



National Organization of State Offices of Rural Health

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Federal Communications Commission
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Dear Secretary:

I am submitting the following comments from the National Organization of State Offices of Rural Health (NOSORH) regarding how to improve the rural health care universal service mechanism. Our organization has affiliate offices in 50 states. The comments we are submitting were compiled based on a national teleconference to discuss the FCC notice of proposed rulemaking regarding the health care aspects of the Universal Service Fund.

- Eligible health care providers: NOSORH recommends that nursing homes, long-term care facilities, hospice, home health agencies and emergency medical services providers should be included as eligible health care providers. There is an increasing trend to utilize telehealth technologies in rural nursing homes, long-term care facilities, EMS and for the provision of home health care. Agencies providing these types of care should have equal access to the Universal Services discount program as it is made available to other types of providers.
- Eligible services--Discounts on Internet access charges: NOSORH recommends that discounts on Internet access charges are appropriate. In rural America, current Internet access charges are a detriment to the provision of health care. Many rural health care providers have no access to the Internet due to their inability to pay for high access charges.
- Changing the Calculation of Discounted Services: NOSORH recommends that the Maximum Allowable Distance (MAD) policy be eliminated. In remote frontier and rural areas, this policy is a detriment to health care accessibility. The existing mechanism encourages the "Telco's" to legally raise the rates they charge to customers because they know the client would still pay the same under the discounted mechanism.

Also, rate comparisons should be made utilizing the rates of any urban area in a state, not just the closest city of 50,000.

- Simplifying the Application Process: NOSORH recommends that the application process required for rural providers be simplified. It is important to recognize that small, rural providers are often not part of a system of care in which the corporate administration completes the application process on behalf of the rural entity. Technical assistance should be provided to assist rural health care providers in understanding how to get information from the “Telco’s”, and in processing the Universal Services discount application.
- Rate Comparisons: NOSORH recommends that discounts be calculated by comparing services based on functionality of the service from the perspective of the end user. Currently the rules do not state how urban and rural services are compared, and therefore discounts are based on difference in urban and rural rates between the same or similar services. However, doing so does not take into account the fact that some less expensive services in urban areas may not be available in rural areas, and rural providers are thus required to seek out more expensive services.
- Annual Renewal Policy for USF Support: NOSORH recommends that the annual application process currently in effect be replaced with a multi-year process, unless major changes have occurred in the connectivity during the year that require reporting. The annual renewal process is overly burdensome and does not reflect the fact that the health care provider has probably signed a multi year contract with a “Telco” and does not anticipate a change in service. We recommend the use of an annual, simple “no change” form to be completed and submitted by the health care provider. A multi-year form could be offered as an option.
- Competitive Bidding Process: NOSORH recommends that rural health care providers who have already selected a telecommunications service provider be eligible for program support. Often in the rural areas, there is only a single telecommunication service provider. Where more than one does exist, a competitive bidding process has most likely taken place before the preferred telecommunication service provider was selected by the health care provider. Additionally, in order to receive cost-effective rates, health care providers often enter into multi-year contracts with their telecommunication service provider. The fact that a health care provider has already taken these steps to reduce their telecommunications costs thereby makes them ineligible under the current rules for the Universal Service program.
- Rural Definition: NOSORH recommends that the FCC adopt the same definition of rural as that adopted by the Federal Office of Rural Health Policy. The definition is called Rural Urban Area Commuting Codes (Recaps) and was developed by the WAMI Rural Health Research Center at

the University of Washington and the U.S. Department of Agriculture's Economic Research Service.

- National Defense: NOSORH agrees that insofar as is possible, the Universal Service Discount Service should be used as a vehicle to promote national defense, through providing incentives to promote safety of life and property through the use of wire and radio communications. Terrorism and bioterrorism knows no land, air, or water boundaries, and rural residents are as vulnerable as urban residents given the current threats to our national security. NOSORH recommends that the FCC provide incentives for national connectivity of current state-wide telehealth and telemedicine networks, in order that those networks can serve as vehicles for rapid, secure communications in times of emergency, as well as for training and education related to bioterrorism response.
- Partnerships with Clinics at Schools and Libraries: NOSORH recommends that the Universal Service Discount Service provide incentives for the development of partnerships and linkage mechanisms in rural and frontier communities in which separate T-1 circuits have been separately installed to libraries, schools, and health care providers in a single community. There should be incentives for cost sharing of a single T-1 or T-3 to those communities that are small enough to share a line and its costs, and where geographic realities make line sharing possible.
- NPRM Comments: NOSORH recommends that simple submission processes accompany future requests for comments from the FCC. The current process for submitting comments is lengthy, unwieldy and potentially confusing to many would-be respondents. The process should be greatly streamlined and simplified.

We appreciate the opportunity to submit these comments on behalf of our member organizations.

Sincerely,

Richard Morrissey
President
National Organization of
State Offices of Rural Health