

Southwest Telehealth Access Grid

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November 9, 2017

USAC Board of Directors
700 12th St NW – Suite 900
Washington, DC 20005

Dear Ladies and Gentlemen,

RE: Rural Health Care Support Mechanism

Please accept this letter encouraging the Universal Service Administrative Company to fulfill its obligation to support and preserve access to broadband connectivity for healthcare organizations. Failure to comply with the objectives of the Healthcare Connect Fund jeopardizes the viability of rural healthcare providers and the patients they serve.

By way of introduction, I am the Executive Director of the Southwest Telehealth Access Grid Consortium (SWTAG), a consortium formed as a result of the Pilot Project. At the urging of USAC and the FCC, SWTAG – like many other consortia applicants – have been formed since 2012 to facilitate access to the Healthcare Connect Fund. I represent the Board of Directors of the New Mexico Telehealth Alliance, the consortium leader for SWTAG. Our consortium consists of 18 different healthcare provider organizations in 11 states with over 350 locations. SWTAG is considered one of the most successful of the original 62 Pilot Projects.

I traveled to Washington on October 24th to attend your Board of Director's meeting. While listening to the RHC Committee meeting, I was stunned to find how out of touch your administrative management is with the constituency it is charged with serving.

Ms. Lee's report left me dumbfounded. She proudly claimed significant success in the program because of the increased number of applicants, far exceeding the actual pool of available funds. I suggest this increase is due to the rapidly advancing need for telemedicine and its cost saving benefits rather than any specific actions of USAC management and staff. Further, I believe that since the objective of the Healthcare Connect Fund is to help rural healthcare providers afford broadband connectivity, the Board of Directors should measure success by the percentage of applicants that actually receive benefit from the program.

In her report, Ms. Lee's cited the extraordinary number of appeals they are receiving. What she didn't say was that this was due to the extraordinary number of applications USAC has denied this year due to their unwillingness to:

1. Explain in adequate detail exactly what additional information they wanted in their 14 Day Letters;

2. Refusal to speak with consortium representatives to provide that information orally, or in the alternative communicating directly specific questions that the reviewer has regarding the documentation that has been provided;
3. Provide the applicant a reasonable opportunity to provide the requested information (i.e. sending a 14-day letter in the middle of summer vacation time and refusing to allow any extensions of time to respond to the request); and,
4. Refusing to provide an actual explanation when an application is denied.

As mentioned earlier, our consortium was one of the most successful in the Rural Healthcare Pilot Project. USAC has encouraged the creation of consortiums, yet now penalizes our presence. For example, over the past few years, USAC-sponsored sessions at the American Telemedicine Association placed a strong emphasis on creating consortiums to represent rural healthcare organizations that simply could not dedicate the resources necessary to comply with the complex requirements of the USAC application process. Yet USAC now penalizes the ability of consortiums to support these small rural health care organizations in several ways:

1. Stated commitments for single applicants was supposed to be 30 days. Consortium members were told not to expect anything for 90 days. Even that has not been met.
2. Sending large batches of 14 Day Letters to consortiums, with little or no clarity on what is needed and the aforementioned refusal to answer questions via phone. Unlike E-Rate applicants who can request and automatically receive an extension of time, healthcare organizations are denied any extensions.
3. When applications are denied USAC refuses to clarify the reason for denial other than saying "Non-Responsive"
4. Ignoring your own rule stating that the 14 days start from the day the letter is postmarked. This reference indicates that a hard copy is sent along with the electronic copy since the only recognized post marking authority in this country is the US Postal Service. No hardcopies were ever sent. This complicates the process because in our case we never received 8 of the letters and USAC's response after they denied our applications was essentially "send in an appeal".

I also must further report to you that USAC Policies and the mismanagement of this year's application process may singlehandedly cause the collapse of several rural clinic groups in the Mountain west. I was informed by several members that the invoices sent by telecommunications companies are piling up on their desks and these companies are demanding payment. USAC's requirement that applicants submit signed contracts with the telecomm providers before any funding commitment has placed these organizations in serious jeopardy. Now with the unreasonable denials being issued by USAC these organizations face network shutdown by the telecom companies who have a valid contract in hand.

In conclusion, USAC's actions have put healthcare organizations in financial jeopardy and compromised access to needed healthcare services. We understand and respect that the deluge of applications forces difficult decisions. However, USAC's actions should align with your mission, not undermine it. To that end we request:

1. The USAC Board of Directors place an emphasis on the processing of the maximum number of applications submitted, making that one of the measurements of success for USAC RHC staff by the Board.
3. Review the number of appeals against the total number of applications and establishing the lowest percentage as another measurement of success. Our experience, and what other applicants have experienced, it is our impression that USAC staff is denying as many applications as possible to get the demand as close to \$400 Million as possible, thus keeping the pro-rata of funds as high as possible. Taking this type of action against healthcare providers is completely contrary to the goals of the program. It is also the farthest thing from good customer service as is possible. The RHC staff should allow for extensions of time to respond to the 14-day letters. The Board should use their oversight function to request details regarding all denials – to include whether or not the denial is a result of a failure to respond to a 14-day letter and how many extensions were granted.
2. Rework USAC's policies and procedures to not only streamline the application process, but to mandate clarity and assistance to applicants. The 14-day letters that have been sent have so little detail in them that we are left to wonder what exactly it is that USAC staff is requesting. Applicants should be able to ask questions – and receive answers to those questions. In addition, please USAC and the Board should recommend that a "Letter of Intent" or something similar with a service provider is sufficient to receive a funding commitment letter, in lieu of a signed contract.
3. Encourage the FCC to re-evaluate the size of the funding pool for the Healthcare Connect Fund to represent today's reality in telemedicine and its contribution to the reduction in healthcare costs and improvement in clinical care. The \$400 Million cap was created in 1997 and has not been re-evaluated in light of the new services eligible for funding under the Healthcare Connect Fund or the addition of Skilled Nursing Facilities as an eligible entity type.
4. Mandate that USAC reevaluate all applications that have been denied for this funding year and require them to provide the applicant with an adequate description of additional information requested and the time necessary to provide it. Then if necessary, assistance in clarifying the needed information.

Ladies and Gentlemen, we are about to experience a crisis in rural healthcare delivery that can be traced directly back to the policies and procedures of USAC. While I am sure that the staff and management of your organization will cite all of the management processes as valid and needed to avoid fraud, the fact is they have no experience in the field and no understanding of the impact their faulty processes have on the real lives of our rural population. I am willing to

further discuss this problem with you and your representatives at any time. In the meantime, I beseech you to act quickly. Quite frankly, lives are at stake.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Boulanger". The signature is fluid and cursive, with a large initial "T" and "B".

Terry Boulanger
Executive Director
Southwest Telehealth Access Grid

CC: Federal Communication Commission American Hospital Association; National Rural Health Association, and SHLB Coalition
Congressional delegations – New Mexico, Colorado, Washington, Connecticut, Massachusetts, Washington, California, Hawaii, Texas, Tennessee, Arizona