



Walton County Democratic Party  
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Ray Padgett, Chairman

**President Bush's proposed budget for next year for the Department of Health and Human Services doesn't include any money for the Small Hospital Improvement Program or the Rural Hospital Flexibility Grant Program. Do think rural hospitals should be supported by such programs or should they be supported solely with state, local or private funds?**

The Rural Hospital Flexibility Grant Program was created by congress in 1997 to help small, rural hospitals improve medical training, provide outreach programs and purchase new equipment. Its primary goal was to help make high-quality healthcare more easily available to rural Americans. While the actual grants have been relatively low, a total of \$174,000 for Florida in 2003, the impact is huge because these hospitals operate on a razor thin profit margin. Federal programs with such a high impact/low investment ratio are rare. This program has been highly successful and we believe funding for such effective and critical programs should NOT be eliminated.

These programs help thousands of hospitals to provide health care to under-populated and economically depressed areas across the United States, including rural areas of Florida. Hospitals in Walton County are not classified as small rural hospitals and therefore, are ineligible for funds from the Rural Hospital Flexibility Grant Program. However, our neighboring communities of Bonifay (Doctors Memorial Hospital) and Graceville (Campbellton-Graceville Hospital) fit into this classification and are negatively impacted by these funding cuts. Hospitals like these are changing to Critical Access Hospitals (CAH) in order to survive. This new type of hospital is an acute care facility that provides emergency outpatient and limited inpatient care. These hospitals arrange cooperative agreements with larger health care facilities and can then relax their own staffing requirements.

Rural medical service problems are increased because small businesses and farmers in these communities are not financially able to provide families with adequate income or insurance to pay expensive health care bills. This makes it impractical to fully fund hospitals with local taxes. Hospitals are then caught in the crunch of deep tax cuts and record budget deficits by both our federal and state government administrations. Small rural hospitals across America are being forced to cut services, trim staff, and reduce staff salary and benefits and still cannot compete with "big city" bucks for new equipment and specialized physicians and services. They are trying to remain afloat by consolidating

with other communities, but even then their profit margins are insufficient to sustain them long-term.

Fiscally irresponsible tax cuts for the wealthiest families and corporations not only caused an explosion in our federal deficit but caused deep cuts in our own state budget. State funds are now inadequate to deal with this problem and a state-based solution is insufficient to provide the type of coordinated effort necessary to deal with it effectively. This is a national challenge that needs to be dealt with through national resources and a national commitment to provide basic and emergency health care to all our citizens

Small, rural hospitals are invariably the base around which a community attracts new people and businesses. Yet their continued existence depends to a large part on direct grants and incentives from both public and private funds outside the community. In case after case across America, the closing of a community's hospital devastates the entire town and causes businesses and citizens to abandon it for "greener pastures" elsewhere.

The Democratic Party believes it is in the best interest of all Americans to protect and sustain a viable, financially healthy hospital system in small towns and communities across our country. While the Rural Hospital Flexibility Grant Program is but a small part of our overall healthcare system, we believe it is critical and must be strengthened and protected.