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May 20, 1999

Office of the Secretary
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Room 222
1919 M Street, NW
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DOCKET FILE COPY ORIGINAL

RE: (CC DOCKET NO. 96-45)

To Whom it May Concern:

Over the past three weeks, a survey was designed and implemented to assess the reasons why over 80% of rural health care providers have not completed the application process for universal service funding. The study findings are included in the enclosed report, "FINAL TELEHEALTH SURVEY REPORT: AN ANALYSIS OF RURAL HEALTH CARE PROVIDER RESPONSES".

Three primary organizations were involved in the TeleHealth Survey:

- The National Organization of State Offices of Rural Health (NOSORH) which, through its 50 state offices, seeks to develop rural health capacity across the country;
The National Rural Development Partnership, composed of 36 state rural development councils and a national rural development council, which works for community and economic development in rural America; and
The Rural Policy Research Institute (RUPRI), an independent, non-partisan, multi-university research consortium which provides objective analyses and facilitates public dialogue concerning the impact of public policies on rural people and places.

The following four recommendations pertaining to Universal Service Program for Rural Health Care Providers directly stem from the enclosed study:

1. Make the application process to the Rural Health Care Program (RHCP) for Universal Service Funds easier to complete and more understandable, including:
a) streamlining information on required forms;
b) streamlining the application process;
c) including a common, prominent section on each form which briefly lists all forms required and the deadline for submission of each;

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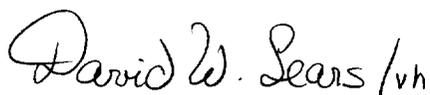
- d) prominently displaying the toll-free support line number on each form;
  - e) using health care provider focus groups (including both applicants and non-applicants) to determine the ease of revised application forms and process.
- 2. Develop a method for presenting a simple/clear understanding of the benefits of the Rural Health Care Program. This should serve as an outreach/marketing message which could be used directly by the Rural Health Care Division or by other organizations in helping rural health care providers understand who should apply for the Rural Health Care Program and the benefits of doing so.**
- 2. Increase the outreach and marketing initiatives to rural areas and potential Rural Health Care Program applicants through**
  - a) Working with National Organization of State Offices of Rural Health, the National Rural Development Partnership, the National Rural Health Association, and other organizations to conduct collaborative outreach and marketing efforts with potential Rural Health Care Program applicants;
  - b) Working through national telecommunications provider membership organizations to insure that all telecommunications providers serving rural areas are aware of the Rural Health Care Provider Program, understand the importance of the provision of telecommunications services to Rural Health Care applicants, and understand their role in the application process;
  - c) Utilizing the Rural Health Care Division Support Line staff proactively, including:
    - (1) periodically contacting initial applicants (having submitted Form 465) in order to assist them through the application process;
    - (2) contacting telecommunications providers listed on Forms 465 and 466 in order to assure that they understand the application process, are willing to provide assistance and service to the RHCP applicant, and understand how to and will complete Form 468 and the accompanying worksheet in a timely manner.
- 4. Increase/enhance the benefit of the Rural Health Care Program to rural health care providers, including:**
  - a) Allow for greater commonality of program guidelines between the Rural Health Care and the Schools and Libraries programs;
  - b) Assure that funds will flow in an expedient manner to those applicants/telecommunications providers completing the application process;
  - c) Alter or eliminate the restrictions imposed by existing guidelines which severely limit the participation of health care providers for whom the program is intended to serve, including:
    - (1) disallowance of third-party billing;
    - (2) ineligibility of cross-LATA connectivity or telecommunications services provided through long-distance companies;
    - (3) the per location funding limit [equal to a T-1 (1.544 Mbps) circuit] for sites implementing telehealth usage;
    - (4) the calculation of urban vs rural rates.

We appreciate the opportunity to represent the approximate 50% of rural health providers who have felt strongly enough about the need for programmatic change to respond to our survey. Should you wish additional information regarding our comments or the results of the survey, please feel free to contact Vicki Hobbs (RUPRI) at (573) 882-0316, Marita Novicky (NOSORH) at (410) 767-5942, or Joseph Woodring at (202) 273-9399.

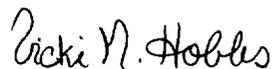
Sincerely,

Handwritten signature of Charles McGrew in cursive script.

Charles McGrew  
President  
National Organization of State Offices of Rural Health

Handwritten signature of David W. Sears in cursive script.

David W. Sears, Ph.D.  
Director, National Partnership Office  
National Rural Development Partnership

Handwritten signature of Vicki M. Hobbs in cursive script.

Vicki M. Hobbs  
Rural Telecommunications Panel Chair  
Rural Policy Research Institute

Enclosure

CC: Marita Novicky  
Joseph Woodring  
William England  
Cheryl Parrino



rural policy research institute

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IOWA STATE UNIVERSITY • UNIVERSITY OF MISSOURI • UNIVERSITY OF NEBRASKA

**FINAL**

**Telehealth Survey Report:  
A Preliminary Analysis of  
Rural Health Care Provider Responses**

**May 20, 1999**

**This study was undertaken by the  
Rural Policy Research Institute**

**In collaboration with  
National Rural Development Partnership  
National Rural Health Association  
and  
National Organization of State Offices of Rural Health**

*For more information, contact:*

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*The Rural Policy Research Institute provides objective analyses and facilitates dialogue concerning public policy impacts on rural people and places.*

**FINAL  
TELEHEALTH SURVEY REPORT:  
AN ANALYSIS  
OF RURAL HEALTH CARE PROVIDER RESPONSES**

**I. BACKGROUND:**

A universal service program to assist rural health care providers in achieving affordable access to telemedicine and Internet access was included in the Telecommunications Act of 1996. The mission of the program, authorized by Congress and designed by the Federal Communications Commission (FCC) is to provide support to rural health care providers for telecommunications services related to the use of telemedicine/telehealth. Support applies to monthly telecommunications service charges and installation charges, but excludes equipment costs.

The program, administered by the Rural Health Care Division (RHCD) of the Universal Services Administration Company (USAC) was implemented in FY98. On December 31, 1998, the FCC extended RHCD's first funding year through June 30, 1999. Applications continue to be accepted.

As of April 1, 1072 Form 465 applications--the first stage in the application process--have been received and posted by the RHCD. The initial applications cover 2539 rural health care sites in 47 states. Of the 2466 sites having been approved by the RHCD, however, approximately 2000 have not submitted the required Forms 466 and 468 required to complete the application process and receive funding. It is of concern that only 442 Form 466/468 application packages, covering 366 sites, have been received for processing. This means that only 14% of approved applicant sites are currently on track to receive reimbursement funding through the program.

On March 1, 1999, RHCD began accepting applications for FY99 which extends from July 1, 1999 to June 30, 2000. The USAC "Report to the FCC: Evaluation of the Rural Health Care Program" was sent out for public comment in late March with the comment period ending in early April. The problems and recommendations underscored by the Report and comments include the need to:

- Make commitments as early as possible
- Simplify the application process
- Expand the list of covered services eligible for support

These recommendations and comments are now before the FCC for consideration.<sup>1</sup>

## **II. PURPOSE OF STUDY:**

The TeleHealth Survey was initiated by the Rural Policy Research Institute (RUPRI), based at the University of Missouri, and three collaborating national organizations in order to determine the factors involved, problems confronting, and issues associated with the low rate with which approved rural health care providers are completing the application process for universal service funding support.

## **III. COLLABORATIVE SPONSORSHIP:**

The TeleHealth Survey was jointly sponsored by the National Rural Development Partnership, National Rural Health Association, National Organization of State Offices of Rural Health, and the Rural Policy Research Institute.

## **IV. STUDY METHODOLOGY:**

It was determined that of the approximately 2000 applicants having submitted approved Form 466s, but not having submitted the required Form 466 and 468, 884 rural health care consortia were represented. E-mail and/or fax contact information was electronically cut and pasted by RUPRI staff for each applicant from the web-accessible FY98 RHCP approved applications. A contact database was then constructed.

The survey instrument was designed through the combined efforts of the National Rural Development Partnership, the National Organization of State Offices of Rural Health, and RUPRI.

Four survey techniques were employed in conducting the study:

- (1) A web-based survey was mounted on the RUPRI website.
- (2) Respondents for whom e-mail addresses were available were contacted by e-mail and asked to respond to the embedded survey or to reply on line through the web-based form.
- (3) Surveys were faxed to all applicants for whom no e-mail address was available. Respondents were given the option of completing the survey online or of returning the completed faxed survey.
- (4) The National Organization of State Offices of Rural Health (NOSORH) and the National Rural Development Partnership (NRDP) contacted each of their state-level offices to enlist assistance in contacting RHCP applicants within their own state. NOSORH and NRDP faxed each of

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<sup>1</sup> The information in this section is derived from the website of the Rural Health Care Division.

their state directors a cover letter, an abbreviated one-page questionnaire, and the list of contacts and contact information for their respective states. The state office directors were asked to divide the list of applicants to be contacted between them in order to prevent multiple contacts from occurring. If rural health care applicants had *not* already completed the survey distributed by RUPRI, the state directors were asked to complete the survey by phone with the applicant and to fax the responses to RUPRI or enter responses directly into the web-based form.

RUPRI distributed 208 faxed and 429 e-mailed surveys to RHCP applicants on the afternoon of May 5 and morning of May 6. Surveys were not distributed to 247 of the 884 applicants either because of duplicate fax numbers or e-mail addresses, e.g., duplicate contact persons<sup>2</sup>, or because no e-mail or fax information was included in the Form 465 application. The web-based survey was mounted on May 5. NOSORH and NRDP distributed information to their respective state directors on the evening of May 6, allowing for contact with RHCP applicants beginning on May 7.

### **Table 1 : Survey Distribution Summary**

Of the 884 RHCPs Not Having Completed the Application Process:

- 50 had duplicate fax numbers<sup>3</sup>
  - 173 had duplicate e-mail addresses
  - 24 had no fax or e-mail information included on Form 465
- 247 RHCPs were not surveyed

Resulting in a total of 637 applicants surveyed, of whom:

- 208 received faxed surveys
  - 429 received e-mailed surveys
- 637 surveys were distributed

To facilitate rapid analysis, all faxed or e-mailed responses were hand-keyed into the web-based form by RUPRI staff. All surveys received and entered were downloaded on a daily basis in order to enable pre-analysis, trend identification, and report formatting prior to final tabulation of data.

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<sup>2</sup> In those cases where multiple applicants shared the same fax number or e-mail address, surveys were not sent to each applicant.

<sup>3</sup> In 223 instances, the contact information was the same among multiple applicants, indicating that a common person was responsible for completing multiple consortial applications.

The initial deadline for inclusion of survey data in the Preliminary Report was 12:00 p.m. CDT on May 12, 1999 resulting in a survey period of slightly less than one week. The website survey and transcribing mechanisms for e-mailed or faxed submissions were extended through 5:00 p.m. CDT, May 19, with all surveys received by that deadline included in this Final Report.

The web survey will remain available and faxed/e-mailed surveys will continue to be accepted through May 26. The survey data collected between the date of the Final Report (May 19) and May 26 will be provided directly to the Rural Health Care Division of USAC in order to facilitate individual followup through their support staff. All requests for assistance, as indicated by earlier survey respondents, has already been forwarded directly to the Rural Health Care Division.

## **V. SURVEY RETURN RATES**

In order to avoid the receipt of multiple survey forms by contact persons, only one survey was sent to each contact, regardless of the number of institutions on whose behalf they had initiated the Rural Health Care Program application process. Of the 637 surveys distributed, completed surveys and/or comments were received back from 306 RHCP applicants. This equates to a return rate of 48%. Given the speed with which the survey process was implemented, the return rate should serve as substantial proof of applicants' continued interest in telehealth initiatives and of their concern with resolving those factors which have inhibited completion of the application process.

## **VI. SURVEY FINDINGS**

### **A. Respondent Location:**

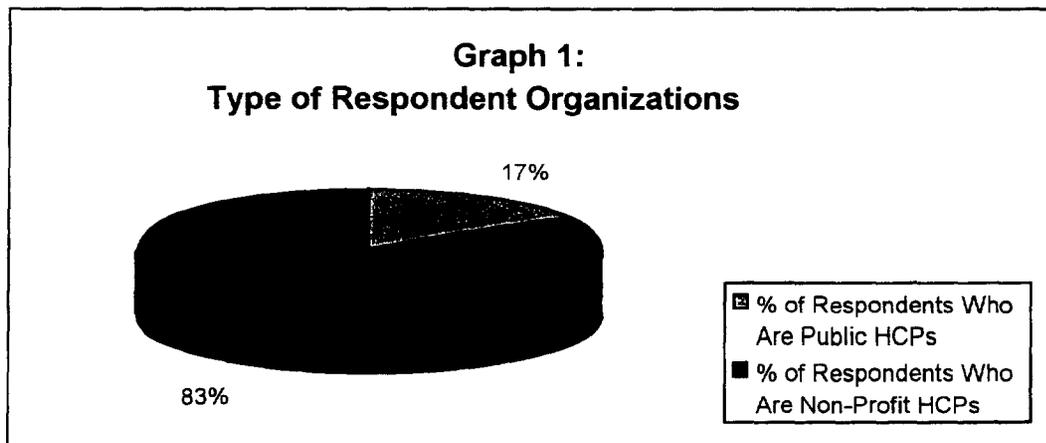
Rural Health Care Providers responding to the survey were broadly distributed across the US as can be seen in Table 1. 250 sites included their state location in their survey responses; 56 sites did not include state information. Forty (40) states were represented among the respondents for whom state location was included. Approved RHCP application Form 465s were received from 47 states. This would seem to indicate a broad survey response among participating states.

**Table 1: State Location of Respondents**

<u>STATE</u>	No. of Applicants <u>Responding</u>	<u>STATE</u>	No. of Applicants <u>Responding</u>
AK	4	AL	5
AR	4	AZ	4
CA	11	CO	6
FL	3	GA	2
IA	6	ID	3
IL	8	IN	2
KS	7	KY	1
LA	1	ME	3
MI	6	MN	12
MO	11	MS	6
MT	5	NC	7
ND	11	NE	7
NH	1	NM	15
NV	2	NY	2
OH	5	OR	8
PA	4	SD	11
TX	8	VA	5
VT	5	WA	30
WI	4	WV	5
WY	9	State Information Not Included	56

**B: Public vs. Non-Profit Status of Respondents:**

Seventeen percent (17%) of all health care respondents were rural public health care providers; 83% were rural non-profit providers.



### C. Eligibility Categories of Respondents:

The eligibility categories of the health care provider applicants can be seen in Table 2 below. Not-for-profit hospitals and/or rural health clinics accounted for the nearly two-thirds of all respondents. Fifteen percent (15%) of respondents indicate that they were involved in consortial applications. Note that it is possible that applicants fell within more than one category.

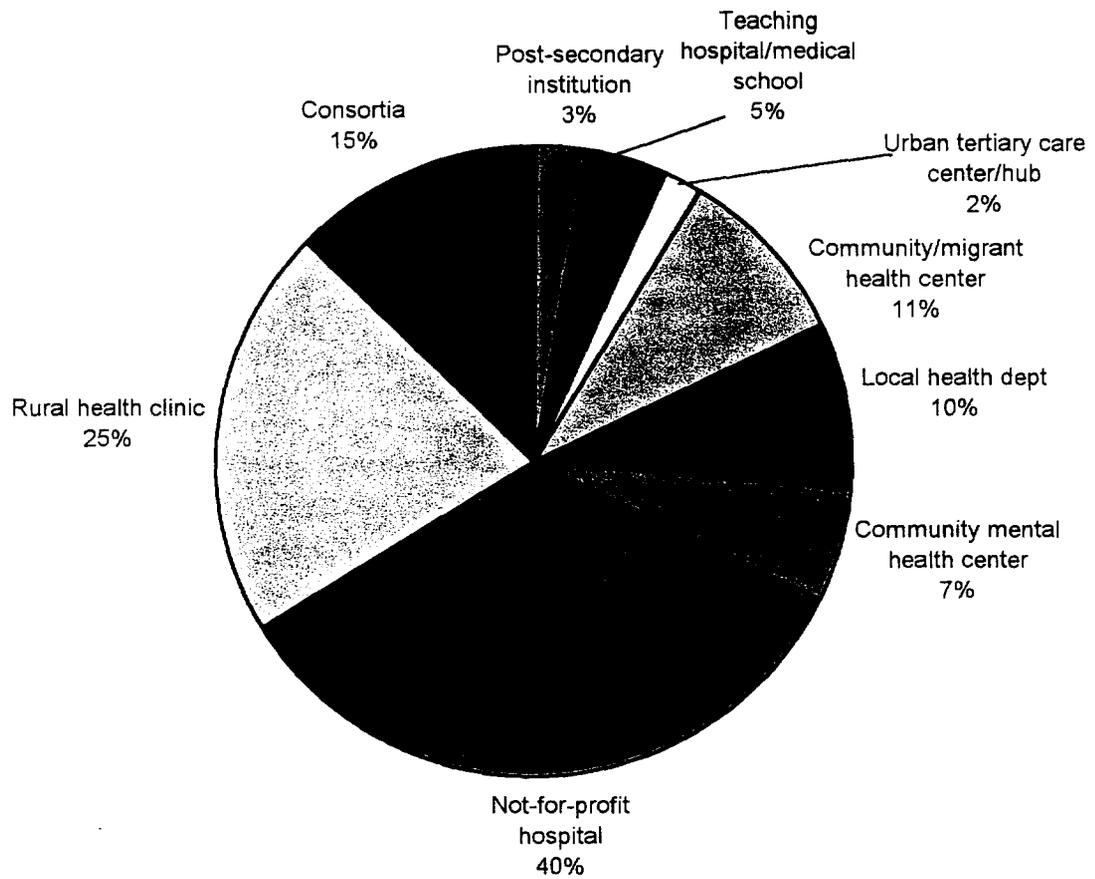
**Table 2: Eligibility Category of Respondents**

<u>Organizational Category</u>	<u>% of Respondents</u>
Post-secondary educational institution offering health care instruction	3%
A teaching hospital or medical school	5%
Urban tertiary care center serving as a telemedicine hub site	2%
Community health center or health center providing health care to migrants	11%
Local health department or agency	10%
Community mental health center	7%
Not-for-profit hospital	40%
Rural health clinic	25%
Consortia of health care providers consisting of one or more of the above entities	15%

### D. Respondent Awareness Of Application Status

Nearly three-fourths of the applicants responding (72%) indicated that they were aware that their application process was incomplete and that it would not be processed further until they submitted Forms 466 and 468. Significantly, however, the remaining 28% were not aware, believing that they had completed all required forms. Additionally, in several instances, follow-up phone calls or e-mails with

**Graph 2: Type of Organization of Respondents**



RHCPs who did not complete the survey indicated that they believed they had received the survey in error because they had submitted all forms; upon closer questioning, it became clear that not all forms had been submitted.

### **E. Telehealth Implementation Status**

Sixty-eight percent (68%) of responding rural health care providers have begun (or will have begun) to pay for telecommunications costs by June 15, 1999. This would indicate that approximately one-third of approved applicants will not be eligible for reimbursement for FY98, since costs are not yet incurred. The likely reasons behind their failure to implement telehealth technologies during the 1998 program year can be ascertained from the factors listed below which dissuaded them from completing the application process.

### **F. Intention To Submit Remaining Forms**

Approximately two-thirds of respondents (68%) report that they intend to submit Form 466 and Form 468 by the FY98 deadlines. Extrapolating to the entire population, it is possible to estimate that without further proactive intervention, it is likely that 790 of the approved 2,466 applicants will *not* complete the application process for FY98 and will therefore not access available funding.

### **G. Reasons Dissuading Respondents From Completing RHCP Applications**

Those factors indicated by respondents which negatively impacted their ability or willingness to complete to the RHCP application process encompassed three major areas:

- Those having to do with the application process itself
- The perceived limited benefits of program participation
- The restrictions imposed by the program guidelines

A fourth area subsequently identified through the comments of respondents showed significant problems associated with telecommunications providers.

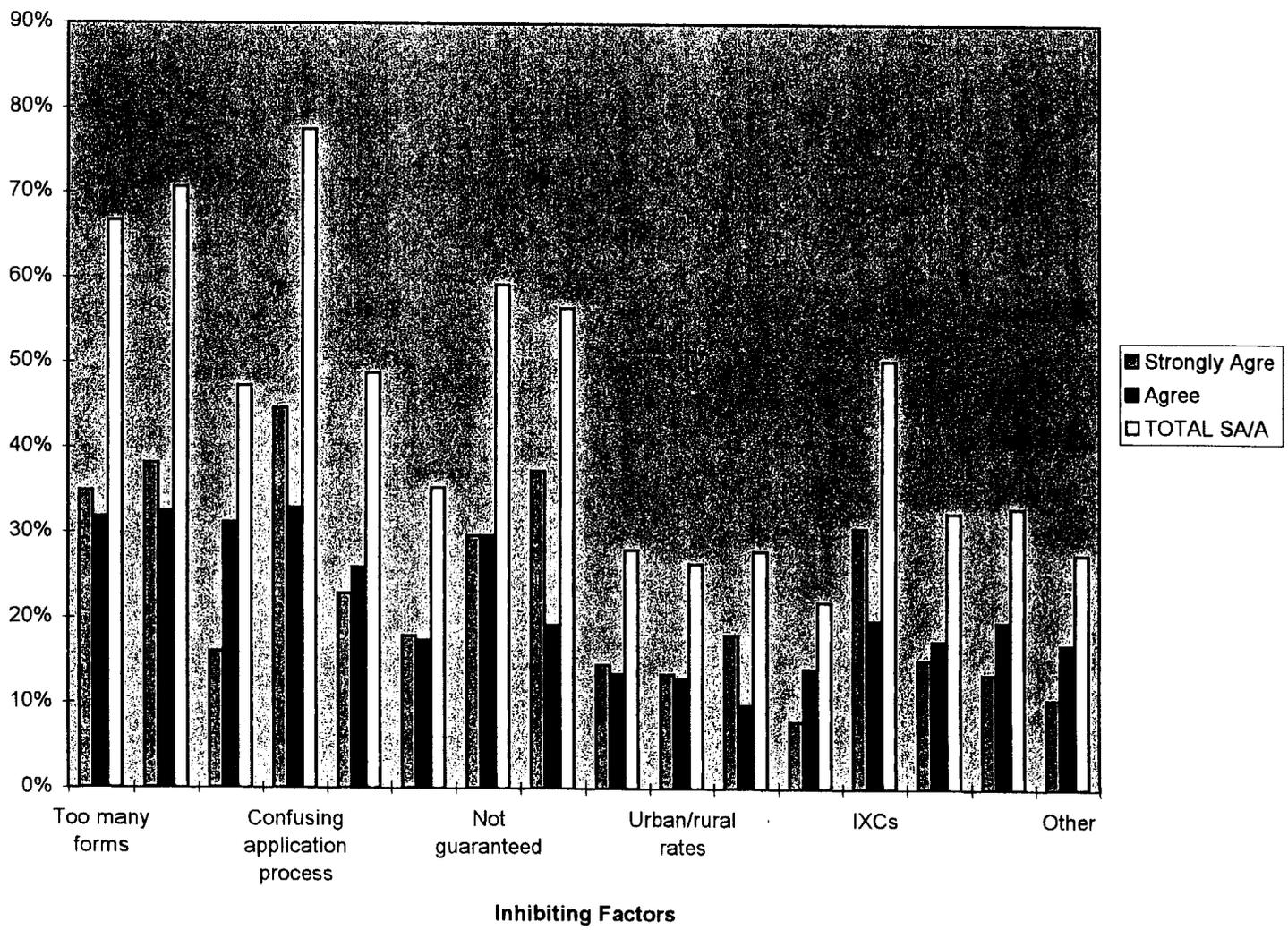
Respondents were asked to rate each potential reason (see Appendix for copy of survey questions) based on the extent to which the each reason dissuaded their organization from completing the application process. Their responses follow:

**Table 3: Factors Inhibiting RHCP Application Completion**

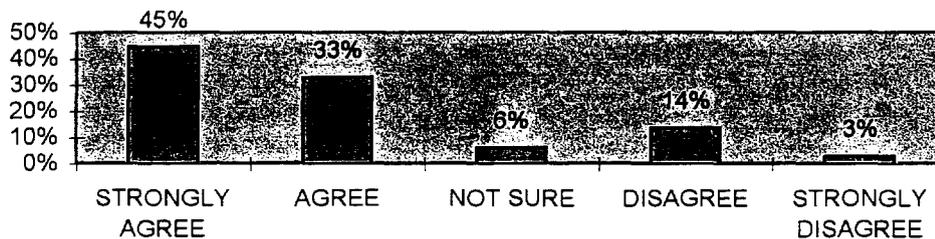
	Strongly <u>Agree</u>	<u>Agree</u> <sup>4</sup>	Not <u>Sure</u>	<u>Disagree</u>	Strongly <u>Disagree</u>
<u>Application Process</u>					
(a) Too many forms	35%	32%	11%	17%	5%
(b) Too much paperwork necessary at various stages of the application process	38%	32%	11%	15%	4%
(c) Insufficient staffing at your organization to complete the necessary forms	16%	31%	14%	32%	7%
(d) Confusing application process	45%	33%	6%	14%	3%
(e) Insufficient follow-up from Rural Health Care Program to ensure application completion	23%	26%	20%	25%	6%
<u>Limited Benefits of Participation</u>					
(f) Failure to see the underlying benefit of the Program	18%	17%	19%	25%	20%
(g) Even if the necessary forms are completed, discounts are not guaranteed	30%	30%	28%	10%	3%
(h) Discouraged by the inability of the Program to deliver any funding to date	37%	19%	24%	18%	2%
(i) Administrative costs would exceed the discount awarded	15%	13%	43%	25%	4%
(j) There is little or no difference between urban and rural rates	13%	13%	41%	19%	13%
<u>Program Restrictions</u>					
(k) LATA barriers preclude reimbursement	18%	10%	52%	13%	7%
(l) Third-party billing is currently disallowed	8%	14%	58%	14%	6%
(m) Non-eligible telecommunications carriers, e.g., long distance carriers, cannot receive universal service funding	31%	20%	36%	9%	5%
(n) Per-location funding level cannot be greater than the T-1 rate	15%	17%	46%	16%	6%
(o) The Program fails to allow collaboration between the Rural Health Care Program and the Schools and Libraries Programs	13%	20%	45%	16%	7%
<u>Miscellaneous</u>					
(p) Unable to secure cooperation from partnering institutions in telehealth initiatives	11%	17%	33%	27%	12%

<sup>4</sup> Please note that where respondents merely checked a reason—and did not rate the reason on the 1 to 5 scale—the response was entered as “Agree”.

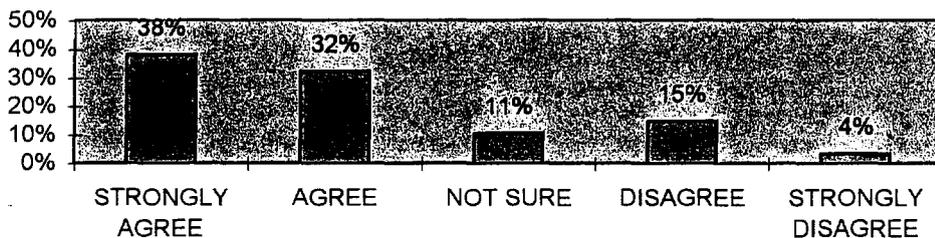
**Graph 3: Factors Inhibiting Application Completion**



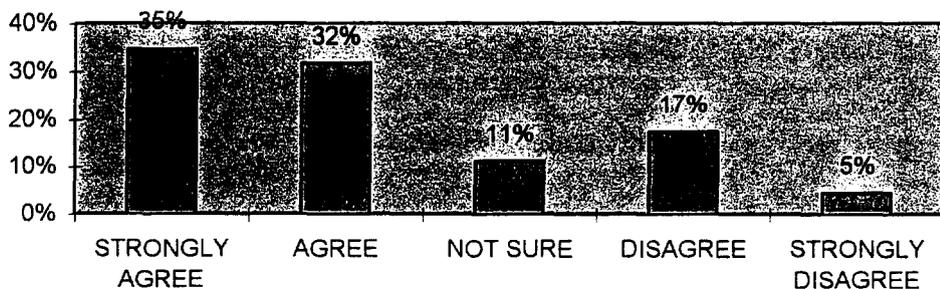
**GRAPH 4: FACTORS INHIBITING APPLICATION COMPLETION PROCESS: CONFUSING APPLICATION PROCESS**



**GRAPH 5: FACTORS INHIBITING COMPLETION OF THE APPLICATION PROCESS: TOO MUCH PAPERWORK**



**GRAPH 6: FACTORS INHIBITING COMPLETION OF THE APPLICATION PROCESS: TOO MANY FORMS**



(q) Other

Those inhibiting factors with which half or more of all respondents “Strongly Agreed” or “Agreed” included:

- (a) Too many forms (67%)
- (b) Too much paperwork necessary at various stages of the application process (70%)
- (d) Confusing application process (78%)
- (g) Even if the necessary forms are completed, discounts are not guaranteed (60%)
- (h) Discouraged by the inability of the Program to deliver any funding to date (56%)
- (m) Non-eligible telecommunications carriers, e.g., long distance carriers, cannot receive universal service funding (51%)

Three of the primary reasons relate to the application process; two reasons relate to the perceived limited benefits of program participation; one relates to program restrictions.

When asked to identify the single primary reason which MOST affected their ability or willingness to apply to the program, respondents indicated the “confusing application process” (15%) and the inability of long-distance carriers to receive universal service funding (10%) among the response options provided. Importantly, however, 29% of all respondents indicated “Other”, as being the primary reason which most affected non-completion of the application process. Among those miscellaneous responses were a combination of aired frustrations and new insights. Problems associated with the telecommunications providers involved indicated significant problems in getting telcos to respond to RHCP requests for service, to complete forms, or to provide cost information.

**Table 4**  
**Content Analysis of Open-Ended Responses to**  
**“Other” Reasons Which Dissuaded the Respondent from**  
**Completing the Application Process**

<u>Issue Areas</u>	Number (%) of RCHP <u>Commenters</u>
Telecommunications Company Issues	35 (36%)
Factors Related to Application Process	19 (20%)
Factors Related to Program Restrictions (or Misperceptions Regarding Program Restrictions)	13 (13%)

Factors Related to High Costs or Lack of Telecommunications Infrastructure for Telemedicine	9 (9%)
Factors Related to Limited Benefits of Participation	7 (7%)
Factors Related to Local RHCP Problems-- Assistance Needed	7 (7%)
Application Not Completed Because No Telehealth Usage is in Place	5 (5%)
Assumption That All Forms Were Already Submitted	<u>2 (2%)</u>
	97 (100%)

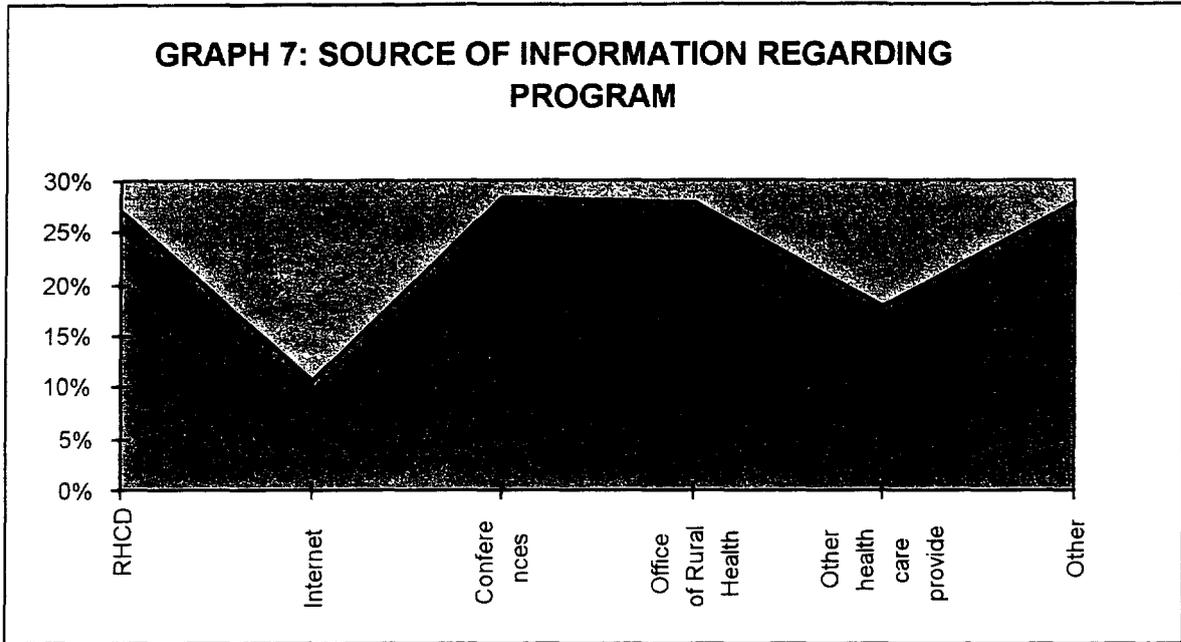
NOTE: Responses after 5/11/99 are not included in this table.

## H. Primary Sources Of Respondent Information

The primary sources through which respondents originally heard about the Rural Health Care Program are included in Table 5 below. Multiple sources were listed by some respondents, therefore totals will exceed 100%.

**Table 5: Primary Information Sources**

<u>Source of Information</u>	<u>% of Respondents Receiving Information</u>
Letter from the Rural Health Care Division	27%
Internet listserv or e-mail	11%
Conferences	28%
State Health Office or Office of Rural Health	28%
Other rural health care providers	18%
Others	28%



### I. Assistance Required In Completing Forms

Respondents were asked to indicate whether they needed assistance in completing the application forms. More than half (55%) responded affirmatively, indicating a need for assistance. The type of assistance needed can be seen in Table 7 below. 113 respondents specifically included the type of assistance they required.

**Table 7: Requirements for Application Assistance**

<u>Type of Assistance Requested</u>	<u>Number (%) of Respondents</u>
With application forms / process	46 (41%)
With telecommunications companies	35 (31%)
With basic program information	11 (10%)
Any assistance available/miscellaneous	16 (14%)
Whether program is of benefit to my institution	5 (4%)
	113 (100%)

NOTE: Responses after 5/11/99 are not included in this table, but will be provided directly to the RHCD.

## Appendix I

### "Other" Inhibiting Factors Dissuading Application Completion / Related Comments from Surveys:

*Note: The following comments were included by respondents under Question 6(q) on the survey.*

#### TELECOMMUNICATIONS COMPANY ISSUES:

- (1) "Access to needed phone lines not available"
- (2) "Can't get US West to cooperate"
- (3) "Cannot get form 468 from Providers US West and GTE"
- (4) "Carriers not educated about USF"
- (5) "Cost of urban line prohibitive"
- (6) "Costs of Upgrade of PBX and other hardware prohibitive"
- (7) "Could not find eligible provider in area"
- (8) "Difficulty in obtaining needed information from carrier"
- (9) "Difficulty gathering data/forms from all carriers when there are multiple carriers with a portion of the T1"
- (10) "Don't have qualifying costs - yet"
- (11) "Failure of telecommunications provider to fill out form 468 so that we can continue to process our end of application - it is like pulling teeth to get them to move, and they have no incentive to do so since they get paid either way"
- (12) "Failure of telephone companies to follow through with their part in the process"
- (13) "Forms are confusing - no response from local carrier to complete application"
- (14) "GTE, the only provider certified for our area did not complete their portion of the paperwork for eight months, and then did it all wrong two or three times . . . if our application is not complete, it is probably still in the GTE office!!!!!!!!!"
- (15) "Having trouble working with the eligible telecommunications providers to get the necessary paperwork to the RHCC of the FCC. As this is the first go round -- they have limited if any experience with the application process thus leading to mistakes, omissions"
- (16) "I could not locate any carriers that would accept our small account"
- (17) "It seems that BellSouth should be administering this program since they are in charge of completing some of the final forms that allow acceptance of the program. From our view, a large sum of money has been collected to aid rural telecommunication companies"
- (18) "Lack of bidders for services and then notification from vendors"
- (19) "Long response time from carrier in getting contracts and rates"
- (20) "Lots of work to get small independent telcos in rural regions to speed on this. Many are not familiar with the program. They don't know how to fill out the form, etc. It takes a lot of effort to work with these telcos to coach them through the process"
- (21) "No carriers participating in our area"

- (22) "No cooperation from long distance carriers"
- (23) "No response from any provider to make connection"
- (24) "No services available in the rural communities"
- (25) "Our Telecommunications service provider is being uncooperative with filling out their form. We are in a contract with them until 1999 or 2000 so we can't switch."
- (26) "Provider not sending/completing their part of required paper work"
- (27) "Rural telcos not cooperative with completing their forms, takes much reminding and encouraging to get them to complete the forms because there is no incentive for them in ND. Competition for services does not exist in ND."
- (28) "Slow response from the telecommunications carrier in completing their required forms and the multitude of applications required to be completed for our agency due to the many locations of the health care agency that we have, we must complete a form for each"
- (29) "Some of our communication lines are controlled by other institutions who are having problems getting the circuit data from Ameritech."
- (30) "Telco slow to make ISDN service available and they are unfamiliar with 468."
- (31) "Telecom co (GTE) not familiar with program"
- (32) "Telephone company personnel don't know about the program, are of little help"
- (33) "The telecommunications partners that are suppose to be aware of and be able to fill out the forms do not exist in our case. I have not been able to locate the individual who would be able to fill out the form needed to complete our application."
- (34) "Vender will not cooperate (Bell Atlantic)"
- (35) "We are currently waiting for the telecommunications provider to supply us with a completed 468"

### FACTORS RELATED TO APPLICATION PROCESS

- (1) "All paper-- no benefits; too governmental (very unhappy with the whole process; and no results"
- (2) "Confused by the terminology and required information"
- (3) "Confusion / Flustration" (sic)
- (4) "Couldn't figure out the process enough to complete the second part and got no help from local telecommunications companies. Left the process discouraged. WAY too much paperwork and really hard to understand by a layperson in this area."
- (5) "Difficult to trace application once submitted. No one seems to know all the answers - difficult to get real answers. We are also having difficulty with our local phone companies in promptly completing their paperwork in order to submit our completed application."
- (6) "Installation costs of equipment are too high; simplify forms"
- (7) "Lack of interest/education at local telco levels"
- (8) "Lack of participant information that would allow even completion of this form."
- (9) "Never received paperwork - forms 466, 467, 468"
- (10) "Paperwork, confusing and low return"
- (11) "RHCC does not give you straight answers"
- (12) "RHCP hold ups at their end -- we're waiting on you"
- (13) "The length of time of the process is discouraging"

- (14) "The process was begun over 8 months ago and since we are submitting as a consortium for nearly 50 sites we are still working on the process; all the 466 forms were submitted several months ago and the 468 forms were sent to each individual facility ..."
- (15) "Too many administrative dead ends"
- (16) "Still confused"
- (17) "Waiting for letter from RHCD for job #"
- (18) "We thought the program was dead because RHCC dropped the ball, and we thought the telecom provider had to choose us before we could go to 466."
- (19) "We are in weekly contact with the USAC folks regarding our application. We have not yet completed our 466 because our system is very complex, involving two phone companies, and is tied up with the 3rd party billing issue which is not yet resolved ... "

### FACTORS RELATED TO LIMITED BENEFITS OF PARTICIPATION

- (1) "No money has been spent by this program so far"
- (2) "NO ONE is getting any"
- (3) "No results seen, no idea what was even asking for, the ultimate exercise in futility"
- (3) "Not enough marketing to telecom carriers or anyone else"
- (4) "There is no education on what T1 will do for us - no universal protocol."
- (5) "This program is too difficult to wade through. As near as I can tell, we wouldn't save much over what the local phone company says they can offer the services for without the program. But it might just be that I don't understand it quite right. ... "
- (6) "University ... told him it's not of benefit to him."
- (7) "Way too much time in investigating the services and filling out paperwork for the minimal amount of return. I have also not found anyone who has of yet to receive any money."

### FACTORS RELATED TO PROGRAM RESTRICTIONS (OR MISPERCEPTIONS REGARDING PROGRAM RESTRICTIONS)

- (1) "All of our network transmission is videoconferencing via ISDN long distance, which is not supported"
- (2) "Apparently it does not cover 56K lines. I don't want to upgrade to T1 for this, then find out funding ceases and I am stuck with T1 costs to pay for myself."
- (3) "At time of initial application in 1998, our rates for dedicated 56K lines were less than urban rates. However, we have since installed a Frame Relay T1 circuit. The subsidy for this line now justifies our application which is currently in process. "
- (4) "Carriers other than long distance cannot provide services needed"
- (5) "Discounted rate is higher than currently available rates."
- (6) "Don't need T-1 line"
- (7) "Equipment costs of T-1 would be excessive"
- (8) "Need assistance with local Internet provider costs versus long distance, see Block 8 on the questionnaire. Just think of the money you would save not having to pay long distance calls while we could save \$25.00/month. We are on Sprint as a local area provider"
- (9) "Payments are based on the highest urban rate that nobody pays"

- (10) "Program doesn't pay for equipment, wiring, etc.; benefit is extremely limited. Most cost effective telecommunication service may not even be available (i.e., ISDN)"
- (11) "Providers of services state we are not eligible to receive services; confusion over what a private direct line means."
- (12) "RHCP rate is higher than current rate."
- (13) "Too much hype without any performance (payment) guidelines too restrictive -- prevents payment to alternative carriers / 3rd party"

#### **APPLICATION NOT COMPLETED BECAUSE NO TELEMEDICINE USAGE IS IN PLACE**

- (1) "AS stated above, for the FY98 year (payments begun prior to June 15, 1999) we are not and were not using covered services. Our projects in this area are beginning in July 1999 and we are reapplying in the current FY99 year and beyond. "
- (2) "Equipment on Order--Not in Building"
- (3) "Hardware is not yet available"
- (4) "Still working on getting T-1 Lines to our clinic. Target date mid-July"
- (5) "The College's new telephone switch and T-1 connection which will allow two-way interactive classrooms has held up the purchase of distance learning equipment so the project has not been able to start."

#### **FACTORS RELATED TO LOCAL RHCP PROBLEMS--ASSISTANCE NEEDED**

- (1) "Director resigned, leaving no information"
- (2) "I am new (August, 1998) and have NEVER seen an application - HELP!"
- (3) "I was (not) involved with the application. Don Borden, a grant writing consultant hired by the county, completed the application. "
- (4) "I'm new to this program and am a little confused."
- (5) "Party responsible for completing project resigned, no one to finish it; the process is too complex"
- (6) "Responsible party retired, did not inform anyone else about the project"
- (7) "We were aware of our inclusion (health center / residency program) in the University's telemedicine program. The Director of our developing residency program became very ill (ultimately going on permanent disability). Until this survey was received (we thought everything was in order)"

#### **FACTORS RELATED TO HIGH COSTS OR LACK OF TELECOMMUNICATIONS INFRASTRUCTURE FOR TELEMEDICINE**

- (1) "It's still too expensive"
- (2) "Lack of funds to set up a system which could take advantage of this funding assistance"
- (3) "Funding"
- (4) "Lack of infrastructure on a statewide basis with a central contact for coordinating use of ITV networks across the state has precluded our organization from advancing in offering more than two ITV conferences a year whereby we have utilized the MIT-E network"
- (5) "Lack of telecommunication infrastructure"
- (6) "Lack of telecommunication infrastructure, approved ISDN lines not available"

- (7) "Monthly costs to the Health Center were more than they could afford even though very reasonable rates."
- (8) "Not sure if we could use this program: wanted to be under consideration if we could. Long distance costs are the big barrier"
- (9) "The financial reimbursement is not even close to covering the cost"

**ASSUMPTION THAT ALL FORMS WERE ALREADY SUBMITTED**

- (1) "None of these apply, since we DID apply and received notification of completion of application from you...???"
- (2) "Would somebody please tell me; I thought I had done all of this"

## Appendix II

### TYPES OF ASSISTANCE REQUESTED BY TELEHEALTH SURVEY RESPONDENTS

*Note: These requests for assistance were included by respondents under Question 9 on the survey.*

- (1) "A better understanding of the entire program, and specific guidance for program participation."
- (2) "A step by step list of what we need to do next would be helpful because the process is a little confusing."
- (3) "All Assistance"
- (4) "Any and all assistance possible: this is not something I understand at all"
- (5) "As I said above, I need help figuring out if this would actually benefit my facility or not. If it would, I need to know how to complete the process. I would really appreciate it. Thank You!"
- (6) "Assistance in obtaining information from Bell Atlantic, i.e. contract representative contract number, other data for completion of forms,
- (7) "Assistance in working with communications companies"
- (8) "Assistance with filling out the forms; it is very complicated and time-consuming"
- (9) "Basic Information"
- (10) "Basic information on forms, education of new personnel; help with telephone companies"
- (11) "Basic knowledge of the program and requirements"
- (12) "Better understanding of the benefits of the program to us"
- (13) "BID FROM VENDORS"
- (13) "But US West does"
- (14) "Call Us"
- (15) "Cannot figure out what to put in the form."
- (16) "Change in local Bell South help"
- (17) "Clarification on forms 466, 467, 468"
- (17) "Clarification on what services are eligible; who is to complete forms (at one time I was told that our local teleco would complete forms and get back to us)
- (18) "Confirmation of funds before implementing upgrade to network.
- (19) "Contracting with eligible carrier"
- (20) "Coordination with phone companies and the RHCC. We were told verbally we did not qualify. Over three months ago I asked the RHCC to send me in writing why. I have not received a response. The Chairman of the FCC wants more money for schools and libraries..."
- (21) "Copies of forms, and telephone assistance on questions."
- (22) "Directions in Completing the Process."
- (23) "Evaluating the benefits of applying, how the program applies to individual facility."

- (24) "Every partner site must get their local LEC to complete the form 468
- (25) "Finding an eligible telecommunications provider in this area.
- (26) "Follow-up to confirm correct completion and adherence to the required time-lines.
- (27) "Forms 466 & 467 have been submitted, but a response has not yet been received from you."
- (28) "Forms 466, 467, 468"
- (29) "Funding to purchase telecommunications system for four county region".
- (30) "help in working with telephone companies"
- (31) "help motivate or train the carriers to complete forms."
- (32) "help with forms"
- (33) "help with forms and telephone companies"
- (34) "Help with TelCo"
- (35) "How the vendors need to reply to quotes"
- (36) "I am a new administrator here and need the information so I can apply - HELP!!
- (37) "I am not getting cooperation from GTE. I cannot connect with anyone that is familiar with the forms to do their part of the form."
- (38) "I don't have these forms! I will complete if I get application 466, 467, 468"
- (39) "I filed my original application on the first day of the program, it was not until months later that anyone called. Since this time I have worked with SWB and someone from your office. They called me asking for tariff rates? What do I need to do?"
- (40) "I have completed forms 465 & 466 on line. I am waiting for SD (illegible) to complete form 468 so we can continue with the process.
- (41) "I need an explanation, why the provider Ameritech say there is nothing due because our T-1 rate is less than the urban rate. Again nobody pays the highest urban rate for T-1. The highest rate tariff is a ploy by carriers to disallow payment ..."
- (42) "I need assistance working with the carriers. Thank You!"
- (43) "I need someone to help get US West and GTE to finish their part by getting us Form 468."
- (44) "I received your recent e-mail. I would like to know where you received the information that our facilities have not completed their 466.468 that is inaccurate information. Please notify me as soon as possible so I can follow up with whoever you receive..."
- (45) "I think that the fact that you have to ask us why we haven't filled the forms out right should tell you something about the process. In my opinion it is the most incredibly complex process I have ever been involved in. I can usually figure this stuff out"
- (46) "I think the telecommunication carriers need to get up to speed with the process. Or, the RHCC needs to better communicate the process to the carriers. Generally, the staff in the rural markets have baseline telecommunication knowledge which dilutes the..."
- (47) "I thought I had sent all the forms (466, 468). I don't have a 467. I don't know all the details of the CV program, so I depend on others to help me on the facts."
- (48) "I will be in touch."
- (49) "I'm not clear on what services are covered. I have voice grade data lines to remote clinics and a 56k data line to a hospital in Portland. There is no signed contract for these services, only installation fees and monthly payments. I'm not sure how these..."
- (50) "IF I could get the name of an individual at GTE who has heard of this program and would be willing to fill out the form and also provide me with information that I need in completing the process I may make the deadline. I have devoted at least a week to it"

- (51) "In attempting to complete the proper forms there was confusion with the telecommunications providers. They did not know what I was talking about.. I was running around in circles and not getting anything accomplished!"
- (52) "In response to question 5: I haven't decided . It is REALLY a hassle especially when I can't predict how much savings we can expect. I was never contacted by a telecom vendor. You see they just aren't breaking their necks to come our here to the woods."
- (53) "Instructions and Forms!"
- (54) "Less paperwork; friendly application process"
- (55) "Local carrier response"
- (56) "Local Telephone carrier has not provided assistance in filling our form. Local Carrier does not know anything about this opportunity."
- (57) Locating a carrier to accept our account so that we can determine if it is financially advantageous to proceed with the process"
- (58) "Maybe--If I do, I'll call the 800 Number. People there have been very friendly and helpful. Unfortunately the process itself is not at all friendly."
- (59) "Need clear guidance on ""what"" needs to be done and contact person to ""hold"" our hand. Need ""consultant services"" to tell us and direct us on what direction to go. Rural areas do not have MIS/Telecommunications expertise due to size."
- (60) "Need forms 466 & 468"
- (61) "Need forms 466/467/468 and Help!!!"
- (62) "Need forms and contact person for assistance."
- (63) "Need help making sure I have all of the right info and forms."
- (64) "Need help seeing if we qualify, then maybe all the forms."
- (65) "Need someone to move the process forward."
- (66) "Need to be convinced that the funding will come."
- (67) "Need verbal assistance to explain program and assist with proper forms"
- (68) "No one offered to contract for service with us. Obviously, telecommunications contractors don't have the incentive to participate"
- (69) "Not sure of what cost qualifies."
- (70) "On forms 466 & 468"
- (71) "Our long distance carrier (Sprint) needs to elect to participate in the program."
- (72) "Please indicate what assistance you need; any assistance available would be helpful."
- (73) "Please send new information on program for our completion."
- (74) "question 3: And this is infuriating!! I have been in contact with your organization several times to get the 468 form!!!!!! I have been told repeatedly that YOU are still processing and will get them out to me as soon as possible--REPEAT YOU ARE SENDING "
- (74) "Question 3 :I was told that everything we had was complete and we would be first in line for the dollars when the latest FCC problem relating to contracts was resolved. Question 4 I don't understand the question. We are currently paying these costs."
- (75) "Reduce the confusion of the process."
- (76) "Regarding Question #1:We are an academic Medical Center in a consortium which includes rural non-profit healthcare providers. Regarding Question #7: This is the only reason we have not been able to participate...."
- (77) "Review of contracts received."

- (78) "Should we decide to move forward it would require educating myself and that could require a lot of assistance. Thanks!"
- (79) "Since I am not a telecommunications specialist, I need help with the terminology. We already have a 64K line and I am unsure what role that has."
- (80) "Some with the background in the process of what they're asking for."
- (81) "Someone to do it that knows what they are doing."
- (82) "step by step on completing forms"
- (83) "Step by step on completing forms"
- (84) "Technical assistance, carrier selection, guidance. "
- (85) "Telecommunications provider must complete Form 468 (we've been waiting 4 months)"
- (86) "thanks for the e-mail. I have completed the survey. We fully intended to complete the application process, but we were told our T1 frame relay provider UniDial/Digital was not eligible. We have already signed contracts..."
- (87) "The biggest problem is getting the LEC's and the LD's to provide a contract as per regulations to bill back services and work in concert where the only music in the concert is dissonance and that is because the LD's are unable to participate in the USF program"
- (88) "The carrier side of the forms are not being taken care of. You need to put more work on their side. I do not think that the program is saving the end user enough to actually put service into locations they would not normally install..."
- (89) "The reason why my facility has not completed the survey form is that in my state of LA we receive an educational discount tariff from bell South and it is \$358 per month. I was told by someone at another facility that was inquiring about the universal..."
- (90) "The USAC folks have been extremely helpful as far as the paperwork is concerned. The main issue right now is to get the FCC to clarify their rules regarding 3rd party billing and to begin releasing dollars ASAP."
- (91) "To be notified when and if forms are received."
- (92) "Understanding exactly what we need."
- (93) "Unknown."
- (94) "Very confusing -- I need technical assistance"
- (95) "We are working with AT&T for T. Pack - do they qualify with an in-state connection?"
- (96) "We do not intend to move forward with this process"
- (97) "We first need a carrier to offer services, and then to know who does what and when."
- (98) "We have filed all forms."
- (99) "We need Form 486 (sic)"
- (100) "We need the ability to access T1 or 56 K lines. These services are not available or involve more than one service provider and are very expensive or not available"
- (101) "We need the forms faxed to 409-746-9248"
- (102) "We would like a guarantee that the FCC will have funds available to fund this program. At this time, they are not funding any reimbursement - and it is not looking favorable for the future. This process has taken much time and to have it go for not, because... "
- (103) "We were never contacted by telecommunications carriers - they must need assistance with completing the forms."
- (104) "What next, What do we qualify for?"
- (105) "What step in the process I'm at"
- (106) "what we qualify for"
- (107) "working with telecommunications providers"

- (108) "Would be helpful, but first I'm not sure why to complete this form?"
- (109) "Wyoming.com is billing for the service rather than US West, therefore US West will not finish the forms."
- (110) "Yes, WE NEED ASSISTANCE IN TEACHING GTE WHAT THEY ARE SUPPOSED TO DO!!!!!! AND THAT THE E-RATE IS NOT THE SAME AS THE RURAL HEALTH CARE DISCOUNT"

**COMMENTS FROM RHCPs WHO DID NOT COMPLETE THE SURVEY BUT WHO PROVIDED FEEDBACK:**

- (111) SURVEY NOT COMPLETED " I am forwarding this to the person who is coordinating this program for the state's health districts. The holdup appears to be with the communication providers - US West and GTE."
- (112) SURVEY NOT COMPLETED "To whom it may concern: >I have filled out form 465 and got a letter saying we were approved and was >then told I needed form 466 and to send it with form 468 and 468 worksheet. >I had trouble getting these forms..."
- (113) SURVEY NOT COMPLETED " We were not able to get the required information from our telecommunications provider (GTE).
- (114) SURVEY NOT COMPLETED "In response to this email and our outstanding application we did complete and forward all of the forms including the Forms 466 and 468 and even received verification from you that all information was in and pending final determination"
- (115) SURVEY NOT COMPLETED "I have waited and waited to get completed information from our local phone carrier. I now have the contracts and fees and I am reviewing them before sending them on. My biggest obstacle was timely response form the phone carriers..."
- (116) SURVEY NOT COMPLETED. "No one knows what this program pays for. I have asked many people all who have promised to get back to me. No one has. GTE does not have a clue what the program covers. In good faith we filled out the forms last year. Nothing happened."

**Appendix III  
TeleHealth Survey**

**DEAR RURAL HEALTH CARE FUND APPLICANT:**

The Rural Policy Research Institute is working in conjunction with several other national health and rural development organizations to assess the reasons why approximately 2,000 of the total 2,466 applicant rural health care providers have not completed all forms necessary to receive telecommunications discounts for FY98. The Universal Service Program for Rural Health Care Providers has sufficient funding for all applications initially filed for the 1998 funding year, but your institution(s) is among those who have not completed Forms 466 or 468 and are therefore in jeopardy of not receiving funding. Your timely response will help to highlight the problems associated with the program, encourage programmatic change where necessary, and assist in program outreach. Please help us ensure that the discount program is accessible and useful to all eligible rural health care providers interested in establishing or maintaining telemedicine initiatives. Your rapid response to the few questions below will be compiled and made immediately available to the Rural Health Care Division and the Federal Communications Commission. You may respond to the survey in one of three ways:

**By Internet:** Complete the survey online by clicking *Rural Telehealth Survey* on the RUPRI website at [www.rupri.org](http://www.rupri.org)

**By E-mail:** If you have received this survey by e-mail, use the "Reply" command, check all appropriate responses, then hit "Send"

**By Fax:** Complete the survey, then fax to the Rural Policy Research Institute at 573-884-5310

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**Survey of Rural Health Care Providers  
Regarding the Universal Service Telecommunications Discount Program**

Name (Optional) \_\_\_\_\_

Organization (Optional) \_\_\_\_\_

State \_\_\_\_\_

1. Is your organization a: (Check one)  
 rural public health care provider  
 rural non-profit health care provider
  
2. Please check in which of the following categories your organization falls: (Check all appropriate)

- post-secondary educational institution offering health care instruction
  - a teaching hospital or medical school
  - urban tertiary care center serving as a telemed hub site
  - community health center or health center providing health care to migrants
  - local health department or agency
  - community mental health center
  - not-for-profit hospital
  - rural health clinic
  - consortia of health care providers consisting of one or more of the above entities
3. Were you aware that the rural health care program considers your application incomplete and that it will not be processed further until Forms 466, 467, 468 are submitted?
- yes       no
4. Will you have begun paying for telecommunications costs by June 15, 1999, in order to qualify for FY98 reimbursement through the Rural Health Care Division?
- yes       no
5. Do you intend to submit Form 466 by 9/30/99 and Form 468 by 12/31/99 in order to qualify for FY98 telehealth discounts?
- yes       no

6. Please mark each of the following reasons from 1 to 5 based on the extent to which that reason dissuaded your organization from completing its application to the rural health care program for telecommunications discount funds. [1=strongly agree; 2=agree; 3=not sure; 4=disagree; 5= strongly disagree]:

Application Process

- (a) Too many forms
- (b) Too much paperwork necessary at various stages of the application process
- (c) Insufficient staffing at your organization to complete the necessary forms
- (d) Confusing application process
- (e) Insufficient follow-up from Rural Health Care Program to ensure application completion

Limited Benefits of Participation

- (f) Failure to see the underlying benefit of the Program
- (g) Even if the necessary forms are completed, discounts are not guaranteed
- (h) Discouraged by the inability of the Program to deliver any funding to date
- (i) Administrative costs would exceed the discount awarded
- (j) There is little or no difference between urban and rural rates

Program Restrictions

- (k) LATA barriers preclude reimbursement
- (l) Third-party billing is currently disallowed
- (m) Non-eligible telecommunications carriers, e.g., long distance carriers, cannot receive universal service funding
- (n) Per-location funding level cannot be greater than the T-1 rate
- (o) The Program fails to allow collaboration between the Rural Health Care Program and the Schools and Libraries Programs

Miscellaneous

- (p) Unable to secure cooperation from partnering institutions in telehealth initiatives
- (q) Other(s)? \_\_\_\_\_

7. Of the reasons mentioned above, which MOST affects your ability or willingness to apply to the Rural Health Care Provider Discount Program? [Please indicate the letter (a-q) of the primary reason from above.] \_\_\_\_\_
8. How did you originally hear about the rural health care program?(Check all that apply)
- (a) Letter from the Rural Health Care Division
  - (b) Internet listserv/e-mail
  - (c) Conferences
  - (d) State Health Office/Office of Rural Health
  - (e) Other rural health care providers
  - (f) Other(s)? \_\_\_\_\_
9. If you intend to move forward with the application process, do you need assistance completing the application forms?
- yes       no

Please indicate what assistance you need:

\_\_\_\_\_

**Thank you for your time in completing this information. You can be assured that it will be in the hands of relevant program decision makers by May 15, 1999.**



rural policy research institute

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