



April 10, 2020

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives

The Honorable Charles Schumer  
Democratic Leader  
U.S. Senate

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives

Dear Majority Leader McConnell, Speaker Pelosi, Democratic Leader Schumer and Republican Leader McCarthy,

The Schools, Health & Libraries Broadband (SHLB) Coalition is pleased to support H.R. 6474, the “Healthcare Broadband Expansion During COVID-19 Act,” introduced today by Representatives Anna Eshoo and Don Young. The SHLB Coalition believes this legislation is vitally important to mitigate the potentially devastating impact of the COVID-19 pandemic. The legislation will provide emergency supplemental funding for the Federal Communications Commission’s Rural Health Care (RHC) program so that healthcare providers can upgrade their telehealth services to address the needs of patients and medical professionals.

The legislation calls for \$2 billion in supplemental funding and streamlined applications processes to make sure that healthcare providers all across the country are able to increase their broadband capacity immediately. The \$2 billion requested accurately reflects the demand and the costs of the broadband connectivity needed to address this crisis. The SHLB Coalition analysis is as follows:

- First, we started with the assumption that both rural *and* urban health care facilities will need to upgrade their broadband capabilities during the COVID-19 crisis, as Representatives Anna Eshoo and Mike Doyle suggested in their letter dated March 21, 2020. We believe eligibility should be open to all Federally Qualified Health Centers, public health facilities and non-profit providers regardless of rurality. This health crisis is affecting people in all regions of the United States.
- According to our calculations, there are approximately 90,000 non-profit health care sites (urban and rural) in the U.S.<sup>1</sup> We expect approximately 70% (63,000) of these sites will seek funding from the FCC’s RHC program in the coming year to upgrade their broadband and telecommunications services. This “take rate” is about twice the current demand.
- We further estimate that, on average, each health care site will need to spend about \$42,500 per year for upgraded broadband service (including routers and firewalls). This average cost estimate was derived based on our members’ examination of the costs of several hundred health care sites

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<sup>1</sup> If Congress chooses to permit for-profit health care providers to participate in the program in addition to non-profit health care providers, we estimate that the total number of sites would increase to about 150,000 and their broadband and telecommunications spend would total about \$5 Billion.

across the country. The total broadband spend for these sites will be approximately \$2.7 billion (\$42,500 x 63,000).

- According to the FCC's rules, as amended by the Eshoo/Young legislation, the RHC program would cover approximately 88% of these costs in a blend between the two RHC programs, for a subtotal of approximately \$2.4 B.
- In addition, the legislation proposes to increase the subsidy for applicants that participate in the Healthcare Connect Fund for funding year 2019 from 65% to 85%, as Senator Brian Schatz and 25 of his colleagues suggested in their March 18<sup>th</sup> letter. This will require an additional \$156 million, for a subtotal of \$2.5 billion.
- Finally, the FCC is already scheduled to make \$605 million available through the RHC program for FY 2020. This means that Congress should appropriate at least an additional \$1.9 billion so that urban and rural health care providers have sufficient broadband and telecommunications connections to serve their communities' healthcare needs.

We also endorse the bill provisions that expedite the distribution of this funding. In particular, we support the provisions that direct the FCC to take the following steps:

1. Adopt and implement a rolling application process that allows urban and rural healthcare providers to apply for funding at any time,
2. Temporarily waive the competitive bidding rules to allow health care providers to obtain funding to upgrade their existing level of service from their existing provider immediately,
3. Issue funding decisions for each completed application within 60 days after the application is filed,
4. Release funding within 30 days of an invoice being submitted, and
5. Delay the implementation of the rural/urban database, which could cause significant hardship to rural healthcare providers and patients.

Currently, the RHC program distributes funding to every state in the country, and more than 1,000 broadband service providers participate in the program. The actions above will help the nation's healthcare providers upgrade their telehealth networks and services and address the critical needs of our population to recover from the COVID-19 pandemic as quickly as possible.

Sincerely,



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cc: The Honorable Anna Eshoo  
The Honorable Don Young  
The Honorable Roger Wicker  
The Honorable Maria Cantwell  
The Honorable John Thune  
The Honorable Brian Schatz  
The Honorable Frank Pallone  
The Honorable Greg Walden  
The Honorable Mike Doyle  
The Honorable Bob Latta