Ajit Pai, Chairman

Federal Communication Commission

445 12th Street, SWWashington, DC 20554

**SUBJECT: RHC FY2017 FUNDING COMMITMENTS**

Dear Chairman Pai:

I am writing on behalf of [The Evangelical Lutheran Good Samaritan Society](https://www.good-sam.com/) (the “Society”) to express our deep concern we have with the recently-announced RHC funding announcement. The Society is the nation’s largest not-for-profit provider of care and service to our nation’s elderly, many of whom reside in rural and deeply rural areas of the country. As a skilled nursing provider to thousands of elderly residents in 24 states, the Society first became eligible for funding through the RHC in Funding Year 2017 (“FY17”) following the passage of the *2015 Rural Health Care Connectivity Act* that was signed into law in June 2015.

After going through the myriad of necessary application steps and receiving approval from USAC relative to funding for the Society for FY17, you can imagine how incredibly disappointed we were in: 1) waiting for ***eight months*** following the beginning of the current funding year before finally receiving an official ruling; and 2) the extraordinary discount we received of ***nearly 26 percent*** of the amount we requested. Simply stated, there is simply no way any organization that is associated with the RHC program can do any advance planning given the severe cuts and the impossible timeline that USAC and the Commission has dictated.

As a consortia applicant, the 25.5 percent reduction, added to the already-applied 65 percent discount factor results in an appropriation for the Society of ***less than 50 percent*** (74.5% times 65%) of its eligible costs. Again, you can imagine how perplexed we are as a first-time applicant to the RHC program.

If the objective of the RHC Program is – as your own web site states – truly is to “…support(s) health care facilities in bringing world class medical care to rural areas through increased connectivity”, it seems clear to us that, as a newcomer to the RHC that serves consumers in rural and frontier areas of the country, that the Commission and USAC are falling short of that objective. Also, as a consortia applicant with the large majority of our eligible locations being in rural and deep rural areas, we believe that the built in bias to the Commission’s policy given to individual versus consortia applicant is unfair.

We understand the Commission has recently undertaken a rulemaking process that intends to right some of the wrongs of the RHC program. The Society appreciates the need for this long-needed review and support the related comments[[1]](#footnote-1) that were provided in the formal process by the [Schools, Health & Libraries Broadband Coalition](http://www.shlb.org/about/coalition-members), in which we are a member. I will let the detail of those comments speak for the Society.

Thank you for listening to our concerns regarding not only the recent funding announcement, but the entirety of the disconnected application and approval process. We sincerely hope and trust that the current reform discussions that have been undertaken result in, at a minimum, an increase in funding of the current and outdated cap of the RHC fund; and a level playing field that amends its current bias against consortia applicants.

Sincerely,



Dan Holdhusen

Director, Government Relations

c. Mignon Clyburn, Commissioner

Michael O'Rielly, Commissioner

Brendan Carr, Commissioner

Jessica Rosenworcel, Commissioner

1. [SHLB Comments](https://ecfsapi.fcc.gov/file/102022402316613/SHLB%20Coalition%20Comments%20--%20RHC%20NPRM%20FINAL.pdf) to Rural Health Care NPRM and Order; [SHLB Reply Comments](https://ecfsapi.fcc.gov/file/1030694488905/SHLB%20Reply%20Comments%20-%20Final%20-%20March%20%205%2C%202018.pdf). [↑](#footnote-ref-1)