



**40th Annual Arizona Rural
Health Conference**
Bruce Gullidge Memorial Lecture

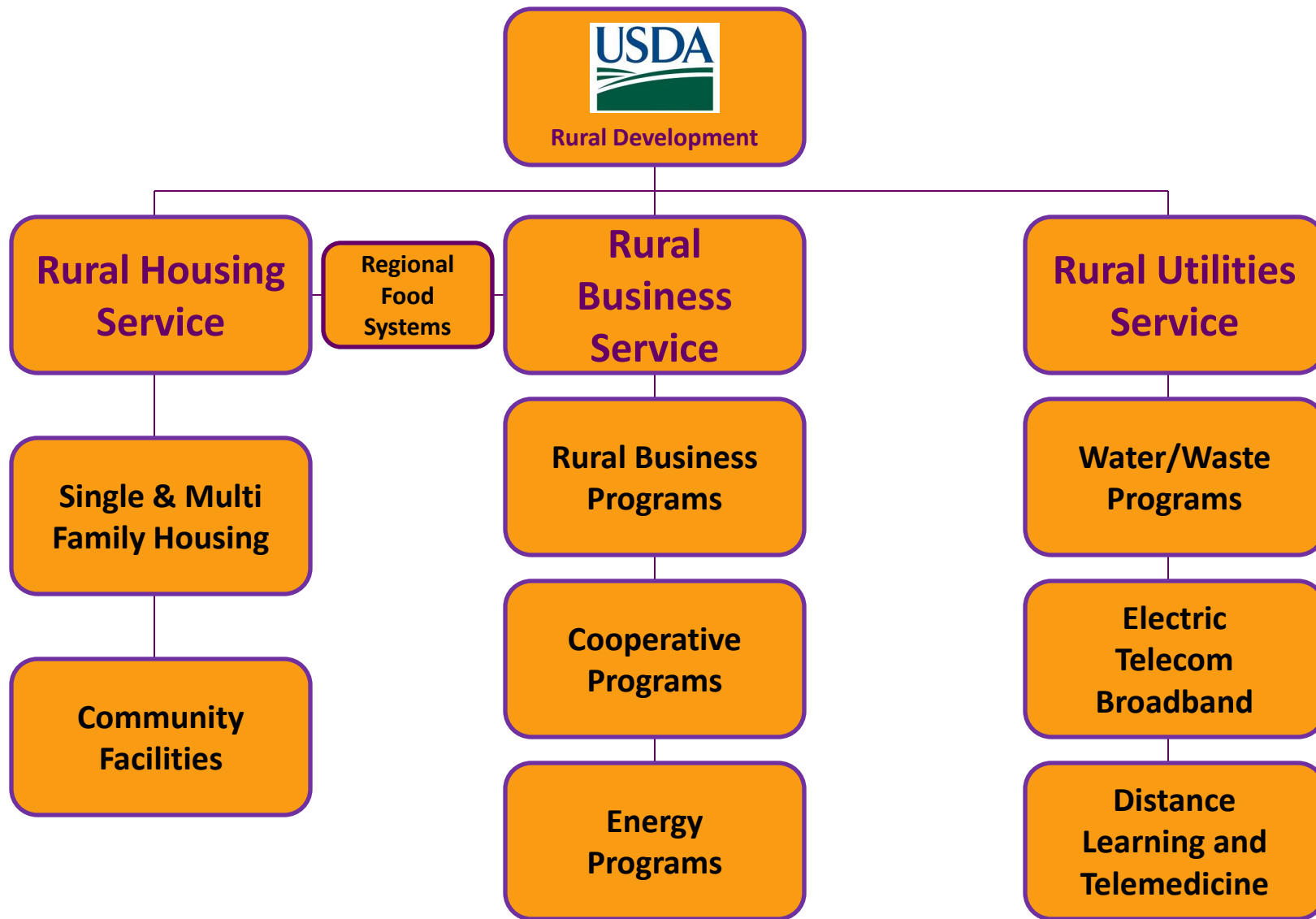


USDA Rural Development
ALAN STEPHENS-Arizona State Director

August 21, 2013

RURAL DEVELOPMENT/RURAL HEALTH

Rural Development Organizational Chart



**Arizona Health Care
Cost Containment
System
(AHCCCS)**

Health care has always been a priority for USDA Rural Development



Health Information Technology (HIT)

The HIT pilot program will soon be extended to all states. This means that Arizona rural health care providers will be eligible for:

Funding for...

- Acquisition and installation of hardware and software, including labor costs
- Expansion of broadband infrastructure access to rural hospitals and their clinics
- Training of current and new health care service personnel, nurses and specialists in the community as well as IT workers to help ensure proper IT implementation and promote privacy and security
- Purchase or expansion and upgrades of HER technology
- Access to sufficient, affordable and secure communications services (ie. Broadband connectivity) to support robust and meaningful health information exchange

Rural Development has many different programs to help rural health care providers. The major ones for health care are:

- Community Facilities Program
- Business and Industry Guaranteed Loan Program
- Distance Learning and Telemedicine
- Intermediary Relending Program

COMMUNITY FACILITIES PROGRAM

USDA Rural Development offers Community Facility loans, loan guarantees, and a limited amount of grant funding to help develop essential community facilities for public use in rural areas. Eligible applicants include public bodies, nonprofit corporations and federally recognized Native American tribes.

The funding can be used for facility construction or renovation or for the purchase and installation of necessary equipment, including HIT software and hardware. Projects must be located in rural areas and towns of up to 20,000 in population.

BUSINESS AND INDUSTRY GUARANTEED LOANS

Our Business and Industry Guaranteed Loans encourages the commercial financing of rural businesses, creating jobs and improving the economic and environmental climate of rural communities.

DISTANCE LEARNING/TELEMEDICINE GRANTS

The USDA Rural Development Distance Learning and Telemedicine Grant Program is designed to help provide enhanced health care opportunities for rural residents. This program is actually administered by national-level personnel who work for the Rural Utilities Service (RUS) arm of USDA RD.

The DLT program offers grants for advanced telecommunications technologies that provide enhanced health care opportunities. This grant requires 15% in matching funds. Awards can range from a minimum of \$50,000 up to a maximum of \$500,000. Eligible applicants for the DLT are entities that provide medical care via telecommunications, including corporations or partnerships

DISTANCE LEARNING/TELEMEDICINE GRANTS

Funds can be used to purchase equipment, such as computer hardware and software, audio and video equipment, computer network components, terminal equipment, data terminal equipment and inside wiring. Funds may also be used to acquire instructional and technical assistance.

Our DLT grants are competitive. Funding selection is based on a weighted score, where communities with lower population receive priority for funding. Applications are accepted annually after the publication of a Notice of Funding Availability (NOFA) in the Federal Register. Our NOFA for this year's funding just closed...and I am pleased that several Arizona Telemedicine applications were received and forwarded to the National Office.

INTERMEDIARY RELENDING PROGRAM

The agency's Intermediary Relending Program, or IRP for short, is designed to capitalize revolving loan funds. We lend money to economic development intermediaries (nonprofits and public bodies) who in turn re-lend the funds as commercial loans to rural businesses that might not otherwise be able to obtain financing.

INTERMEDIARY RELENDING PROGRAM

Non-profits, tribes and public bodies with a revolving loan fund may apply for IRP funding. The funds must, in turn, be re-loaned to rural businesses or community groups unable to qualify for bank financing to support projects in unincorporated areas and cities with populations of 25,000 or less.

Recent FY 2009-2013 USDA RD Health Care Summary

In a recent national summary for FYs 2009-2013, funding for all programs, USDA Rural Development invested **\$5.7 BILLION** in rural health care, funding nearly **3,000 projects** from clinics, nursing homes, pharmacies, hospitals, telemedicine and group homes, to mention a few.

In the 1990's, during my first USDA experience, USDA Rural Development was involved in many rural health care projects:

- **A \$1,500,000 loan/loan guarantee to Sage Memorial Hospital on the Navajo Nation;**
- **A telemedicine grant, two loans for dental clinics, and facility expansion for the Mariposa Health Clinic in Nogales;**
- **A family health service center in San Luis/Gadsden;**
- **A CF grant for the Navajo Health Foundation;**
- **A loan to Clinica Adelante for a health care facility**

There is hardly a rural area in Arizona not touched by health care funding provided by USDA Rural Development.

In the last four years, we have funded:

- A \$9,933,486 ARRA loan and a \$9,933,489 guaranteed loan for the construction of the Marana Health Center**
- A 1,617,000 ARRA loan for the Pinal Hispanic Council health clinic**
- A \$7,080,250 loan and a \$2,800,000 guaranteed loan to Bisbee Hospital Association to expand the Copper Queen Community Hospital;**

- **A \$78,523 grant to the La Paz Regional Hospital to expand cardiac imaging services**
- **A \$9,897,000 loan to the Winslow Memorial Hospital for an ER and Intensive Care unit and a \$5,257,000 guaranteed loan to refinance existing debt—and a subsequent \$1,860,000 loan to complete the project**
- **A \$500,000 guaranteed loan to Holbrook EMS to remodel their facility**
- **A \$1,425,000 guaranteed loan to Ajo Ambulance to construct a new facility**
- **A \$497,000 guaranteed loan to Verde Valley Ambulance to refinance and renovate their facility**

- **A \$797,807 guaranteed loan to the Community Behavioral Health Services in Page for a building addition**
- **A \$4,450,000 guaranteed loan to United Community Health Center (Maria Auxiliary) to build a 15,000 sq. medical building**
- **A \$1,512,680 CF loan to Black Canyon Community Health Center for a new medical building**
- **A \$2,162,132 CF loan to Sun Life Health Center in Eloy to purchase a medical building**
- **A \$1,180,000 CF guaranteed loan to Mariposa Community Health Center to purchase a new medical building**

- A \$276,793 Telemedicine grant to the Mogollon Health Alliance
- A \$211,688 telemedicine grant to Mountain Health and Wellness in Apache Junction
- Funded a \$124,000 telemedicine grant to Flagstaff Medical Center

**That's nearly \$62 million
dollars for health care
funding from our agency in
four years.**

USDA Rural Development has other program areas that infuse a lot of financial assistance into rural Arizona. Housing is still our biggest program area and we have a water and waste water section and electric.

Safe drinking water and sanitary waste water facilities are vital to good health. Our housing program not only provides homes for low income families in rural Arizona, but helps seniors and others mitigate health hazards in their homes by financing kitchen and bathroom repairs and retrofits.

The overall funding into our rural communities has a tremendous impact on the “health” of those areas.

In 2011, The Capitol Times did a special pull out section on rural Arizona. The headline said “USDA Rural Development: Keeping Rural Arizona ‘Afloat’”. That year, with the addition of the recovery act funds, just our agency—USDA Rural Development, and just in rural Arizona, and just in one fiscal year invested nearly \$750,000,000! Three quarters of a billion dollars!

With the ARRA money no longer available...and with budget and staffing cuts that hurt...we still in 2012 invested a whopping \$400,000,000 into rural Arizona!

In Dr. Lipton’s words, that’s...SOME GOOD!

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