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January 30, 2018

Chairman Ajit Pai
Commissioner Mignon Clyburn
Commissioner Michael O'Rielly
Commissioner Brendan Carr
Commissioner Jessica Rosenworcel
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: In the Matter of Promoting Telehealth in Rural America, WC Docket No 17-310

Dear Chairman Pai and FCC Commissioners:

Thank you for your support of the Rural Health Care Program (RHC) and for opening a rulemaking and order to review the RHC Program and ensure Americans have access to advanced telehealth services no matter where they live. I am writing on behalf of Peninsula Community Health Services of Alaska in response to the Commission's request for comment on the appropriate budget increase and other reforms for the RHC Program.

The underfunding of financial support for the RHC program has led to significant delays in receiving funding commitments from USAC, and consequential uncertainty which has had a negative effect on our community health center. For our three rural clinics, the combined unfunded balance at December 31, 2017 is \$472,680 which constitutes a large uncertain liability.

By making telehealth and telemedicine services affordable, the FCC's RHC program improves healthcare in rural communities while helping lower overall health care costs. But, the current \$400 million Rural Health Care Universal Service Support budget is inadequate to enable rural communities to realize these benefits. Instead, the budget remains stuck at the initial level set in 1997, despite two decades of inflation, advances in technology, and increased demand for services.

We believe that the FCC should increase the budget for the rural health care support mechanisms to reflect inflation over the past two decades and increases in the level of support available from those mechanisms, as well as increased technology and telecommunications demands due to our HIPAA legal obligations, advances in telemedicine capabilities, changes in patient expectations and standards of care, and new demands from skilled nursing facilities.

Telemedicine is a cost-effective technology development that has allowed us to dramatically improve access to and quality of care, accelerate diagnosis and treatment, avoid unnecessary costs such as medivacs, and expand local treatment options. In rural, and frontier, settings such as the peninsula in Alaska, there are simply not enough locally located services to be adequate for the population.

At one of our clinics, we have been able to provide behavioral health assessments for patients in a timelier manner since we have been able to contract with behavioral health professionals located in another state. This has enabled these patients to get proper care without waiting months to receive behavioral health treatment and counseling. We contract out-of-state to provide these critical services and without this capacity patient accessibility to care is limited.

The types of benefits and costs savings we have experienced are being replicated in many ways across rural areas in the State. It is also worth noting that Alaska is America's largest state, comprising roughly one-sixth the nation's total land area, yet has only about two tenths of one percent of America's population. 99.95% of the state is rural – a greater percentage than any other state in the nation. Several hundred of our communities are not reachable by road and are not connected to middle mile infrastructure. The distance to the nearest medical facility is often several hundred miles that can only be travelled by air. Especially because of our unique geography and rural nature our rural clinics and hospitals urgently need assurance that additional RHC support will be available beginning in Funding Year 2018.

Growing evidence indicates that access to telehealth services also lowers health care costs in rural communities, saving money at the local, state and national levels. As one example, the Alaska Native Tribal Health Consortium estimates that access to telehealth services saves rural Alaskans \$10 million annually in travel costs along. At the national level, the Veterans Health Administration (VHA) estimated that the annual cost in 2012 to deploy its telehealth program was \$1,600 per patient per year, compared to over \$13,000 for traditional home-based care and \$77,000 for nursing home care. Telehealth was also associated with a 25 percent reduction in the number of bed days of care, and a 19 percent reduction in hospital admissions, across all VHA patients utilizing telehealth services.

Thank you for taking steps to ensure the long-term viability of the Rural Health Care Program to meet the increased demand for telemedicine services both in Alaska and across the country.

Sincerely,



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CC:
The Honorable Senator Lisa Murkowski
The Honorable Senator Dan Sullivan
The Honorable Congressman Don Young
PCHS Board of Directors