

May 25, 2018

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Dear Chairman Pai,

We write today in regards to the Federal Communications Commission's (FCC) intention to review the Rural Health Care (RHC) Program through a Notice of Proposed Rulemaking and Order and its solicitation for comment on the appropriate budget level. We strongly encourage the FCC to increase funding above the annual cap to ensure that all Americans have access to advanced telehealth services regardless of where they live.

For over 20 years, the Rural Health Care Program (RHC) has provided subsidies to eligible health care providers for telecommunications and broadband services in order to improve the quality of care for patients in rural communities. The program encourages the formation of state and regional broadband networks, and Oregon has operated one of the largest and most innovative networks, OCHIN, since 2007.¹ Through this network, providers in Oregon received over \$4 million in Rural Health Care Program funding in 2016, and have benefitted from over \$35 million in support between 1998 and 2016.²

Though the program has grown considerably, funding has remained static: The program's \$400 million annual cap has remained unchanged since its inception 20 years ago. In 2016, the program received \$521 million in subsidy requests, surpassing the annual cap. It was recently announced that individual program participants will face a 15 percent cut in subsidies in fiscal year 2017 and consortia members will face a 25 percent reduction. In Oregon, such a cut would be devastating. St. Charles Health System, headquartered in Bend, Oregon, would lose \$120,000 in subsidies if the cuts were to take effect, according to recent coverage in the Bend Bulletin newspaper.³

¹ Rural Health Care Pilot Program. (2015, October 08). Retrieved from <https://www.fcc.gov/general/rural-health-care-pilot-program>

² (Rep.). (2016). Retrieved 2018, from https://www.usac.org/_res/documents/about/pdf/annual-reports/usac-annual-report-interactive-2016.pdf

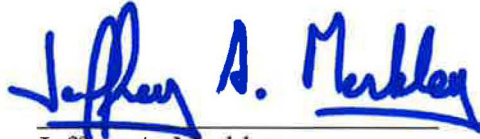
³ Hawryluk, M. (2018, May 21). Cuts threaten subsidies for rural health broadband. Retrieved from <http://www.bendbulletin.com/localstate/6248825-151/cuts-threaten-subsidies-for-rural-health-broadband>

Rural health care providers face numerous and well-documented challenges in providing access to high quality health care. As technology, and specifically telecommunications, become increasingly central to the practice of medicine, improved broadband speed presents an opportunity to make strides in narrowing the urban-rural divide. The FCC's Rural Health Care Program has supported this effort for over two decades, and we commend the Commission for seeking comment on how to strengthen the program and keep up with growing demand. To this end, we urge the FCC to increase the current funding cap to match the growth of the program and support current recipients in rural communities across the country.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ron Wyden", written over a horizontal line.

Ron Wyden
United States Senator

A handwritten signature in blue ink, appearing to read "Jeffrey A. Merkley", written over a horizontal line.

Jeffrey A. Merkley
United States Senator

Cc:

Commissioner Mike O'Rielly
Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Brendan Carr



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 3, 2018

The Honorable Jeff Merkley
United States Senate
313 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Merkley:

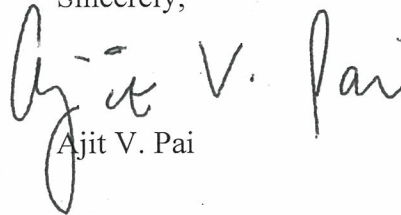
Thank you for your letter expressing support for the Commission's efforts to strengthen the Rural Health Care (RHC) Program and improve access to telehealth in rural America. As the son of two doctors in rural Kansas, I understand the critical role that broadband plays in providing patients in rural areas with high-quality health care services. And as Chairman, I've seen the potential of telemedicine firsthand, from a Veterans Affairs facility in rural Lecanto, Florida to Hermiston, Oregon, where local health care providers are making a real impact on rural communities.

I am pleased to share with you that the Commission adopted a Report and Order on June 25, 2018, which takes immediate action to increase funding for rural hospitals and health clinics by 43%, or \$171 million per year. This increase—along with future inflation adjustments and a mechanism to carry forward unused funding from previous years—will help ensure that rural health care providers get the connectivity they need to better serve patients for years to come.

In addition, we must always ensure that scarce federal funds are being well spent. That's why Commission staff are taking a hard look at eliminating any waste, fraud, and abuse within the RHC program. After all, every dollar misspent by an unscrupulous service provider is a dollar that can't offset the costs that doctors and nurses incur serving some of the most vulnerable patients in America. I look forward to working with my colleagues to continue these efforts later this year.

I appreciate your continued interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, reading "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part.

Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 3, 2018

The Honorable Ron Wyden
United States Senate
221 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Wyden:

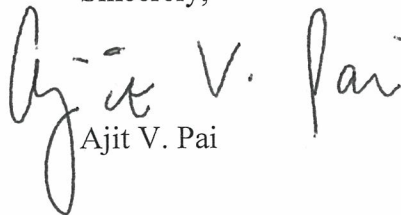
Thank you for your letter expressing support for the Commission's efforts to strengthen the Rural Health Care (RHC) Program and improve access to telehealth in rural America. As the son of two doctors in rural Kansas, I understand the critical role that broadband plays in providing patients in rural areas with high-quality health care services. And as Chairman, I've seen the potential of telemedicine firsthand, from a Veterans Affairs facility in rural Lecanto, Florida to Hermiston, Oregon, where local health care providers are making a real impact on rural communities.

I am pleased to share with you that the Commission adopted a Report and Order on June 25, 2018, which takes immediate action to increase funding for rural hospitals and health clinics by 43%, or \$171 million per year. This increase—along with future inflation adjustments and a mechanism to carry forward unused funding from previous years—will help ensure that rural health care providers get the connectivity they need to better serve patients for years to come.

In addition, we must always ensure that scarce federal funds are being well spent. That's why Commission staff are taking a hard look at eliminating any waste, fraud, and abuse within the RHC program. After all, every dollar misspent by an unscrupulous service provider is a dollar that can't offset the costs that doctors and nurses incur serving some of the most vulnerable patients in America. I look forward to working with my colleagues to continue these efforts later this year.

I appreciate your continued interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,


Ajit V. Pai