

February 13, 2019

Chairman Ajit Pai
Commissioner Mignon Clyburn
Commissioner Michael O'Reilly
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

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Southcentral Foundation submits these comments in response to the Wireline Competition Bureau's December 4, 2018 Public Notice seeking additional comment on determining urban and rural rated in the RHC Program.

I. INTRODUCTION

Southcentral Foundation (SCF) is an Alaska Native Tribal health organization designated by Cook Inlet Region, Inc, and eleven federally-recognized tribes – the Aleut Community of St. Paul, Igiugig Village, Village of Iliamna, Kokhanok Village, McGrath Native Village, Newhalen Village, Nikolai Village, Nondalton Village, Pedro Bay Village, Telida Village, and Takotna Village—to provide health care services to beneficiaries of the Indian Health Service pursuant to contract with the United States government under the Authority of the Indian Self-Determination and Education Assistance Act (ISDEAA).

SCF provides a variety of medical services including dental, optometry, behavioral health and substance abuse treatment to over 65,000 Alaska Native and American Indian people. This includes 13,000 residents in 55 rural Alaska villages. SCF covers an area exceeding 100,000 square miles and employs more than 2,400 people to administer and deliver these critical health care services.

Telemedicine and 21st century technology have allowed SCF to dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs, and expand local treatment options. In the villages we serve, we rely on satellite transmission circuits to ensure our patients get the best care possible. Our clinical staff, the primary care doctors and specialty doctors can now see in real time what is being entered into the patients' medical records. This has greatly improved medication management, reduced hospital re-admittance, and increased patient safety. The FCC's Rural Healthcare (RHC) Program, and especially Universal Service Fund support under the Telecom Program, has been critical in these efforts.

II. RESPONSE TO QUESTIONS RAISED IN THE PUBLIC NOTICE AND COMMENTS

On January 31, 2018, SCF provided comments in reply to the FCC's Notice of Proposed Rulemaking WC Docket NO. 17-310 published in the 83 Fed. Reg. 303 (January 3, 2018). The Wireline Competition Bureau has since sought additional comments regarding the proposed rules for determining urban and rural rates under the Telecom Program. SCF is concerned that some of the comments submitted in response to that request provide suggestions that would ultimately harm the Program and our ability to provide the highest quality healthcare to our patients. Although SCF strongly supports the FCC's objective of ensuring that telecommunications providers are held accountable for their charges and do not charge healthcare providers or the Program artificially high rates, the Commission must make sure that its efforts in doing so will not run afoul of Congress's legislative mandate to provide support for these services in remote and rural America, or be a breach of the federal trust responsibility to provide health care to Alaska Native and American Indian people.

The Schools, Health & Libraries Broadband (SHLB) Coalition recently submitted comments suggesting that the FCC require HCPs to contribute five percent of the urban rate/rural rate difference. Although SHLB correctly suggested that healthcare providers in Alaska face unique challenges, and therefore the FCC should "continue to allow Alaskan providers to receive 100% of the difference between the urban and rural rates" due to the higher burden a percentage contribution would place on Alaskan HCPs, SCF is concerned that moving toward a HCP-contribution-based market model would eventually bleed over into the Alaska context and imperil the massive gains healthcare has made in the state under the current system. In SCF's case, a five percent "contribution" would require SCF to reallocate almost \$500,000 from patient care to fees for telecommunications on a yearly basis.

In addition, such an approach assumes a significant level of available competition such that the increased costs to a HCP due to the percentage contribution would be somewhat reduced by HCPS seeking lower rates due to newfound price-consciousness. Otherwise, the change would simply be an increased cost to HCPs, reducing the availability of resources for patient care and other uses. As we and many other commenters have noted, in many places that competition simply does not exist. We and other healthcare providers in rural Alaska and in other areas often have no choice or ability to control the overall cost of the services.

Moreover, SHLB's suggested strategy would simply allow telecommunications providers to retain a significant extra portion of funds without any associated increase of services or other benefit to the healthcare provider. Simply put, under 47 U.S.C. § 254(h)(1)(A), a telecommunications carrier "shall be entitled" to one hundred percent of the difference between urban and rural rates. This is a mandatory statutory requirement. If healthcare providers are supposed to "contribute" five percent of that difference, that means the telecommunications provider would only be passing on ninety-five percent of the subsidy to the healthcare provider. What happens to that other five percent? Does the telecommunications provider retain it? If they do pass on the full subsidy, and then charge a mandatory five percent "contribution" fee, this still simply raises the effective price of critical telecommunications services for rural healthcare providers.

Yes, the FCC should work to hold telecommunications providers accountable for their determinations of rural and urban rates. And we support the proposal that there be a database containing all the rate information submitted on a yearly basis. But healthcare providers do not set the rates; telecommunications providers do. Leaning on healthcare providers to spend more resources on telecommunications services rather than on healthcare in order to encourage a market correction in a market with little to no competition in many areas is simply not the right way forward.

III. CONCLUSION

Southcentral Foundation supports the Commission's efforts to develop appropriate and transparent rules for the determination of rural and urban rates without raising the costs that rural healthcare providers must pay for telecommunications services.

We appreciate the opportunity to submit the comments and look forward to further tribal consultation on this matter.

Sincerely,
SOUTHCENTRAL FOUNDATION

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President/CEO