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**Webb Says President's FY09 Budget Proposal
Threatens Health Care of Thousands of Rural Virginians**

***Cuts Endanger Access to Care for 906K Medicare Recipients,
637K Medicaid Recipients in Virginia***

Washington, D.C. – Virginians living in rural areas of the Commonwealth would see their access to health care challenged under President Bush's proposed FY 2009 budget, Senator Jim Webb (D-VA) said today.

“At a time when President Bush is spending hundreds of millions of dollars to build hospitals and related facilities in Iraq, it is inconceivable that he would slash the very same programs here in America,” said Webb. “Our people deserve better.”

Unveiled this week, the President's budget cuts rural health programs by \$154 million (approximately 86%) from the FY 2008 funding level. If implemented, the proposed budget would eliminate funding for rural health outreach grants, rural health flexibility grants, and community access to emergency devices and threaten the benefits of Virginia's Medicare and Medicaid recipients.

“As a matter of fairness, we need to guarantee that there is full funding for our rural health safety net,” said Senator Webb. “A good number of Virginians live in remote areas of the state, without access to a primary care doctor. Distance alone should not impede citizens' access to quality care. Unfortunately, the President's budget severely cuts or eliminates funding for some of our most effective and integral rural health services.”

Rural Health Outreach & Network Grants. The President's budget provides no money for Virginia's rural health outreach and network grants, which fund community-based projects designed to increase access to care for Virginia's rural residents. Services offered address obesity, diabetes, wellness, adolescent and senior health, oral care, and mental health. The grant program received \$38.9 million in FY2008; the President's FY2009 budget would zero-out the program.

Virginia's five existing rural health grant programs include: (1) People Incorporated of Southwest Virginia, serving 180 low-income families in Buchanan, Dickenson, Russell and Washington counties; (2) Bath County Community Hospital, providing services to the uninsured and underinsured residents of Bath County in the Allegheny Mountains; (3) Shenandoah Memorial Hospital, serving the health needs of seniors, children and underserved minority residents in rural Shenandoah County; (4) Giles Community Access Project—including four Network Consortium members—serving low income residents in rural Giles County; and (5) Northern Neck Middle Peninsula Telehealth Consortium, serving a 10-county area covering 2,027 square miles with a population of 133,037 in Northern Neck and the Middle Peninsula.

“What the President doesn't seem to understand is that these programs actually save money,” stated Beth O'Connor, Executive Director of the Virginia Rural Health Association. “It is much less expensive to treat someone with high blood pressure in a government-supported free clinic, than it is to treat that same person several years later in the emergency room for a heart attack. These budget cuts only look like a single year on a sheet of paper – but the financial impact will be felt for many years to come.”

Rural Health Flexibility Grants. The President’s budget eliminates funding for rural health flexibility grants, which assist seven Critical Access Hospitals (CAH’s) in Virginia. CAHs assure access to health care services for Medicare beneficiaries who live a long distance from major hospitals. The grant program received \$63.5 million in FY2008; the President’s FY2009 budget would zero-out the program.

Virginia’s seven Critical Access Hospitals that would lose flexibility grant funding, include: Bath Community Hospital, Hot Springs; Carilion Giles Memorial Hospital, Pearisburg; Dickenson Community Hospital, Clintwood; RJ Reynolds-Patrick County Memorial Hospital, Stuart, Page Memorial Hospital, Luray; Shenandoah Memorial Hospital, Woodstock; and Stonewall Jackson Hospital, Lexington.

“The Rural Health Flexibility program is more than a grant,” stated O’Connor. “It is comprehensive program that ensures accessible and affordable quality healthcare in rural areas. This not only includes hospital and acute care services, but essential health care elements – such as emergency medical service (EMS) and quality improvement.”

“The program also allows the hospitals to maximize resources by linking to major medical centers, such as the University of Virginia and Virginia College of Osteopathic Medicine,” said O’Connor. “Advances in the areas of telehealth and health information services can greatly decrease the need to travel to urban areas – travel that is often funded through Medicare.”

James Tyler, CEO of the Carilion Giles Memorial Hospital added, “As an administrator of a Critical Access Hospital, the funds that we receive from the FLEX grant program are vital for us to ensure ongoing quality of care to our patients. Cutting these funds jeopardizes a very important economic entity within our rural communities. Most of the Critical Access Hospitals are the second or third largest employers in their respective communities. Communities are devastated when they lose their hospitals.”

“These programs need the funding as proposed last year by Congress, plus an adjustment for inflation,” said Webb. “I intend to work with my colleagues to ensure that the budget offered by Congress provides the appropriate level of funding for our rural health systems.”

Medicare and Medicaid. The administration’s budget proposal also cuts \$105 billion over five years to Medicare and Medicaid, threatening Virginia’s 906,000 Medicare and 637,000 Medicaid recipients—a disproportionate amount of whom live in rural communities in Virginia. Deep cuts in payments to hospitals, nursing homes, and other health care providers could force them to drop their patient caseload or curtail their participation in the Medicare program.

“At a time when the need for affordable and accessible primary care is great, the President’s substantial cuts to Medicaid and Medicare undermine the significant progress we have made through quality rural health programs,” said Webb.

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