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**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of )  
 )  
Rural Health Care Support Mechanism ) WC Docket No. 02-60  
 )  
 )

**REPLY COMMENTS OF GENERAL COMMUNICATION, INC.**

The initial comments in this proceeding<sup>1</sup> have revealed some basic facts. Widespread support exists for a major revamping of the support mechanism administered by the Rural Health Care Division (RHCD). Almost without exception, commenters agree that the Commission should revisit its narrow definition of “eligible health care providers,” extend support for Internet access, look to functional equivalents when calculating discounts in extremely remote areas, streamline the application process, and adopt a system to prioritize funding in the event the annual cap is exceeded. And those commenters familiar with Alaska agree with General Communication, Inc. (GCI) that Alaska demonstrates both the current success of rural health care support and also the promise of improved care for more rural Americans if the Commission’s proposed reforms are adopted.

GCI urges the Commission to move forward with the proposals in the *Notice* and issue an order adopting these proposals in the near future.

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<sup>1</sup> Notice of Proposed Rulemaking, *Rural Health Care Support Mechanism*, 17 FCC Rcd 7806 (2002) (“*NPRM*”).

## **I. THE COMMENTS SUPPORT CLARIFICATION OF “RURAL HEALTH CLINIC.”**

Virtually all commenters urge the Commission to reconsider its narrow definitions of the Act’s seven enumerated categories of health care providers listed in Section 254(h)(7)(B).<sup>2</sup> The State of Alaska, for example, urged support for non-profit, health-related agencies in rural Alaska such as Kawerak Inc., which provides alcohol abuse counseling and family planning services in the Nome Census Area;<sup>3</sup> such agencies clearly provide health care services but are at risk of denial by RHCD because the Commission has never clearly defined their eligibility. As GCI noted in its initial comments, it has become necessary for the Commission to at least clarify the meaning of “rural health clinic” and ensure that legitimate rural health care providers are not turned away by the RHCD.

In addition, at least in the remotest, tiniest communities – where they are likely to be the only available medical provider – organizations such as hospices are important, primary health-care providers. As the National Rural Health Association noted, “[t]hese facilities are especially valuable in the rural areas where the ‘traditional’ urban medical facilities are not present or distance and cost are barriers which rural patients find prohibitive.”<sup>4</sup> The statute does not define the term “rural health clinic,” and excluding these points of care wrongly imposes an urban perspective on rural health care delivery. Thus, the Commission’s previous decision to exclude hospices or long-term care facilities for lack of a “convincing justification”<sup>5</sup> was unduly narrow,

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<sup>2</sup> See 47 U.S.C. § 254(h)(7)(B).

<sup>3</sup> See State of Alaska Comments at 2 (“[T]he support of these ancillary services is critical for the achievement of established public health objectives in [Alaska’s] rural communities.”).

<sup>4</sup> National Rural Health Association Comments at 1.

<sup>5</sup> Report & Order, *Federal-State Joint Board on Universal Service*, 12 FCC Rcd 8776, 9118 (¶ 655) (1997); see also Sixth Order on Reconsideration in CC Docket No. 97-21; Fifteenth Order on Reconsideration in CC Docket No. 96-45, *Changes to the Board of Directors of the National*

especially as applied to the unique circumstances of these remote Alaska villages,<sup>6</sup> and the Commission should reverse this decision and get out of the way, so that telecommunications can fulfill its potential of bringing quality health care to such facilities.<sup>7</sup> Moreover, because the term “rural health clinic” is not statutorily defined, it is simply incorrect to state that these facilities are statutorily excluded in the context of rural Alaska.

## **II. THE COMMISSION SHOULD PROVIDE SUPPORT FOR INTERNET ACCESS FOR RURAL HEALTH CARE PROVIDERS.**

The vast majority of commenting parties<sup>8</sup> support the proposal to extend universal service support to cover Internet access costs of rural health care providers.<sup>9</sup> GCI agrees with the Alaska Federal Health Care Access Network, which stated that the Internet provides access to valuable health information, and broadband Internet promises to be a “cost-effective way to provide telehealth services such as video, distance learning, and teleradiology.”<sup>10</sup> As the American

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*Exchange Carrier Ass’n, Inc.; Federal-State Joint Board on Universal Service*, 14 FCC Rcd 18756, 18786 (¶¶ 47-48) (1999).

<sup>6</sup> The Florida Public Service Commission argues that “nursing homes, hospices, and other long-term care facilities do [not] provide ... the type of primary medical care that was contemplated by the Act.” Florida PSC Comments at 3. That may be true of such facilities in Florida – all of which are presumably connected to hospitals and like primary-care facilities by roads – but it is *not* true of the Alaskan bush. See Alaska Federal Health Care Access Network Comments at 3 (noting that three-quarters of Alaska communities, and one out of four Alaskans, are not connected by road to a hospital).

<sup>7</sup> The record support for extending subsidies to rural long-term care facilities is overwhelming. See, e.g., Alaska Telehealth Advisory Council Comments at 2; American Hospital Association Comments at 1-2; American Telemedicine Association Comments at 1-2; Washington Rural Health Association Comments at 1.

<sup>8</sup> See, e.g., Florida Public Service Commission Comments at 5-6; Alaska Federal Health Care Access Network Comments at 4; American Hospital Association Comments at 2-3; American Telemedicine Association Comments at 11-13; National Rural Health Association Comments at 1-2; State of Alaska Comments at 2-3; Telehealth Idaho Comments at 5; Washington Rural Health Association at 1.

<sup>9</sup> *NPRM* ¶ 22.

<sup>10</sup> Alaska Federal Health Care Access Network Comments at 5.

Telemedicine Association noted, *broadband* is the key;<sup>11</sup> dial-up Internet access over toll facilities is wholly inadequate to provide the bandwidth needed to support these advanced services. This is especially true in remote areas like the Alaskan bush, where toll-free dial-up Internet access is unavailable and dial-up Internet access is far slower than it is in urban areas because such calls must be routed over satellite facilities, dropping the throughput rate to a trickle.<sup>12</sup>

WorldCom argues that Section 254 only provides for “an urban-rural rate equalization,” meaning that “the Commission may only subsidize the difference between rates for urban and rural Internet access.”<sup>13</sup> This language is not objectionable insofar as it goes, but the Commission must be sure to make “urban-rural rate equalization” decisions fairly and equitably. Thus, in areas such as the Alaskan bush – where satellite service is the *only* option – it is not right to compare rural rates for satellite service with (presumably identical) urban rates for satellite service and conclude that no subsidization is warranted. Such decisionmaking would elevate form over substance and frustrate Congress’ entire intent in passing Section 254: to “open new worlds of knowledge, learning and education to all Americans – rich and poor, rural and urban.”<sup>14</sup> Rather, the Commission should compare rural satellite rates to urban terrestrial and/or wireless rates for similar bandwidth.

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<sup>11</sup> American Telemedicine Association Comments at 11-12.

<sup>12</sup> See GCI Comments at 7.

<sup>13</sup> WorldCom Comments at 5.

<sup>14</sup> H.R. REP. NO. 104-458, at 132 (1996).

### **III. DETERMINING SUPPORT BASED ON FUNCTIONAL EQUIVALENTS DOES NOT INVITE FRAUD OR ABUSE, OR CAUSE COMPETITIVE DISTORTIONS.**

The comments reveal widespread support for the use of functional equivalents in setting support amounts for health care providers in areas such as the Alaskan bush.<sup>15</sup> Even Verizon and WorldCom, although generally opposing the use of functional equivalents to determine the urban-rural differential, recognize that the Alaskan bush is unique.<sup>16</sup>

Moreover, use of functional equivalents to determine the urban-rural differential does not open the door to waste, fraud, or abuse, nor does it advantage more costly technologies. The Commission's rules already require eligible health care providers to use competitive bidding, and eligible health care providers also must certify that they have the selected "the most cost-effective method of providing the requested service or services."<sup>17</sup> If a terrestrial provider has a service that is more costly in rural areas than in urban areas, but not as costly as an alternative technology such as satellite, the Commission's rules require the selection of the less costly provider, "after consideration of the features, quality of transmission, reliability, and other factors that the health care provider deems relevant to choosing a method of providing the

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<sup>15</sup> State of Alaska Comments at 3-4; *see also* Telehealth Idaho Comments at 7 ("In some parts of Idaho, satellite or other wireless systems are the best and clearest way for our rural providers to connect."); *cf. NPRM* ¶ 38 (noting that GCI and other providers of satellite service have been "particularly disadvantaged" by the current rules, which simply compare rural satellite rates to (identical) urban satellite rates, and offer no discount at all).

<sup>16</sup> Verizon Comments at 9 (stating that a functional equivalence test would be appropriate "for extremely remote areas, *such as parts of Alaska*, that do not have the same wireline penetration even as other rural areas"); *see also* WorldCom Comments at 7 ("To WorldCom's knowledge all telecommunications services are generally available. There may be specific locations where some higher bandwidth services are not available, but these may be better dealt with on a case-by-case basis.").

<sup>17</sup> 47 C.F.R. 54.603(b)(4).

required health care services.”<sup>18</sup> These existing rules fully address Verizon’s objections to a functional-equivalent approach to determining the urban-rural differential.

#### **IV. THE COMMENTS SUPPORT STREAMLINING THE APPLICATION PROCESS AND PRIORITIZING FUNDING REQUESTS IF THE ANNUAL CAP IS EXCEEDED.**

GCI’s suggestion that FCC Forms 466 (Funding Request and Certification) and 468 (Telecommunications Carrier) be combined into a single form was echoed in a number of other comments.<sup>19</sup> These forms are duplicative,<sup>20</sup> and combining them will “save time, labor, and confusion for everyone involved.”<sup>21</sup>

Likewise, GCI’s initial comments laid out a straightforward proposal that RHCD funding be made more efficient and understandable by adopting the priority system of the Schools and Libraries Division (SLD), with telecommunications requests receiving priority over Internet access requests, and applications filed within an initial window receiving priority over later-filed applications.<sup>22</sup> Most commenters ignored the *NPRM*’s questions about the annual cap being exceeded – perhaps because it seems like such an unlikely event<sup>23</sup> – although the State of Alaska noted that a “first-come, first-served” policy might be warranted.<sup>24</sup> GCI continues to believe that a system with concrete filing deadlines and a policy of favoring telecommunications service over Internet access will best serve the goals of the Rural Health Care Program.

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<sup>18</sup> *Id.*

<sup>19</sup> See Alaska Federal Health Care Access Network Comments at 7; Alaska Telehealth Advisory Council Comments at 3.

<sup>20</sup> Alaska Telehealth Advisory Council Comments at 3.

<sup>21</sup> Alaska Federal Health Care Access Network Comments at 7.

<sup>22</sup> GCI Comments at 9.

<sup>23</sup> See American Hospital Association Comments at 7.

<sup>24</sup> State of Alaska Comments at 6.

**V. CONCLUSION.**

The record in this proceeding is clear. The Rural Health Care Program will be greatly improved if the Commission clarifies the definition of “health care provider,” expands support for Internet access, looks to functional equivalents when setting discount rates, streamlines the application forms, and sets priorities for funding in the event the annual cap is exceeded.

Respectfully submitted,

By: \_\_\_\_\_/s/\_\_\_\_\_

John T. Nakahata  
Michael G. Grable  
HARRIS, WILTSHIRE & GRANNIS LLP  
1200 Eighteenth Street, N.W.  
Washington, D.C. 20036  
(202) 730-1300

*Counsel for General Communication, Inc.*

Of Counsel:

James R. Jackson  
GENERAL COMMUNICATION, INC.  
2550 Denali Street  
Suite 10000  
Anchorage, AK 99503

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