



**FCC Rural Health Care Pilot Program  
FCC 07-198**

**Quarterly Report  
April - June 2008**

Submitted by the

**Michigan Public Health Institute (MPHI)**  
Jeffrey Taylor, Project Coordinator (PC)  
Jeff Shaw, Assistant Project Coordinator (APC)

On July 25, 2008

1. *Project Contact and Coordination Information*

a. *Identify the project leader(s) and respective business affiliations.*

The Project Coordinator (PC) is Jeffrey Taylor, Executive Director, Michigan Public Health Institute (MPHI). The Assistant Project Coordinator (APC) is Jeff Shaw, Senior Project Manager, MPHI.

b. *Provide a complete address for postal delivery and the telephone, fax, and e-mail address for the responsible administrative official.*

The APC's (Jeff Shaw's) contact information follows:

Michigan Public Health Institute  
2436 Woodlake Circle, Suite 300  
Okemos, MI 48864  
Telephone: 517.324.6055  
Fax: 517.324.6086  
E-mail: [jshaw@mphi.org](mailto:jshaw@mphi.org)

c. *Identify the organization that is legally and financially responsible for the conduct of activities supported by the award.*

The Michigan Public Health Institute (MPHI) is legally and financially responsible for the conduct of activities supported by the award.

d. *Explain how project is being coordinated throughout the state or region.*

Michigan is divided into nine Medical Trading Area (MTA) regions. Michigan's RHCPP project will address telecom needs in the five most rural MTAs, covering 80 percent of the state (excluding only the southeastern quadrant of Michigan's Lower Peninsula). MPHI is coordinating with three primary RHCPP constituents:

- Communication with the health care provider (HCP) participants within each MTA is being coordinated by representatives of the leading health care institutions within the MTA. Meetings have been held in person and via teleconference.
- Representatives of each MTA, the Michigan Department of Information Technology (MDIT), and the Michigan Department of Community Health (MDCH) have formed an RFP Review Team. The Team is currently meeting on a weekly basis, via teleconference, to develop and refine the RFP.
- The Governor of Michigan, MDIT, and MDCH, all of whom are committed to a successful implementation of the project, are being briefed on a regular basis. In addition to working on the RFP, MDIT and MDCH officials are conferring with the APC and his project team on a bi-weekly basis.

2. *Identify all health care facilities included in the network.*

a. *Provide address (including county), zip code, Rural Urban Commuting Area (RUCA) code (including primary and secondary), six-digit census*

*tract, and phone number for each health care facility participating in the network.*

As of late July 2008, most health care providers/facilities (HCPs) have not formally committed to the project. The formal Letter of Authorization (LOA) is under legal review in many instances. The list of HCPs *expected* to be included in the network roughly parallels the list submitted with MPHI's application, which was filed in May 2007.

- b. For each participating institution, indicate whether it is:*
  - i. Public or non-public;*
  - ii. Not-for-profit or for-profit;*
  - iii. An eligible health care provider or ineligible health-care provider with an explanation of why the health care facility is eligible under section 254 of the 1996 Act and the Commission's rules or a description of the type of ineligible health care provider entity.*

Not applicable – see response to 2.a.

- 3. Network Narrative: In the first quarterly report following the completion of the competitive bidding process and the selection of vendors, the selected participant must submit an updated technical description of the communications network that it intends to implement, which takes into account the results its network design studies and negotiations with its vendors. This technical description should provide, where applicable:*
  - a. Brief description of the backbone network of the dedicated health care network, e.g., MPLS network, carrier-provided VPN, a SONET ring;*
  - b. Explanation of how health care provider sites will connect to (or access) the network, including the access technologies/services and transmission speeds;*
  - c. Explanation of how and where the network will connect to a national backbone such as NLR or Internet2;*
  - d. Number of miles of fiber construction, and whether the fiber is buried or aerial;*
  - e. Special systems or services for network management or maintenance (if applicable) and where such systems reside or are based.*

MPHI expects to submit its RFP to USAC for an informal review in August 2008. MPHI plans to post its RFP for more than the required 28 days. The current plan has the RFP open from sixty (60) to ninety (90) days. Vendor selection and contract negotiations are expected to take one to two months. Therefore, MPHI will not be in a position to respond to this question until sometime in the first (or possibly second) quarter of calendar year 2009.

4. *List of Connected Health Care Providers: Provide information below for all eligible and ineligible health care provider sites that, as of the close of the most recent reporting period, are connected to the network and operational.*
  - a. *Health care provider site;*
  - b. *Eligible provider (Yes/No);*
  - c. *Type of network connection (e.g., fiber, copper, wireless);*
  - d. *How connection is provided (e.g., carrier-provided service; self-constructed; leased facility);*
  - e. *Service and/or speed of connection (e.g., DS1, DS3, DSL, OC3, Metro Ethernet (10Mbps));*
  - f. *Gateway to NLR, Internet2, or the Public Internet (Yes/No);*
  - g. *Site Equipment (e.g., router, switch, SONET ADM, WDM), including manufacturer name and model number.*
  - h. *Provide a logical diagram or map of the network.*

Not applicable, as the RFP has not even been finalized. No HCPs will be connected to the Michigan network until sometime in 2009, at the earliest.

5. *Identify the following non-recurring and recurring costs,<sup>1</sup> where applicable shown both as budgeted and actually incurred for the applicable quarter and funding year to-date.*
  - a. *Network Design*
  - b. *Network Equipment, including engineering and installation*
  - c. *Infrastructure Deployment/Outside Plant*
    - i. *Engineering*
    - ii. *Construction*
  - d. *Internet2, NLR, or Public Internet Connection*
  - e. *Leased Facilities or Tariffed Services*
  - f. *Network Management, Maintenance, and Operation Costs (not captured elsewhere)*
  - g. *Other Non-Recurring and Recurring Costs*

Not applicable, as the RFP has not even been finalized.

6. *Describe how costs have been apportioned and the sources of the funds to pay them:*
  - a. *Explain how costs are identified, allocated among, and apportioned to both eligible and ineligible network participants.*
  - b. *Describe the source of funds from:*
    - i. *Eligible Pilot Program network participants*
    - ii. *Ineligible Pilot Program network participants*
  - c. *Show contributions from all other sources (e.g., local, state, and federal sources, and other grants).*

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<sup>1</sup> Non-recurring costs are flat charges incurred only once when acquiring a particular service or facility. Recurring costs are costs that recur, typically on a monthly basis, because they vary with respect to usage or length of service contract.

- i. Identify source of financial support and anticipated revenues that is paying for costs not covered by the fund and by Pilot Program participants.*
- ii. Identify the respective amounts and remaining time for such assistance.*
- d. Explain how the selected participant's minimum 15 percent contribution is helping to achieve both the selected participant's identified goals and objectives and the overarching goals of the Pilot Program.*

Not applicable, as the RFP has not even been finalized.

- 7. Identify any technical or non-technical requirements or procedures necessary for ineligible entities to connect to the participant's network.*

Not applicable, as the RFP has not even been finalized.

- 8. Provide an update on the project management plan, detailing:*
  - a. The project's current leadership and management structure and any changes to the management structure since the last data report; and*

Since this is the first data report, there is no change. See response to question 1 for current leadership.

- b. In the first quarterly report, the selected applicant should provide a detailed project plan and schedule. The schedule must provide a list of key project deliverables or tasks, and their anticipated completion dates. Among the deliverables, participants must indicate the dates when each health care provider site is expected to be connected to the network and operational. Subsequent quarterly reports should identify which project deliverables, scheduled for the previous quarter, were met, and which were not met. In the event a project deliverable is not achieved, or the work and deliverables deviate from the work plan, the selected participant must provide an explanation.*

MPHI's plan is one of the more ambitious among the 69 selected by the FCC for RHCPP support. MPHI plans to network up to 400 HCPs stretched across 80 percent of the state's geography. Participants, all of whom are expected to be eligible entities, will be classified into four categories: Tier 1 (large regional referral hospitals), Tier 2 (other hospitals), Tier 3 (large clinics with five or more clinicians), and Tier 4 (smaller clinics). All HCPs will be connected to the Internet2 backbone. Connection throughput; the number of virtual private network connections; the locus of equipment management; the uptime, response time, and repair time requirements; and other features will vary by Tier, with the most robust service being provided to Tier 1 HCPs. Since an RFP has not been posted, vendor responses have not been evaluated, and a contract has not been negotiated and awarded, it is not possible to provide a list of participating HCPs and their expected connection/operational dates.

A tentative project schedule follows:

- July-August 2008 – The RFP is developed.
- August-September 2008 – USAC reviews the RFP.
- September-December 2008 – The RFP is posted on the USAC website. MPHI responds to questions from the proposing vendors. Proposals are received.
- December 2008-February 2009 – MPHI selects a contractor and negotiates a contract.
- April 2009-March 2011 – The contractor builds the network, with HCPs connected in a serial manner as quickly as possible.
- 1<sup>st</sup> year of network operation (timing will vary by HCP) – The monthly service costs during the first year of each HCP's participation in the network are subsidized by RHCPP funds (85%) and, possibly, third-party funds (up to 15%), with the balance being paid by the HCP.
- 2<sup>nd</sup> through 5<sup>th</sup> years of network operation – The monthly service rates paid by the HCPs have been set by the original contract. The HCPs pay 100 percent of the costs.
- 6<sup>th</sup> and subsequent years of network operation – After the term of the original contract expires, the telecom service provider(s) and HCPs (individually or by consortium) will negotiate service rates.

9. *Provide detail on whether the network is or will become self sustaining. Selected participants should provide an explanation of how network is self sustaining.*

The network is expected to become self-sustaining because the most heavily weighted proposal evaluation criterion will be the **ongoing (post-RHCPP project support) cost to the participating HCPs**. The benefits of continued participation in the network should far outweigh the monthly service costs.

10. *Provide detail on how the supported network has advanced telemedicine benefits:*

- a. *Explain how the supported network has achieved the goals and objectives outlined in selected participant's Pilot Program application;*
- b. *Explain how the supported network has brought the benefits of innovative telehealth and, in particular, telemedicine services to those areas of the country where the need for those benefits is most acute;*
- c. *Explain how the supported network has allowed patients access to critically needed medical specialists in a variety of practices without leaving their homes or communities;*
- d. *Explain how the supported network has allowed health care providers access to government research institutions, and/or academic, public, and private health care institutions that are repositories of medical expertise and information;*
- e. *Explain how the supported network has allowed health care professional to monitor critically ill patients at multiple locations around the clock, provide access to advanced applications in continuing education and*

*research, and/or enhanced the health care community's ability to provide a rapid and coordinated response in the event of a national crisis.*

Not applicable, as the RFP has not even been finalized.

*11. Provide detail on how the supported network has complied with HHS health IT initiatives:*

- a. Explain how the supported network has used health IT systems and products that meet interoperability standards recognized by the HHS Secretary;*
- b. Explain how the supported network has used health IT products certified by the Certification Commission for Healthcare Information Technology;*
- c. Explain how the supported network has supported the Nationwide Health Information Network (NHIN) architecture by coordinating activities with organizations performing NHIN trial implementations;*
- d. Explain how the supported network has used resources available at HHS' Agency for Healthcare Research and Quality (AHRQ) National Resource Center for Health Information Technology;*
- e. Explain how the selected participant has educated themselves concerning the Pandemic and All Hazards Preparedness Act and coordinated with the HHS Assistant Secretary for Public Response as a resource for telehealth inventory and for the implementation of other preparedness and response initiatives; and*
- f. Explain how the supported network has used resources available through HHS' Centers for Disease Control and Prevention (CDC) Public Health Information Network (PHIN) to facilitate interoperability with public health and emergency organizations.*

Not applicable, as the RFP has not even been finalized. However MPHI, the State of Michigan and the participating HCPs are well aware of the ongoing initiatives from HHS and are planning to integrate where applicable.

*12. Explain how the selected participants coordinated in the use of their health care networks with the Department of Health and Human Services (HHS) and, in particular, with its Centers for Disease Control and Prevention (CDC) in instances of national, regional, or local public health emergencies (e.g., pandemics, bioterrorism). In such instances, where feasible, explain how selected participants provided access to their supported networks to HHS, including CDC, and other public health officials.*

Not applicable, as the RFP has not even been finalized. However MPHI, the State of Michigan and the participating HCPs are well aware of the ongoing initiatives from HHS and are planning to integrate where applicable.

Complete by: Jeff Shaw, Assistant Project Coordinator, MPHI, 7/25/08