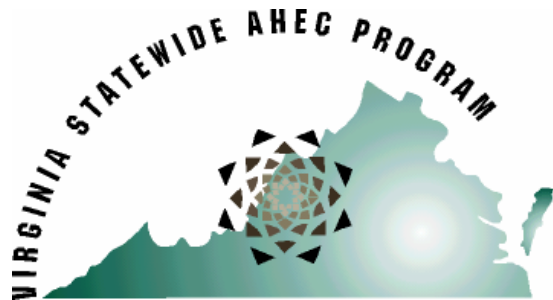


Virginia Area Health Education Center



**Non-State Funding Report to the
Chairman, Senate Finance Committee
Chairman, House Appropriations Committee
Joint Commission on Health Care
October 1, 2006**

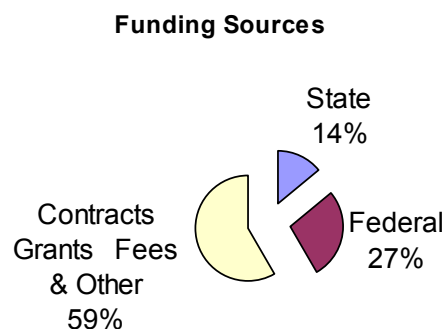
**Virginia Statewide Area Health Education Centers (AHEC) Program
Non-State Funding Report
October 1, 2006**

Purpose: The Appropriations Act directed Virginia’s AHEC Program to “*submit a report by October 1 each year ...that documents 1) the actions taken to secure non-state funding to support AHEC activities and 2) a cash match of at least 100 percent of the funds provided by the Commonwealth.*”

Background: The Virginia Statewide AHEC Program was established in 1991 to increase access to primary care. It grew out of several recommendations from the Virginia Department of Health. As provided in Section 32.1-122.7 of the Code of Virginia, the mission of AHEC is to promote health careers and access to primary care for medically underserved populations through community-academic partnerships. This mission is accomplished by conducting programs to: 1) attract students into health careers, 2) support the community-based training of health professions students and residents, 3) recruit, support and retain health providers to underserved areas or settings that address the needs of underserved populations, and 4) promote health and prevent disease in partnership with other community organizations.

The Virginia Statewide AHEC Program is administered through a statewide advisory board and the eight individual AHECs. AHECs receive federal funding through a “Model State-Supported AHEC” cooperative agreement. The “Model” cooperative agreement from the US Department of Health and Human Services, Health Resources and Services Administration (HRSA) requires a 100% non-federal match. In FY06, the Virginia AHEC Program office at VCU received \$660,696 in federal model funding (direct & indirect) of which 80% was equally distributed among the eight (8) community AHEC centers.

In FY 2006 \$300,000 in designated state funds were distributed equally to the eight AHEC centers for “*the recruitment and retention, practice support, and training of health care professionals in medically underserved or areas with medically underserved populations.*” An additional \$100,000 was distributed to two AHECs – one urban Northern Virginia AHEC, one rural Southwest Virginia AHEC to “*develop and implement a statewide nursing recruitment and retention program in collaboration with nursing and health care groups.*”



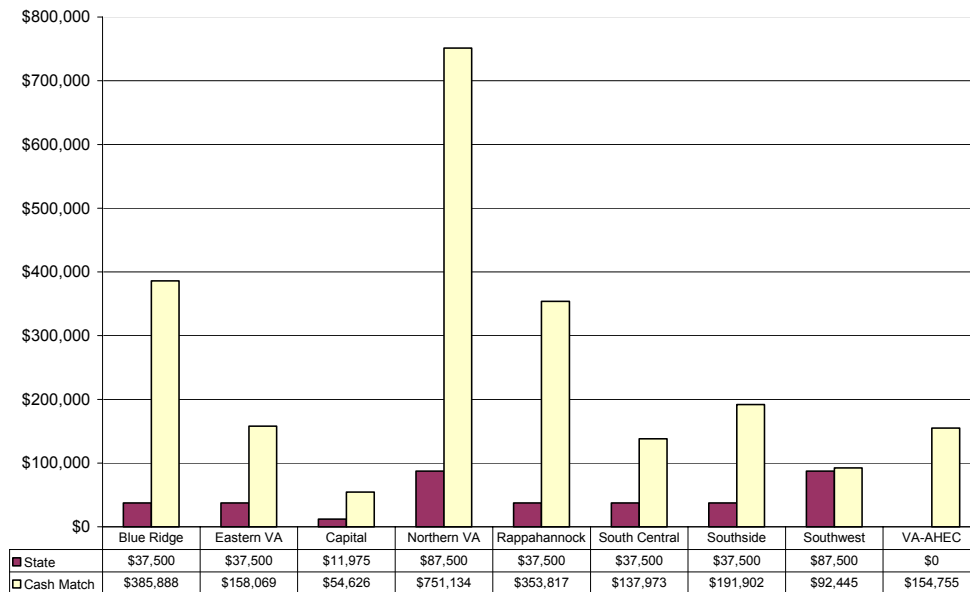
In addition, the Department of Medical Assistance Services -- to the extent permissible under federal and state laws -- entered into an agreement with the Virginia Statewide Area Health Education Centers so that qualifying funds may be used at the discretion of each center for obtaining matching non-general funds when available. The community AHEC programs were able to generate an additional \$48,056 in FY06 under this agreement.

The AHEC Program Office and Centers acquired an additional \$1,553,569 in other funds through local, state, federal and national grants, foundations, associations and fees for services.

Efforts Toward and Amounts of Non-State Funding

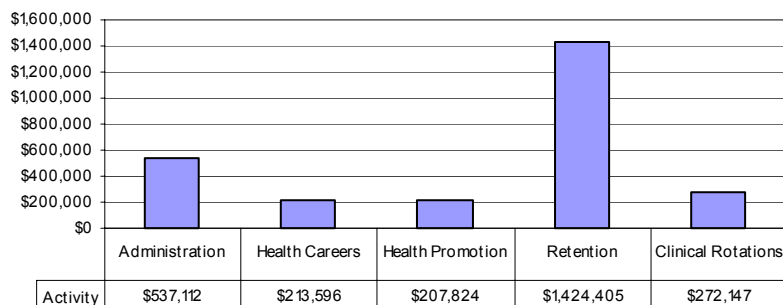
As the local AHECs have established themselves as significant partners in meeting their community's health care workforce needs, they have correspondingly broadened their funding base. In fiscal year 2006, the eight AHECs raised a total of \$2,655,084. **This was \$1,594,388 over and above the state appropriation (\$400K) and federal Model AHEC funding (\$660,696). For each one dollar invested by the state (\$400K), AHECs raised an additional \$2.25M – or 564 times the required (100%) cash match.**

Cash Match Per AHEC Center FY2006



Funds raised were used for specific programs and came from a variety of sources such as fees for service, contracts with public and private agencies, donations and grants. Examples include Virginia Tobacco Settlement Foundation, Ryan White Title I, Mary Washington Foundation, Rockingham Memorial Hospital Foundation, Virginia Department of Health, Virginia Tobacco

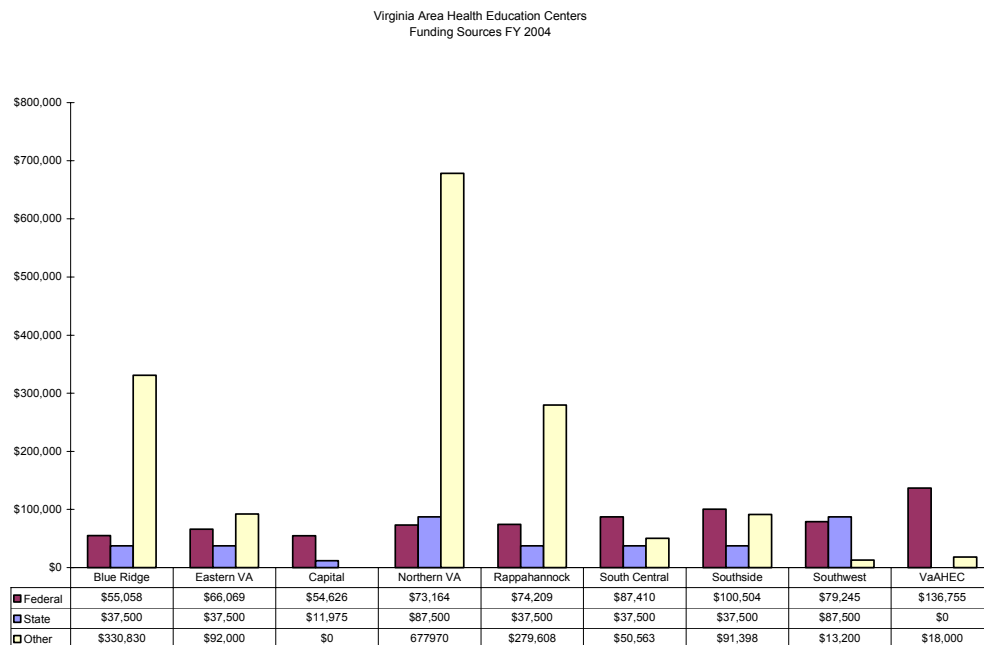
2006 Activity Distribution



Indemnification & Community Revitalization Project, Washington Forrest Foundation, Alleghany Foundation, UVA Telemedicine Program, Riverside Foundation, Eastern

Virginia Medical School, Virginia Commonwealth University, INOVA Health System, Robert Wood Johnson Foundation *Hablamos Juntos* Initiative, Workforce Investment Boards and many other sources.

These funds, in turn, supported a wide variety of programs such as the use of telemedicine and other distance learning technologies; service-learning activities that involve health professions students in the provision of care for rural and urban underserved populations; women’s health, cultural competence, the appropriate training and utilization of health care interpreters; use of lay health workers to improve community health; and summer institutes and K-12 programs to increase interest in health careers.



The success of the Virginia Area Health Education Center Program is directly related to three factors. First, as each Center has identified and responded to its community’s needs, the community has reciprocated by investing its support. Second, successful fund raising programs take several years to develop. Proposals may be funded in the year they are written, but more often, they are funded during subsequent years. Thus, the current success represents an extended and extensive effort built over several years. The Virginia AHEC Program is now well positioned to achieve continued success. Thirdly, the state appropriation provides critical operating funds that enabled AHEC to move forward and match significant federal funding. With significant decreases from state and federal funding, AHEC relied on the state’s investment of core support. Given AHEC’s success, we believe that the investment has returned great dividends.

In order to maintain and increase its capacity to meet the Commonwealth’s health care workforce needs, and to assist its most vulnerable citizens, AHEC will continue to rely upon the same three sources of funding. The state appropriation will remain critical, for it is the cornerstone upon which the rest of AHEC’s success will be built.