



APPALACHIAN REGIONAL COMMISSION

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**press
message**

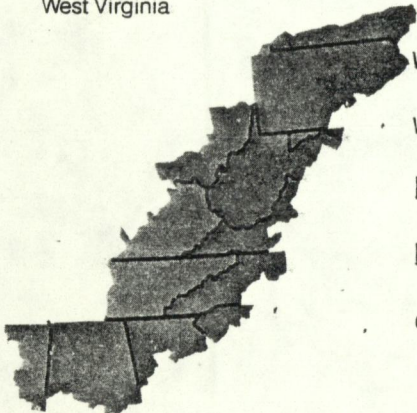
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WASHINGTON, D. C. -- Next week's threatened closure of the Appalachian Regional Hospitals was averted yesterday through the combined efforts of the Appalachian Regional Commission, the Governors of Kentucky and West Virginia, members of the congressional delegation from the two states, and the Department of Health, Education and Welfare. In a joint meeting initiated by ARC's Federal Cochairman, at the Capitol, William Fullerton, Deputy Director for Health Care Financing, HEW, stated that HEW will take immediate steps to accelerate the ARH's 1976 Medicaid and Medicare settlements. These are payments due to the hospitals for services already rendered. Both Governor Julian Carroll (Ky.) and Governor Jay Rockefeller (W. Va.) agreed to take whatever steps are necessary in their Medicaid programs to speed-up the process. This will provide short-term relief for the system of ten hospitals and three clinics that serve the coal fields of Kentucky, West Virginia and Virginia.

Alabama
Georgia
Kentucky
Maryland
Mississippi
New York
North Carolina
Ohio
Pennsylvania
South Carolina
Tennessee
Virginia
West Virginia

This current crisis grew out of the severe winter weather followed by the disastrous flooding this spring, which aggravated the long-term problem of the hospital's history of service to low-income patients. The cutbacks by the UMW also brought the hospitals to the brink of collapse this week.



Long-term solutions were also discussed at yesterday's meeting which was attended by Senator Jennings Randolph (W. Va.), Senator Wendell Ford (Ky.), Senator Walter Huddleston (Ky.) and Congressman Carl Perkins (Ky.).

Speaking for the Appalachian Regional Commission, Federal Cochairman, Robert W. Scott, suggested that the present crisis represented not just a local problem, but a national one -- that of care for medically indigent people. He indicated that the Commission would be interested in participating in a demonstration of the concept of prefinancing of health care using this system of ARH hospitals as a model. Governors Rockefeller and Carroll supported this idea and offered to appoint members to a task force to be headed by Dr. Joyce Lashoff, Deputy Assistant Secretary for Health, to look into this idea. The Appalachian Regional Commission will also participate.

Because the Appalachian Regional Hospitals' indigent care problem will require additional funds in the very near future, Senator Huddleston urged that a deadline be established for the task force's first report. It was agreed upon that the final report would be made in 60 days.

Another interim solution offered by Senator Randolph was an economic disaster loan or grant through the Economic Development Administration. Pat Fleming, also present at the meeting, and an attorney for the hospitals, agreed to pursue this approach.