

January 2, 2003

The Honorable George W. Bush
President of the United States
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

The National Rural Health Association (NRHA) greatly appreciates the Administration's attention to rural health needs. In this time of increased attention to public health concerns, we applaud the Administration for recognizing the importance of strengthening the rural health care infrastructure in America. 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 vital rural health programs and help ensure access to quality health care for rural Americans.

Below you will find the NRHA's funding recommendations for the President's Budget for FY04 Labor-HHS-Education funding.

**NATIONAL HEALTH SERVICE CORPS (NHSC) \$250 MILLION
NURSE REINVESTMENT ACT \$250 MILLION**

The NHSC and Nurse Reinvestment Act play a critical role in providing primary health care services to rural underserved populations. Increased funding would support the additional clinicians and nurses needed to begin eliminating the approximately 2,800 Health Professional Shortage Areas (HPSAs), 1,200 Dental HPSAs and 740 Mental health HPSAs currently designated across America.

**RURAL HEALTH OUTREACH
& NETWORK DEVELOPMENT GRANT PROGRAM \$60 MILLION**

The Rural Health Outreach and Network Development Grant Program supports innovative health care delivery systems as well as vertically integrated health care networks in rural America. Since 1991, 3.2 million people in all but four states have taken advantage of grants totaling \$228 million offered through this program.

**RURAL HOSPITAL FLEXIBILITY GRANT (FLEX) PROGRAM \$50 MILLION
SMALL HOSPITAL IMPROVEMENT PROGRAM (SHIP) \$50 MILLION**

This nationwide program is aimed at improving access to essential health care services through the establishment of Critical Access Hospitals (CAHs) and rural health networks. It also helps communities to ensure that needed services, such as emergency medical services, will be available to their citizens. In 2001, Congress and the Administration

expanded the scope of this program through the SHIP to address issues related to HIPAA, quality improvement and upgrading billing systems. The NRHA requests \$50 million for each of the two programs

RURAL HEALTH POLICY DEVELOPMENT (RESEARCH) \$20 MILLION

Rural Health Policy Development is the only Federal program that supports health services research that looks at rural issues. This critically important grant program currently supports six rural health research centers that provide policy relevant research on rural-specific health care topics. This research is made available to policymakers including the Congress and the U.S. Department of Health and Human Services as they make decisions regarding pressing health care issues.

CONSOLIDATED HEALTH CENTERS PROGRAMS \$ 1,769 MILLION

Community Health Centers (CHCs) are private, not-for-profit, consumer-directed health care centers, which provide primary and preventive care to medically underserved and uninsured people, including 5.4 million, or 1 out of 12, rural residents. The Bush administration has pledged to increase the number of community health centers to 1,200 nationwide, doubling the number of people served by these facilities. To adequately meet this goal and ensure new community health centers are added in rural areas, increased funding is necessary.

STATE OFFICES OF RURAL HEALTH \$12 MILLION

State offices of rural health play a key role in assisting rural health clinics, community health centers and small, rural hospitals to assess the health care needs in rural communities. In many states, these offices lead efforts to recruit and retain health care providers, identify and target resources to underserved communities, and provide technical assistance and training to rural health care providers.

HEALTH PROFESSIONS PROGRAMS \$940 MILLION

The NRHA commends the Administration for continuing funding for these vital programs, especially as workforce shortages become more acute within the health care delivery system generally, with a greater impact in rural areas because of additional obstacles to attracting health professionals to serve in rural communities. The \$940 million request includes the \$250 million requested for the National Health Service Corps and the \$250 million requested for the Nurse Reinvestment Act.

The NRHA appreciates the opportunity to provide our recommendations for the FY 2004 President's Budget for federal rural health programs. We look forward to continuing to work with you in support of programs important to the rural health delivery system. Again, we appreciate your recognition of the importance of public health systems and the rural health care infrastructure at this time. If you have any questions about our recommendations or would like additional information on rural health programs, please do not hesitate to contact the NRHA's Government Affairs staff by phone at (703) 519-7910 or by e-mail at dc@NRHArural.org.

Sincerely,

A handwritten signature in cursive script that reads "Wayne Myers".

Wayne Myers, MD
President

cc: The Honorable Mitch Daniels, OMB Director