
The Federal Communications Commission's Rural Health Care Pilot Program and National Broadband Plan Rural Health Care Program Recommendations

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Background

- ***September 2006 Pilot Program Order (FCC 06-144)***
 - Announces and seeks applications for Pilot Program.
 - Participants eligible to receive 85% costs of broadband network deployment and connecting to nationwide backbones or the public Internet.
 - Pilot program set at approximately \$60 million.
 - Pilot program was to last for two years.
 - May 2007 – Pilot Program applications due.
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Background

- **November 2007 Pilot Program Selection Order (FCC 07-198)**
 - Goal to deploy broadband infrastructure to areas of the country where the need for telemedicine is most acute.
 - \$417 million in funding available to support 85 percent of costs for: (1) deployment of state or regional broadband networks; (2) connecting to nationwide backbone providers Internet2 or National LambdaRail; and (3) connecting to the public Internet.
 - 62 projects eligible to receive funding serving 6,000 health care facilities in 42 states and three U.S. territories.
 - To receive funding commitments, projects must first competitively bid their networks and demonstrate, among other things, that they have selected the most cost-effective vendor.
 - Provide assurances that their proposed networks will be self-sustaining.
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Pilot Program Implementation Timeline

- January 2008 – OMB approval for projects to submit forms.
 - January 2008 – WCB letter providing guidance on carry-over policy, allowing participants more time to develop projects.
 - February 2008 to March 2008 – USAC project training sessions.
 - April 2008 – first competitive bid posted.
 - October 2008 – WCB letter providing guidance concerning excess capacity use, restrictions on resale, and project sustainability.
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Pilot Program Implementation Timeline

- April 2009 – FCC announces the build-out of five broadband telehealth networks that will link hospitals in Iowa, Minnesota, Montana, Nebraska, North Dakota, South Carolina, South Dakota, Wisconsin, and Wyoming.
- September 2009 – FCC Health Care Broadband Workshop.
- November 2009 - Comments sought on the health care delivery elements of the national broadband plan. The notice also seeks input relating to the rural health care support mechanism and the Pilot Program, specifically as such programs may assist in the deployment and adoption of broadband services.
- December 2009 - Requests for extension of the June 30, 2010 deadline for funding commitments.
- February 2010 – One year extension, to June 30, 2011, of the deadline for participants to select a vendor and request a funding commitment from USAC.
- February 2010 – FCC announces commitments for an additional 16 projects that will link hospitals in Iowa, Louisiana, Maine, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New York, Ohio, Oregon, Pennsylvania, South Dakota, Vermont, Virginia, West Virginia, and Wisconsin.
- March 2010 – National Broadband Plan Released.

Status of Projects

- Funding commitments for 26 projects that will link hundreds of hospitals in 23 states.
 - Collectively, these projects are eligible to receive up to \$206 million for costs associated with network deployment.
 - 20 of the remaining projects have posted requests for proposals to select vendors to build out their broadband networks.
 - Final 16 projects continue to prepare their requests for proposals.
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California Telehealth Network (CTN)

- Maximum support: \$22,100,000.
 - A new state-wide network that will facilitate mental illness counseling and improve patient-physician interaction for rural Californians, who suffer disproportionately from depression, hypertension, asthma and cardiovascular disease.
 - The network originally contemplated linking approximately 300 facilities.
 - To date, over 1000 health care facilities have signified their intention to participate by submitting a Letter of Agency.
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California Telehealth Network (CTN)

- Result of a statewide coalition of healthcare, technology, government, and other stakeholders.
 - The University of California Office of the President, together with the UC Davis Health System, is serving as the legally and financially responsible partner for the project.
 - The CTN Consortium was originally formed in order to coordinate and consolidate multiple independent RHCPP proposal initiatives, with the aim of submitting a single proposal that represented the interests of the State of California.
 - CTN has received a \$3.3M pledge from the California Emerging Technology Fund, (CETF, a non-profit, state government-chartered company) that has been specifically designated for funding of the 15% required co-payment for reimbursable expenditures.
 - CTN has been granted partial reimbursement for monthly network connection costs by the California Public Utilities Commission, California Teleconnect Fund program. Reimbursement under the CTF program will amount to approximately eight percent of monthly charges.
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CTN – Next Steps

- The most recent CTN Form 465 posting was dated July 3, 2009.
 - On April 13, 2010, CTN announced the selection of AT&T as its vendor - to build, or upgrade existing, telemedicine connections, especially in rural communities throughout California.
 - CTN must file a Form 466-A (Vendor Selection Form) with USAC.
 - USAC reviews and approves the selection (i.e. confirms that all information has been provided), confirms that California has filed an acceptable sustainability plan, and confirms that competitive bidding rules have been complied with.
 - CTN has begun developing funding sources and reimbursement models that will ultimately lead to a self-supporting network. Three principal sources will provide significant funding:
 - 1. Eligible rural Participants will apply for funding under the USF Standard Program.
 - 2. California Public Utilities Commission, California Teleconnect Fund will provide as much as 50% reimbursement of eligible telecommunications expenses (subject to state budgets).
 - 3. Individual CTN Participants will be required to execute a Memorandum of Understanding that specifies a certain tenure of membership (five years or more) as well as agreeing to pay a monthly subscription fee.
 - 4. CTN is actively seeking additional funding sources from non-profit health care funding organizations, as well as for-profit organizations that may pay “fair share” plus an additional increment.
 - USAC issues a funding commitment letter.
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Ongoing Efforts: Project Outreach

- WCB and USAC meet weekly to discuss outstanding issues.
 - USAC reaches out to all projects on a regular basis to check on their status and answer questions. Emphasis now on projects still in RFP preparation phase.
 - WCB conducts outreach for any projects with outstanding policy issues or other questions (e.g., sustainability proposals).
 - USAC conducts a monthly project teleconference with all participants.
 - FCC working across agencies and with other institutions for outreach.
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National Broadband Plan

- **Recommendation 10.6: The FCC should replace the existing Internet Access Fund with a Health Care Broadband Access Fund.**
 - The FCC should support bundles of services, including bundled telecommunications, broadband and broadband Internet access services for eligible health care providers.
 - The FCC should develop new discount levels based on criteria that address factors that include:
 - Price discrepancies for similar broadband services between health care providers.
 - Ability to pay for broadband services (i.e., affordability).
 - Lack of broadband access, or affordable broadband, in the highest health care provider shortage areas.
 - Support amount should be greater than the current 25% subsidy support amount.
 - The FCC should simplify the application process, while protecting against potential
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National Broadband Plan

- **Recommendation 10.7: The FCC should establish a Health Care Broadband Infrastructure Fund**
 - Incorporate lessons learned from administering the Pilot Program.
 - Simplify program application and administration - the FCC should allow some limited funding of project administration costs for network design and project planning.
 - The FCC should establish demonstrated-need criteria to focusing on areas where the existing broadband infrastructure is insufficient.
 - Simplify the community buildout fair share rules.
 - Continue to allow the connection of networks to proprietary nationwide backbones.
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National Broadband Plan

- **Recommendation 10.8: The FCC should authorize participation in the Health Care Broadband Funds by long-term care facilities, off-site administrative offices, data centers and other similar locations. Congress should consider providing support for for-profit institutions that serve particularly vulnerable populations.**
 - The FCC should re-examine narrow interpretation of health care provider in light of trends in the health care landscape and expand the definition to include, where consistent with the statute, those institutions that have become integral in the delivery of care in the United States.

 - **Recommendation 10.9: To protect against waste, fraud and abuse in the Rural Health Care Program, the FCC should require participating institutions to meet outcomes-based performance measures to qualify for USF subsidies, such as HHS's meaningful use criteria.**
 - Help ensure the FCC's programs encourage physicians and hospitals to not only deploy networks or purchase broadband services, but to use them in a way that improves the country's health delivery system
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Next Steps

Rural Health Care Reform NPRM & Order (Recs. 8.20, 10.6, 10.7)

- In Q3 2010 propose rules to create a Health Care Infrastructure Fund to support deployment of dedicated health care networks to underserved areas and a Health Care Access Fund to connect eligible health care providers.
 - In Q4 2010 or early 2011, recommend adopting rules to implement these reforms.
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Resources

FCC Home Page:

www.fcc.gov

FCC Pilot Program Home Page:

www.fcc.gov/cgb/rural/rhcp.html

National Broadband Plan

<http://www.broadband.gov/>

Universal Service Administrative Company

www.usac.org
