

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554  
In the Matter of  
Rural Health Care Support Mechanism  
WC Docket No. 02-60**

**The Missouri Research and Education Network (MOREnet)  
appreciates the opportunity to respond to the Wireline Competition Bureau's Public Notice  
seeking comment on the Schools Health and Libraries Broadband (SHLB) Coalition Petition for  
Rulemaking Petition requesting changes to the Federal Communications Commission's (FCC) Rural  
Health Care (RHC) Program.**

## **SUMMARY**

The Missouri Research and Education Network (MOREnet) generally agrees with the Schools, Health and Libraries Broadband (SHLB) Coalition's Petition for Rulemaking. MOREnet supports these key changes:

- Increased reimbursement rates for the most rural healthcare providers,
- increased support for "open" consortia,
- increased investment in USAC systems and staffing to accelerate approval of and reimbursement for complex consortia form 470's, and
- removal of restrictions which prevent public/private partnership from developing cost-effective broadband infrastructure in underserved areas.

To these ends, MOREnet supports the recommendations of the SHLB Coalition's Petition as articulated here to facilitate the broadband-enabled transformation of the health care sector and consider changes to the Healthcare Connect Fund (HCF).

## **FACILITATE THE BROADBAND-ENABLED TRANSFORMATION OF THE HEALTH CARE SECTOR**

The Missouri Research and Education Network has been supporting the transformation of education in Missouri for 25 years. Broadband access to the internet has enabled use of shared resources and broadened access to advanced educational content often difficult to provide in rural areas. This transformation is most pronounced in small, sparsely-populated rural communities where access to educational and financial resources are constrained. This transformation is increasingly dependent on access to robust, scalable, cost-effective network connectivity; specialized technical resources; and shared educational resources.

Facilitating the transformation of rural healthcare through these same mechanisms appear to be key components to accelerating the desired changes.

## **INCREASE THE DISCOUNT RATE FOR RURAL HEALTH CARE PROVIDERS**

The highest cost per connection driven by sparse population density coupled with high poverty rates contribute to the challenges rural healthcare providers face in affording the 35% contribution rates required by the RHC and HCF programs. MOREnet supports SHLB's recommendation to return to the RHCPP discount rate of 85%.

MOREnet has long participated in the Schools and Libraries Program (E-rate program) in which discount rates are varied to provide the strongest support for rural schools and libraries with the highest poverty levels. While county health care facilities have a fairly proscribed population, not all providers serve well-defined populations with an associated poverty level. Nevertheless, MOREnet can imagine simple mechanisms which would allow the FCC to vary the reimbursement rate based on need.

## **ENCOURAGE THE FORMATION OF OPEN CONSORTIA**

MOREnet agrees with the petitioner's and the FCC's continued support for healthcare consortia and encourages the FCC to remove some of the barriers to "open" consortia.

Open consortia should be an efficient means to connect small and unaffiliated health care providers to health care resources through robust, secure connectivity. These open consortia do not generally restrict membership and tend to normalize shared resource costs if not end-to-end connectivity rates. Several FCC rules impact and to varying degrees discourage the formation of open consortia.

Large, statewide consortia work to lower costs to all members by achieving economies of scale. These larger consortia generally manage the shared network and directly support the members to reduce overall costs to the program and increase network performance. Large consortia are able to attract and share specialized staff and equipment to optimize utilization, maximize uptime and protect the investment of the program.

The importance of network uptime on patient outcomes cannot be overstated for rural healthcare providers who utilize remote critical applications and specialized expertise. Maximum uptime for critical patient health applications begins with a robust network design – shared fiber facility, physical diversity and ring topology. Network uptime is preserved through active monitoring and management by an adequately-staffed network operations center (NOC). Further, specialized network security is critical for the integrity and privacy of health information and is generally beyond the resources of small, rural providers.

As the SHLB petition notes, most of the consortia formed under the HCF are smaller and proprietary. Few open consortia have been formed under the HCF program. In addition to the lower subsidy rates across the program, consortia incur higher administrative costs to manage larger procurement and program filing requirements. Such administrative costs are currently unsubsidized by the program.

Large, statewide "open" consortia by their nature support both rural and non-rural health care providers. MOREnet supports the flexible approach to open consortia as a single entity as recommended by SHLB's petition – use of shared fiber rings for maximum uptime, broadening the definition of eligible connections, and broader definition of eligibility applied to the whole consortia if the consortia meets a minimum percentage of eligible members with ineligible members paying their share of the allocated costs.

## **ALLOCATE ADDITIONAL RESOURCES TO USAC**

MOREnet has been a consortia filer under the E-rate program for nearly 20 years incurring unreimbursed administrative and financial costs. MOREnet concurs and can demonstrate that the current staffing levels and performance expectations at USAC push significant costs onto the consortia. This effect is even more pronounced for larger consortia.

It is MOREnet's practice to charge each member only the unsubsidized portion of the connectivity costs. It is not uncommon for MOREnet's multi-million dollar consortia filings to require years of processing time to gain approval for reimbursement. MOREnet accumulates ineligible financing charges while we carry the unpaid subsidy charges for eligible consortia members. MOREnet has been unable to discover and remedy whatever issue(s) are challenging USAC to process applications. Because HCF program eligibility requirements are not as clear cut as the Schools and Libraries program, consortia are *even more* dependent on the agency for timely responses to eligibility requests for potential health care providers.

MOREnet supports the FCC's efforts to put in place performance priorities and metrics for USAC to promptly respond to program participants' needs. Further, we support the allocation of additional resources to USAC to develop systems and hire and retain staff with networking, health care and education experience to process claims, resolve problems and expedite eligibility determinations. Current delays impact program participants and are especially difficult for consortia. Alternatively, the FCC could designate financing and administration costs as eligible under each program for large open consortia.

#### **PUBLIC/PRIVATE PARTNERSHIP FOR RURAL FIBER DEVELOPMENT**

MOREnet supports removing or modifying restrictions on the public/private partnership model for self-constructing cost-effective fiber infrastructure in underserved rural areas. In this working model, the public partner becomes an "anchor" owner which mitigates the risk of the private partner who builds and subsequently leases fiber or acquires an Indefeasible Right to Use (IRU) from the consortia. The private partner then uses the leased fibers or IRU'd portion of the constructed fiber to serve commercial and residential customers in the community. Often the private partner is willing to mitigate some of the unknown risks of fiber relocations and repairs through stable, defined "Maintenance and operations" fees. Current HCF rules prevent or discourage a consortia's participation in this commonly-used fiber infrastructure development model. Current rules requiring most cost-effective solution for self-construction should protect the program without this additional hurdle.

#### **SAFE HARBOR RULES FOR CONSORTIA WHO SERVE HCF AND ERATE**

Like the Utah Education and Telehealth Network (UETN), MOREnet operates as a consortia in all of the E-rate, RHC and HCF programs. Organized around an integrated fiber network, MOREnet would expect to realize cost savings to each program and increased availability of cost-effective broadband in unserved and underserved areas by utilizing a common infrastructure. To realize these savings and preserve program integrity while not putting the program participants at risk, MOREnet encourages the FCC to work with existing open consortia to develop a set of "safe-harbor" rules to share a common infrastructure without running afoul of program rules.

## **CONCLUSION**

MOREnet appreciates the work of the Schools, Health & Libraries Broadband Coalition and generally supports their Petition for Rulemaking. Citizens in sparsely-populated rural America are more likely to live in poverty, less likely to be insured and generally have access to a declining set of rural healthcare providers. This situation can be mitigated by rural healthcare consortia providing robust, secure access to shared resources and specialists to local rural health care providers.

MOREnet applauds the FCC's historical efforts to explore improvements to rural health care through the Rural Health Care Pilot Program, many of which were implemented in the current Healthcare Connect Fund. The SHLB Coalition petition contains many well-reasoned improvements to the program. MOREnet supports these improvements and encourages the FCC to fully consider this petition.