



Alaska Primary Care
ASSOCIATION

May 24, 2017

Chairman Ajit Pai
Commissioner Mignon Clyburn
Commissioner Michael O'Rielly
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
Re: Rural Health Care Support Mechanism, WC Docket No 02-60
Actions to Accelerate Broadband-Enabled Health Care Solutions, GN Docket No 16-46

Dear Chairman Pai and FCC Commissioners:

Thank you for your support of the Rural Health Care Program (RHC). As you recognized in a recent Senate Commerce Committee FCC Oversight hearing, broadband telemedicine is a critical component of addressing the health care needs of rural America. The Alaska Primary Care Association supports the programs of Alaska's 27 Federally Qualified Health Centers (FQHCs) who provide services from 169 sites to over 112,000 Alaskans. Over 80% of the patients that Alaska Health Centers serve reside in rural communities. Twenty four of the 27 Alaska FQHCs, encompassing 146 sites, have 2016 RHC grants awarded at \$82,670,000. The RHC Program has reached its funded limit of \$400 million, these FQHCs now face current year proration and retroactive bills of up to \$4,831,000.

This is the first year since the RHC Program inception that this has occurred.

We urge the FCC to consider the following steps to continue to fully fund the RHC Program now, and to modernize the program in the future. They include:

- 2016 funding – Allocate additional funds to support full grant award amounts the FQHCs were counting on for the current fiscal year. Of the 146 Alaska Health Centers facing 2016 proration of 7.25%, the average amount now owed is over \$33,000. This is a prohibitively large amount of money for mostly very small practices to be expected to absorb when announced ten months into an award year. These dollar amounts are not budgeted, because the FQHCs were relying on the FCC's word to fund their RHC awards at the levels communicated early on in the year.
- 2017 funding – Allocate funds to support full RHC grant award amounts. We are concerned that 2017 proration of the current 7.25% to 10% - or more - would force rural health practices to lay off staff, limit lines of service, and decrease access to care in order to afford their current level of connectivity. Or they will simply revert to expensive, slow, inefficient models of care from decades ago, where telemedicine, Electronic Health Record use, and Imaging in frontier areas is conducted by collecting data in the field and then transmitted to the EHR and specialists after the teams fly back to their home base clinic. This is contrary to the demands and desire to move health care forward for rural and frontier populations.
- RHC Modernization – We encourage the FCC to undertake a modernization program that could include components of the E-rate program that incorporate inflation-proofing and the authorization to allocate carry-over funds to future years.
- RHC Reform – We urge the FCC to consider changes to the program that could designate some funds for "frontier" communities for whom access to dedicated internet service is extremely expensive and difficult.

Modern medical and behavioral health services in rural Alaska are built on dedicated high speed internet services of at least 10mb download/3mb upload. This provides the backbone for our electronic health records, telehealth visits with providers in distant communities, and consultations with specialists for a variety of imaging services. Ongoing quality improvement and cost saving initiatives rely on access to high speed internet. Additionally, many federal and state reimbursement, oversight, and regulatory rules that apply to FQHCs are incumbent on dedicated connectivity.

However, the current \$400 million Rural Health Care Universal Service Support budget remains at the initial level set in 1997, despite inflation, advances in technology, and increased demand for services. With the recent announcement from the Universal Service Administrative Company that it exceeded the funding cap for the current 2016 fiscal year ending June 30, 2017, applicants that filed during the Sept. 1 – Nov. 30, 2016 filing window will receive a pro-rated percentage, 92.5 percent, of the qualifying funding requested. In our case, that means Alaska FQHCs will be responsible for paying up to \$4,831,000 for which small frontier and rural clinics did not budget or anticipate. This is in addition to the FQHCs portion of the cost of services that they already pay under the rules of the Rural Health Care support mechanism.

We ask that you take steps to ensure both the near and long-term viability of the Rural Health Care Program to meet the increased demand for telemedicine services in Alaska and across the country. We believe that the FCC should increase the budget for the RHC support mechanisms to reflect inflation over the past two decades, increased technology and telecommunications demands due to HIPAA legal obligations, advances in telemedicine capabilities, changes in patient expectations and standards of care, and new demands from skilled nursing facilities.

In addition, please consider implementing an inflation adjustment mechanism for the future, and short-term measures to restore qualifying funding requests filed Sept. 1 – Nov. 30, 2016 to 100 percent.

Thank you for your support of this important program.

Sincerely,



Nancy Merriman
Executive Director

CC:

The Honorable Senator Murkowski
The Honorable Senator Sullivan
The Honorable Congressman Young