional Commission \$385,501

Lead applicant Tombigbee Regional Commission along with co-applicants West Alabama Planning and Development Council and the South Central Alabama Development Commission will use their grant to assist the Alabama Rural Health Development Network in assessing healthcare needs and implementing local programs. The three entities will work with the Alabama Department of Public Health, Alabama Cooperative Extension System, RWJF's Southern Rural Access and Faith-In-Action Programs and academic and community service organizations to address the medical, mental health and oral health needs of the state's 15 recognized needy Delta counties.

The network will establish a central organization that will strengthen the abilities of individual rural communities to assess, develop and implement projects that improve access to primary healthcare services and establish regional healthcare links with secondary and tertiary care providers within and outside the region.

Mid Delta Community Consortium, Inc. \$942,831

The Mid-Delta Community Consortium in Arkansas is a network of four partners – Mid Delta Community Partnerships (lead agency), Arkansas Department of Health, University of Arkansas for Medical Sciences and Community Health Centers of Arkansas. The Southern Rural Access Program played an important role in its development. The grant will be used to strengthen rural Delta, state and community organizations' ability to develop and implement successful projects to address local healthcare needs in the 38 Delta counties of Arkansas to improve primary healthcare services.

The network will provide technical assistance to local networks on a first come, first serve basis to assure that a minimum of five local networks apply for planning grants and that two networks apply for implementation grant funding through this program in the first year.

Southeast Louisiana Area Health Education Center \$733,301

Modeled after the Southern Rural Access Program the statewide development network will empower community groups to identify common problems or goals, mobilize resources and develop and implement strategies through technical assistance and guidance in the development of local coalitions of health, business, civic, religious and education leaders and consumers. Louisiana's Rural Health Access Program Director Marsha Broussard will serve as project director for the lead agency, Southeast Louisiana AHEC, an LRHAP subcontractor. Specific activities will include funding community encouragers to support the coalitions, facilitating health services assessment and planning activities and guiding coalitions to develop and manage local, state and national health resources. The network will combine the resources of the statewide AHECS, Louisiana Rural Health Access Program, LSU Health Sciences Center, LA Office of Rural Health, LA Public Health Institute, LA Primary Health Care Association, LA Rural Health Association and Rapides Foundation to accomplish its goals throughout the 29-parish area.

Aaron E. Henry Community Health Center

\$1,132,804

Lead applicant Aaron E. Henry Community Health Center along with the Delta Health Care Ventures and Mississippi Access to Rural Care projects will provide the infrastructure to strengthen Mississippi Delta state and community organizations' ability to develop and implement successful projects to address local health needs in all 41 of its Delta counties. The program will develop rural health networks at state and local levels to improve residents' access to primary healthcare services and address needs related to chronic illness, maternal and child health indicators, preventable and acute illness, transportation barriers, payment mechanisms, lack of knowledge regarding available services and preventive health measures. In addition, the network will develop and distribute county specific health data sheets to potential participants in local networks and develop and disseminate guidelines for proposals to form local rural health outreach networks.

## Newsmakers

Congratulations to NAC member **Michael McKinney, MD**, upon his appointment as the chief of staff for Texas Gov. Rick Perry. In a statement released by Gov. Perry's office, the governor said, "Mike McKinney will bring enormous state agency and corporate management experience to my office. His seven years in the Texas Legislature will add a new dimension to my staff. And his expertise in medicine and Medicaid issues will be invaluable as Texas – like all other states – struggles to balance rapidly rising healthcare costs and growing demands for healthcare services to the poor."

\* \* \*

Best wishes to **Russ Toal** who began his new position as director of the Georgia Cancer Coalition, September 1. Previously, Toal was commissioner of Georgia's Department of Community Health where he was a supporter of the SRAP effort and a strong advocate for improving healthcare in rural Georgia. Toal was also instrumental in conceptualizing, planning and identifying resources for the Access Georgia Rural Health Matching Grants Initiative (see related stories on pages 1 and 8).

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**Kathryn Martin**, has resigned her position as project director for REAP to concentrate on other areas of academia at Mercer University, the key partner for the Georgia project. **Andre' Thomas** has been named interim project director for REAP. Previously, Andre' was the leadership coordinator for the Georgia effort. Best wishes to Kathryn and Andre' in their new positions.

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**Andrew G. Kampuris, MD**, an interventional cardiologist from Little Rock, AR, was named one of six RWJF Health Policy Fellows for the upcoming year. His experience in healthcare policy includes chairing the RWJF-funded Arkansas Health Care Reform Task Force that wrote a report used by the Arkansas Legislature to produce ARKids, a Medicaid expansion program for uninsured children, and merged state insurance purchasing for both state employees and teachers. After the national tobacco settlement Dr. Kampuris participated on a committee that drafted Arkansas's settlement proposal, which ultimately was passed in a state referendum. He is currently working on a new governor's task force on options for expanding coverage to the uninsured.

\* \* \*

Congratulations to the following academic institutions affiliated with the Southern Rural Access Program for their recent recognition in U.S. News & World Report magazine's Best Grad School 2001 feature:

\*\***West Virginia School of Osteopathic Medicine** was ranked #12 in Rural Medicine, #13 in Family Medicine and #32 overall among all medical schools in the nation.

\*\***West Virginia University** and **Marshall University** were ranked #16 and #23, respectively in Rural Medicine.

**\*\*Penn State University College of Medicine** was ranked #26 in Family Medicine among all schools.

**\*\*Emory University (GA), Medical College of Georgia and University of Alabama-Birmingham** were tied for #41 overall among all medical schools.

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Best wishes to **Jim Ledbetter** who resigned his position as executive director of the Georgia Health Policy Center to accept the position of director of the University of Georgia's Carl Vinson Institute of Government, effective August 1. **Karen Minyard, PhD**, the Center's director of Networks for Rural Health Programs, was appointed interim director of the Health Policy Center while a national search is being conducted. The Center expects an announcement to be made in early 2000.

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Congratulations to **Sandy G. Ray, MHS** - The Health Enrichment Network for being named the Louisiana Rural Health Association's **2001-2002 Rural Health Professional of the Year**. Sandy is also the project director for a 21st Century Challenge Fund transportation initiative. A congratulatory note is also extended to **Warren L. Founds, MD**, an 81-year old practicing family practitioner from Sabine County who was named **Louisiana's Rural Practitioner of the Year**. Both individuals were cited for their outstanding care, community involvement and lasting contributions to the rural healthcare system.

## Calendar of Events

Rural Minority Women: Reaching Out and Reaching Goals in the News Century

National Rural Health Association

Seventh Annual Rural Minority Health Conference

December 6-8, Sheraton Four Points Riverwalk, San Antonio, TX

Annual Rural Health Policy Institute

National Rural Health Association

March 4-6, Grand Hyatt Washington, Washington, DC

Contact Eli Briggs (202-232-6200/[briggs@NRHArural.org](mailto:briggs@NRHArural.org)) for details.