



# **Federal Communications Commission Rural Health Care Pilot Program: Lessons Learned and Opportunities for Improvement**

**FCC National  
Broadband Plan  
Staff Health Care  
Workshop  
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# FCC Workshop Issues

## **FCC Pilot Program**

- **What are the lessons learned from the Federal Commission's Rural Health Care Pilot Program to date?**
- **Discuss successes of the RHCPP, ways to improve the program, whether and how to incorporate the program into the existing Universal Service Rural Health Care mechanism.**

# **The FCC Rural Health Care Pilot Program**

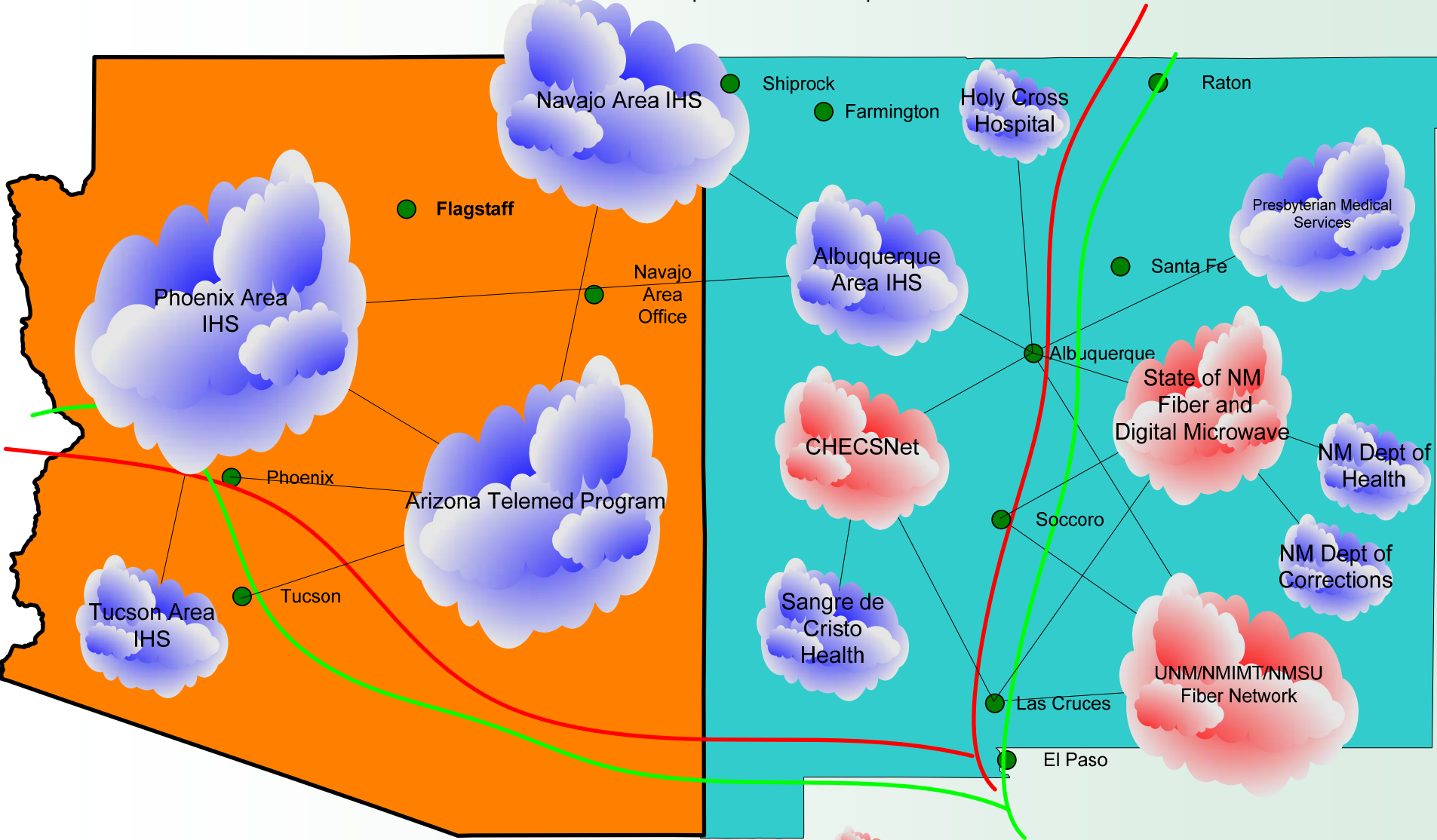


# FCC Rural Health Care Telemedicine Pilot Program (RHCPP)

- **Goal – To facilitate the creation of a nationwide broadband network dedicated to health care**
- **Provides funding for up to 85% of an applicant's direct costs**
- **The RHCPP was established by the FCC to help public and non-profit health care providers deploy a state or regional dedicated broadband health care network**

# SWTAG is a "Network of Networks"

Southwest Telehealth Access Grid  
Conceptual Network Map



# Current status as August 12, 2009

## **Final year: 10 ½ months left out of a 3 year program**

- There have been mergers and currently 62 (of the original 69) projects going forward.
- As of 8/12/09 there are:
  - 47 RFPs for 33 projects **(53% of the projects)**
  - 26 FCLs for \$20 million **(4.8% of the \$417 million funds allotted)**
  - \$6 million has been disbursed **(1.4% of funds allotted)**

# S.W.O.T. Analysis

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"><li>• Great Idea</li></ul>	<ul style="list-style-type: none"><li>• Process Not Working Well</li></ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"><li>• Improve Process to Achieve Goals</li></ul>	<ul style="list-style-type: none"><li>• Unsuccessful Project Implementation</li></ul>

# Recommendations

## Recommendations for the FCC Rural Health Pilot Program

Issues: Numerous problems have surfaced in the implementation of the program in part due to use the traditional Universal Services Administrative Company (USAC) process that doesn't fit well with the more complex RHCPP and broad spectrum of projects.

### General Recommendations:

Open, facilitate, and expedite the process

Re-invigorate the '**Pilot**' characteristics of the program



# Recommendations

## **Treat as Pilot Program with more Self-Management and Extend an Additional Year**

**ISSUE:** The Pilot Program didn't officially get underway until well into the first FY. Prolonged delays in gaining final approval of projects have seriously threatened the success of the program. About 2½ years after announcing the program, few projects have received final complete funding approval.

**RECOMMENDATIONS:** Treat this as a *Pilot Program*. Allow selected participants to manage their projects without requiring the traditional USAC process. An accelerated effort should be made to release the funds for all projects after completing a brief evaluation process and learn from mistakes as well as successes.

Allow selected participants who “self-provisioned” for components of their projects, such as network design studies and modeling, to access their budgeted funds directly without requiring competitive bidding.

Due to delays, Extend the pilot project funding period to 2011 particularly since the program didn't officially start until January 2008

# Recommendations

## **Create an Advisory Board**

**Issue:** There are inconsistencies across current RHCPP projects and interpretation of the Original FCC Order and Its Intent and need for effective and efficient input to FCC from a variety of stakeholders and subject matter experts.

**Recommendation:** Create an advisory board or similar group that understands the health environment, rural health, health IT and network infrastructure. This Board can assist in dynamically improving these types of FCC initiatives and ensure alignment between the Rural Health Pilot Program and the ARRA activities. Also can help create an open, transparent and efficient administrative process that ensures consistency for issues such as eligible entities; for example; “data centers, “administrative hubs”, and originating sites.

# Recommendations

## **Provide funds for project management and administrative support**

**ISSUE:** Despite the complexity of many of the projects, no money was allowed to be allocated for project management, with the exception of direct funding for creation of a network design RFP. At this point most applicants have invested thousands of dollars in preparing for the project without any final approval in sight and with no support for administration once the project is approved.

**RECOMMENDATION:** The use of federal dollars to support project administration and project management costs needs to be allowed. Allowable expenditures need to include salaries, travel to program facilities/sites, and other expenses of a recurring nature.

# Recommendations

## **Eliminate requirement for Progress Reports until project implementation**

**ISSUE:** Detailed quarterly progress reports have been required of all 69 selected participants starting in 2007 even while they await final approval and funding to start their project.

**RECOMMENDATION:** Quarterly progress reports should not be required of selected participants until funding is actually dispensed and the project has started.

# Recommendations

## **Remove requirement for a “sustainability plan” *prior to access to funding***

**ISSUE:** Approved applicant for the to the pilot program have been informed that they are now required to complete a sustainability plan, which must be reviewed and approved prior to the issuing of a final funding commitment letter. This requirement was not incorporated into the original application guidelines provided for the pilot program. Requiring applicants to retroactively develop such a plan and to subject it to a rigorous review process, without benchmark requirements, appears to be unjust to those project applicants that have already received initial approval and are waiting for funding to commence.

**RECOMMENDATION:** Since this is a pilot program, requiring a sustainability plan should NOT hold up funding while the projects those plans are being developed. The FCC and USAC should continue to request a reasonable sustainability plan and provide ongoing technical assistance to grantees with sustainability issues.

# Recommendations

## **Change 15% Cash Match Requirement**

**ISSUE:** The current severe economic decline and the considerable delay in providing a final funding letter have left many project applicants desperate to gain immediate access to the 15% cash match required for their project to proceed. The cash match is on top of the requirement that no funds can be used to support administrative services for the projects. There is not legislative requirement for a cash match. The match is not even a requirement of the regular rural health program.

**RECOMMENDATION:** The Commission should set aside the match requirement or, at minimum, adopt a more liberal position in accepting in-kind contributions including administrative services.

# Recommendations

## **Allow Aggregation of Services and Avoid “Silos”**

**ISSUE:** New approaches are emerging to aggregate broadband services to meet a spectrum of individual and community needs. This can lead to better price points and sustainability.

**RECOMMENDATION:** Align all universal service programs (namely, schools, libraries and health care) so by collaborating and leveraging existing resources, more sites can be connected and cost lowered. Currently the FCC is funding several different and disconnected networks in rural areas; this could be stream lined to build a community-wide public sector network.

# Recommendations

## **Align FCC Programs with Other Federal Programs and Healthcare Delivery System**

**ISSUE:** The current program approach is dated and has several critical gaps in consistent with many components of healthcare delivery and use of telemedicine.

**RECOMMENDATIONS:** Review other federal agencies funding policies, such as, Health Resources and Services Administration (HRSA) and Agency for Healthcare Research and Quality (AHRQ) within HHS, and align USF funding with these processes and goals.

Modernize and broaden the definition of eligible health care providers to include new provider types and the whole continuum of care.



# Summary

- 1. Treat as Pilot Program with more Self-Management and Extend an Additional Year**
- 2. Create an Advisory Board**
- 3. Provide funds for project management and administrative support**
- 4. Eliminate requirement for Progress Reports until project implementation**
- 5. Remove requirement for a “sustainability plan” *prior to access to funding***
- 6. Change 15% Cash Match Requirement**
- 7. Allow Aggregation of Services and Avoid “Silos”**
- 8. Align FCC Programs with Other Federal Programs and Healthcare Delivery System**

# QUESTIONS?

