

Rural Health Care Pilot Program
Quarterly Report for the Period Ending June 30, 2010
FCC WC Docket No. 02-60

Prepared by:

St. Joseph's Hospital
2661 County Hwy I
Chippewa Falls, WI 54729

Email id: achristopher@sjcf.hshs.org

Submitted to:

Commission's Secretary, Office of the Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

Courtesy Copy:

Antoinette Stevens, (202) 418-7387, antoinette.stevens@fcc.gov in the Telecommunications Access Policy
Division,
Wireline Competition Bureau, Federal Communications Commission,
445 12th Street, S.W.
Washington, D.C. 20554

Quarterly Data Report Requirements

(APPENDIX D – Pages 73-75 of Federal Communications Commission FCC 07-198)

1. Project Contact and Coordination Information

Project Coordinator:
Anthony Christopher, Financial Controller
St. Joseph's Hospital
2661 County Highway I
Chippewa Falls, WI 54729
Email: achristopher@sjcf.hshs.org
715-717-4106 (v)
715-717-3928 (f)

Associate Project Coordinator:
Kevin Groskreutz, Regional Director Information Systems
St. Joseph's Hospital
2661 County Highway I
Chippewa Falls, WI 54729
Email: kgroskreutz@sjcf.hshs.org
715-717-5030 (v)

St. Joseph's Hospital is the legally and financially responsible organization for the conduct of activities supported by the awarded Rural Health Care Pilot Program. St. Joseph's Hospital is collaborating with regional health care providers to expand existing and new networks that will support the delivery of healthcare services in Western Wisconsin.

2. Identify all health care facilities included in the network

St. Joseph's Hospital
2661 County Hwy I
Chippewa Falls, WI 54729
RUCA # 1.0
Tract Code 0105.00
715-723-1811
Non-public, not-for-profit, eligible healthcare provider
Hospital is certified by State of Wisconsin Dept of Health and Family Services (dhfs.wisconsin.gov/)

Rusk County Memorial Hospital
900 College Ave W
Ladysmith, WI 54848
RUCA# 7.0
Tract Code 9605.00
715-532-5561
Public, not-for-profit, eligible healthcare provider
Hospital is certified by State of Wisconsin Dept of Health and Family Services (dhfs.wisconsin.gov/)

Memorial Medical Center
216 Sunset Place
Neillsville, WI 54456
RUCA# 10.0
Tract Code 9507.00
715-743-8453
Non-public, not-for-profit, eligible healthcare provider
Hospital is certified by State of Wisconsin Dept of Health and Family Services (dhfs.wisconsin.gov/)

Sacred Heart Hospital

900 W Clairemont Ave
 Eau Claire, WI 54701
 RUCA # 1.0
 Tract Code 0010.00
 715-717-4121

Non-public, not-for-profit, eligible healthcare provider

Hospital is certified by State of Wisconsin Dept of Health and Family Services (dhfs.wisconsin.gov/)

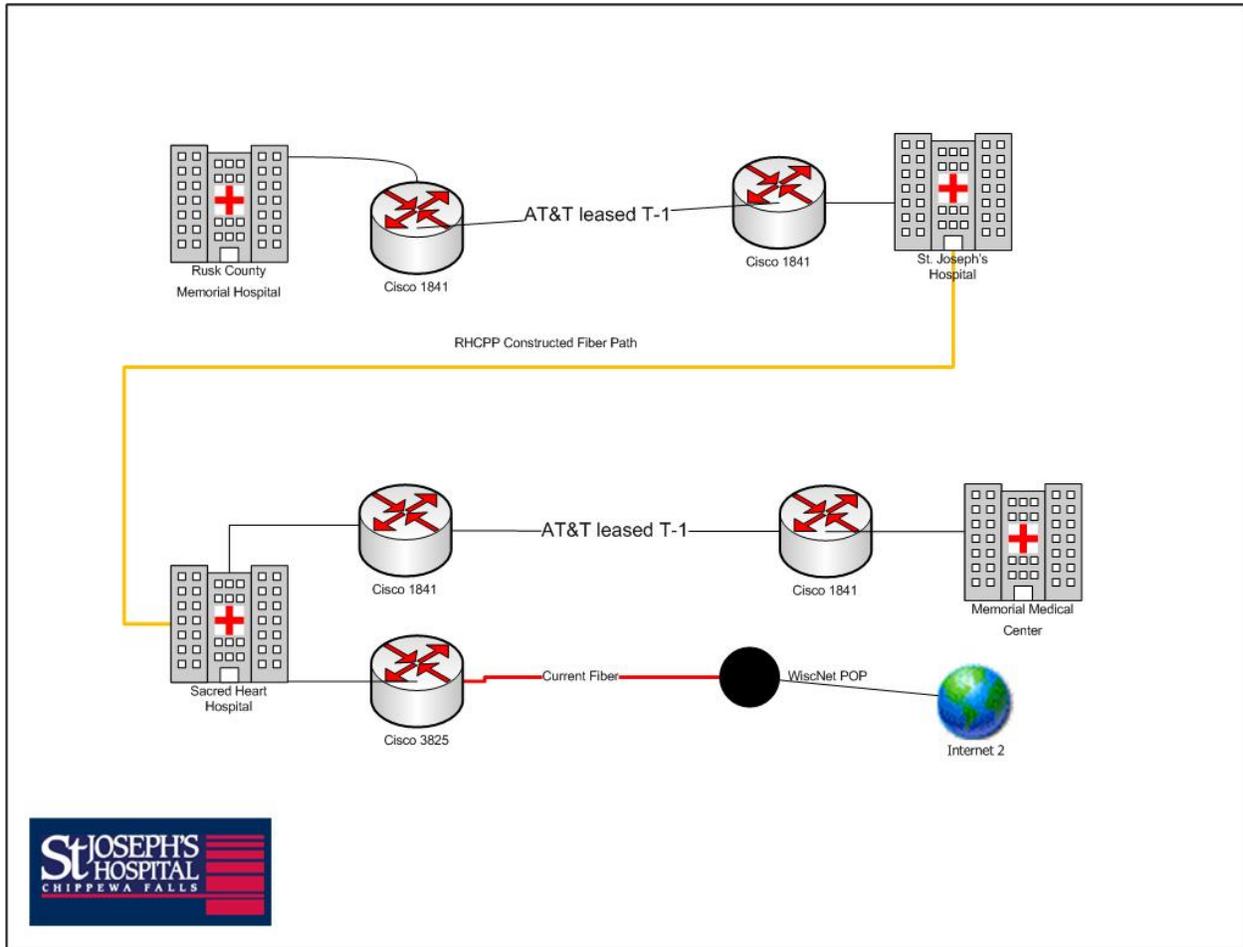
3. Network Narrative: In the first quarterly report following the completion of the competitive bidding process and the selection of vendors, the selected participant must submit an updated technical description of the communications network that it intends to implement, which takes into account the results its network design studies and negotiations with its vendors. This technical description should provide, where applicable:

St. Joseph's Hospital RHCPP consortium is building a networking in Western Wisconsin to enable a streamlined delivery of tele-health services. A redundant fiber link consisting of a 12 count fiber will be installed between St. Joseph's Hospital, 2661 County Road I, Chippewa Falls, WI and Sacred Heart Hospital, 900 West Clairemont Avenue, Eau Claire, WI. The redundant fiber link will allow the hospital and patients to rely on a hospital grade quality network to transmit images to healthcare specialists between facilities. Rusk County Memorial Hospital, 900 College Avenue West, Ladysmith, WI will be connecting a T-1 circuit complete with routers on both ends to St. Joseph's Hospital. Memorial Medical Center, 216 Sunset Place, Neillsville, WI will be connecting a T-1 circuit complete with routers on both ends to Sacred Heart Hospital. WiscNet will be providing Internet2 connectivity to all healthcare providers in the consortium connected to St. Joseph's Hospital RHCPP network.

4. List of Connected Health Care Providers: Provide information below for all eligible and non-eligible health care provider sites that, as of the close of the most recent reporting period, are connected to the network and operational.

Connected Healthcare Providers	Eligible	Type of network connection	Connection Provider	Service and Speed	Gateway to NLR, Internet2, or Public Internet	Site Equipment
St. Joseph's Hospital	Yes	copper	AT&T carrier provided leased circuit	DS1	No	Cisco 1841 router
Rusk County Memorial Hospital	Yes	copper	AT&T carrier provided leased circuit	DS1	No	Cisco 1841 router
Sacred Heart Hospital	Yes	copper	AT&T carrier provided leased circuit	DS1	No	Cisco 1841 router
Memorial Medical Center	Yes	copper	AT&T carrier provided leased circuit	DS1	No	Cisco 1841 router
Sacred Heart Hospital	Yes	fiber	project-constructed	1 Gbps	Yes	Cisco 3825 router
St. Joseph's Hospital	Yes	fiber	project-constructed	1 Gbps	Yes	
Memorial Medical Center	Yes	copper	project-constructed	DS1	Yes	

Network Diagram



5. Identify the following non-recurring and recurring costs, where applicable shown both as budgeted and actually incurred for the applicable quarter and funding year to-date.

Funding request number 34623 (CCI), recurring support \$0.00, non-recurring support \$396,120.40.

	Current Quarter Budgeted Non-Recurring Costs	Current Quarter Actual Non-Recurring Costs	Current Quarter Budgeted Recurring Costs	Current Quarter Actual Recurring Costs	Year-To-Date Actual Non-Recurring Costs	Year-To-Date Actual Recurring Costs
Infrastructure/Outside Plant Construction RHCPP support		\$4,420.34	\$0.00	\$0.00		
Infrastructure/Outside Plant Construction Participants	\$20,000	\$15,938.82				
Participants' costs					\$518,901.50	\$0.00
RHCPP support					\$396,120.40	\$0.00

The RHCPP provided \$391,700.40 in support for the project.

Funding request number 37177 (WisNet), recurring support \$163,200, non-recurring support \$5843.75.

	Current Quarter Budgeted Non-Recurring Costs	Current Quarter Actual Non-Recurring Costs	Current Quarter Budgeted Recurring Costs	Current Quarter Actual Recurring Costs	Year-To-Date Actual Non-Recurring Costs	Year-To-Date Actual Recurring Costs
Internet 2 connector	\$0	\$0	\$0	\$0	\$6,875	\$64,000

The Internet 2 connector has been invoiced. The RHCPP provided \$60,243.75 in support for the project.

Funding request number 37178 (Internet2), recurring support \$0, non-recurring support \$21250. St. Joseph's Hospital budgeted \$3,750 to be incurred before October 30, 2009 as 15% matching resources.

	Current Quarter Budgeted Non-Recurring Costs	Current Quarter Actual Non-Recurring Costs	Current Quarter Budgeted Recurring Costs	Current Quarter Actual Recurring Costs	Year-To-Date Actual Non-Recurring Costs	Year-To-Date Actual Recurring Costs
Internet 2	\$0	\$0	\$0.00	\$0.00	\$25,000.00	\$0.00

The RHCPP provided \$21250.00 in support for the project.

Funding request number 37180 (AT&T circuits), recurring support \$50,931.86, non-recurring support \$0. St. Joseph's Hospital budgeted \$8,987.98 to be incurred before October 30, 2009 as 15% matching resources. No costs have been incurred yet.

	Current Quarter Budgeted Non-Recurring Costs	Current Quarter Actual Non-Recurring Costs	Current Quarter Budgeted Recurring Costs	Current Quarter Actual Recurring Costs	Year-To-Date Actual Non-Recurring Costs	Year-To-Date Actual Recurring Costs
Leased T-1 Circuit (St. Joseph's Hospital-Rusk County Memorial Hospital)	\$0.00	\$0.00	\$2,800	\$0.00		
Leased T-1 Circuit (Sacred Heart Hospital-Memorial Medical Center)	\$0.00	\$0.00	\$2,500	\$0.00		
					\$0.00	\$0.00

St. Joseph's Hospital is working with AT&T to provide accurate billing.

Funding request number 37181 (AT&T hardware), recurring support \$0, non-recurring support \$9330.45.

	Current Quarter Budgeted Non-Recurring Costs	Current Quarter Actual Non-Recurring Costs	Current Quarter Budgeted Recurring Costs	Current Quarter Actual Recurring Costs	Year-To-Date Actual Non-Recurring Costs	Year-To-Date Actual Recurring Costs
Network Equipment	\$0	\$0	\$0.00	\$0.00	\$9,848.72	
Network Maintenance	\$0	\$0	\$0.00	\$0.00	\$1,161.60	
					\$11,010.32	\$0.00

AT&T is processing the invoice to the RHCPP. As of the end of the quarter, AT&T has not submitted the invoice to the RHCPP for reimbursement.

6. Describe how costs have been apportioned and the sources of the funds to pay them:

The T-1 circuit between St. Joseph's Hospital and Rusk County Memorial Hospital will cost approximately \$32,724 for a 36 month term. Rusk County Memorial will use operational funds to pay for this recurring cost which will be approximately \$1636 per year after RHCPP's 85% funding. The healthcare entities will each have one time expenses of approximately \$350 for router/DSU/CSU equipment to complete the circuit. Additionally, each hospital will have the recurring maintenance expense of \$88 per year for the hardware equipment. St. Joseph's Hospital will use operational funds to pay for the recurring and non-recurring costs.

The T-1 circuit between Sacred Heart and Memorial Medical Center will cost approximately \$29,520 for a 36 month term. Sacred Heart Hospital will use operational funds to pay for this recurring cost which will be approximately \$1476 per year after RHCPP's 85% funding. Sacred Heart Hospital will have one time expenses of approximately \$700 for router/DSU/CSU equipment to complete the circuit. Additionally, Sacred Heart Hospital will have the recurring maintenance expense of \$265 per year for the hardware equipment. Sacred Heart Hospital will use operational funds to pay for the recurring and non-recurring costs.

The fiber backbone between St. Joseph's Hospital and Sacred Heart will cost approximately \$466,024 for the installation. St. Joseph's Hospital will use operational funds to pay for \$150,712 of the project. Sacred Heart Hospital will also use operational funds to pay for \$315,312 of the project. The project seeks to have the RHCPP fund 85% of this portion of the overall project.

Internet 2 connectivity will require \$6875 non recurring expense for hardware. \$309 will be allocated to St. Joseph's Hospital, \$722 will be allocated to Sacred Heart Hospital, and \$5844 would be allocated to RHCPP. Internet 2 recurring annual costs will approximately \$85,000. \$3825 per year will be allocated to St. Joseph's Hospital, \$8925 per year will be allocated to Sacred Heart Hospital, and \$72,250 per year will be allocated to RHCPP. Each hospital

in the consortium will be responsible for the \$1000 annual fee which will be sourced through hospital operations for 15% and 85% sourced from RHCPP.

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

Ineligible entities will not be connecting to the network.

8. Provide an update on the project management plan, detailing:

St. Joseph's Hospital's consortium is being lead by Kevin Groskreutz, Regional IS Director for St. Joseph's Hospital. Other consortium member's are in leadership positions at their facilities and are engaged at coordinating activities with St. Joseph's Hospital's consortium.

Updated RHCPP Project Plan		
	Target completion date	Completed
Resubmit multi-year RFP (completed)	15-Aug-08	28-Aug-08
Award contracts to vendors	4-Nov-08	4-Nov-08
Receive funding commitment letter for fiber project	April 2009	3-Apr-09
Build of broadband network	June 2009	May 2010
Receive funding commitment letter for T-1 connectivity	August 2009	8/6/2009
Order/install circuits for T-1 connectivity	August 2009	October-2009
Receive funding commitment letter for Internet 2	August 2009	8/6/2009
Connectivity to Internet 2	August 2009	Jan 2010
Connectivity to Memorial Medical Center, Neillsville WI	Nov-09	Nov-09
Connectivity to Rusk County Memorial Hospital, Ladysmith, WI	Nov-09	Nov-09
Redundant fiber route between Chippewa Falls and Eau Claire installation complete	15-Nov-09	March 2010

Fiber Project: Completed and operational

T-1 Circuits: Circuits are in place and operational. The consortium is working with AT&T to provided appropriate invoicing.

Internet2: Completed and operational

All connectivity components of the project have been completed. The consortium is working with vendors on some final invoicing. The project will be at a maintenance phase moving forward regarding connectivity. The consortium has budgeted for tele-health equipment to be used on the network.

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

St. Joseph's Hospital RHCPP Consortium's Sustainability Program

The successful completion of St. Joseph's Hospital's RHCPP will ensure that tele-health services reach the rural communities of Western Wisconsin. St. Joseph's Hospital is implementing private fiber, leased lines, and Internet2 connectivity into our program. In order to sustain the network St. Joseph's Hospital consortium members will budget for maintenance and other recurring expenses through each facility's normal hospital operation budget process (*see ten year budget projection*). For example, recurring costs associated with maintaining the internet2 connectivity will be approximately \$85,000 per year which will be budgeted in St. Joseph's Hospital and Sacred Heart Hospital's telecommunication budgets. Furthermore, recurring telecommunication costs associated with maintaining leased lines to Rusk County Memorial Hospital and Memorial Medical Center will be transitioned to St. Joseph's Hospital's telecommunication's budget. The consortium members will be invoiced on a shared cost ratio to maintain the services and connectivity. St. Joseph's Hospital RHCPP will not rely on the existing RHC program.

St. Joseph's RHCPP has the resources to fully fund the network after the Pilot Program expires. Once the fiber network is in place, ongoing costs are minimal and associated mainly with fiber locates and repair costs if any. St. Joseph's Hospital and Sacred Heart Hospital are committing \$100,000 investments in tele-health hardware equipment outside of RHCPP funding in 2009-2010 to begin providing tele-health services on the network. Tele-health services for ER, ICU and behavior health patients are projected to initially generate \$25,000 of revenue each year and increase as technology and social norms become accustomed to receiving tele-health services.

St. Joseph's Hospital's Pilot Program is not asking for donations from individuals or organizations. The program is expected to generate revenues as depicted in the ten year budget projection. St. Joseph's Hospital Pilot Program is not seeking funding direct from other federal programs, foundations, city/county/town council, or state.

St. Joseph's Hospital's Pilot Program members are developing resource strategies to sustain the network before the Pilot funds expire. St. Joseph's Hospital and Sacred Heart Hospital are aligning service delivery programs such as behavioral health to ensure the program is operational before the Pilot Program ends to begin billing for tele-health consults. Overall, the ongoing costs to maintain the network once the pilot program's funds expire are less than \$140,000 which will be maintained in each member's operational budgets and will be considered ongoing costs of operations.

St. Joseph's Hospital - Chippewa Falls, Wisconsin (in Thousands)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Statement of Revenue and Expenses													
Patient Revenue													
Inpatient Services	\$38,396	\$38,083	\$40,983	\$39,518	\$46,079	\$49,738	\$52,777	\$55,848	\$59,199	\$62,751	\$66,516	\$70,507	\$74,737
Outpatient Services	59,529	66,707	73,866	78,765	86,255	92,554	98,107	103,828	\$110,058	\$116,661	\$123,661	\$131,080	\$138,945
Gross Patient Revenue	97,925	104,790	114,849	118,283	132,334	142,292	150,884	159,676	169,257	179,412	190,177	201,587	213,683
Deductions from Patient Revenue													
Contractual Discounts	42,140	47,961	53,173	55,955	62,387	67,733	73,434	79,519	85,051	91,500	98,321	105,229	112,718
Provision for Charity	2,661	2,025	4,398	2,966	3,223	3,300	3,499	3,709	4,231	4,485	4,754	5,040	5,342
Total Deductions from Revenue	44,801	49,986	57,571	58,921	65,610	71,033	76,933	83,228	89,283	95,985	103,076	110,268	118,060
Net Patient Revenue	53,124	54,804	57,278	59,362	66,724	71,259	73,951	76,448	79,974	83,427	87,101	91,319	95,623
Other Operating Revenue	1,900	2,626	2,676	2,226	2,226	2,226	2,347	2,348	2,373	2,398	2,423	2,448	2,474
Service revenue Tel Health / Other			102	15	35	75	80	85	90	95	100	105	110
Total Operating Revenue	55,024	57,430	60,056	61,603	68,985	73,560	76,378	78,881	82,436	85,919	89,624	93,872	98,097
Operating Expenses													
Salaries and Wages	23,866	25,014	25,750	25,512	26,360	27,321	28,275	29,383	30,264	31,172	32,108	33,071	34,063
Employee Benefits	8,119	8,555	9,283	8,819	9,113	9,445	9,775	10,159	10,593	10,910	11,238	11,575	11,922
Professional fees	2,452	2,563	2,389	2,464	2,552	2,641	2,733	2,829	2,914	3,001	3,091	3,184	3,280
Supplies	4,289	4,211	3,994	4,122	4,274	4,432	4,594	4,765	5,003	5,253	5,516	5,792	6,081
Drugs and Pharmaceuticals	1,244	1,326	1,528	1,582	1,645	1,710	1,778	1,850	1,998	2,158	2,330	2,517	2,718
Purchased Services	4,974	5,006	6,623	6,641	6,795	6,951	7,111	7,274	7,565	7,868	8,182	8,510	8,850
Depreciation & Amortization	2,388	2,626	2,845	3,095	3,890	4,526	4,912	5,331	5,491	5,656	5,825	6,000	6,180
Interest	176	143	162	160	360	710	710	910	937	965	994	1,024	1,055
Other	3,173	3,321	3,508	5,055	8,395	9,564	10,436	10,727	11,585	12,512	13,513	14,594	15,761
RHCPP Expense			145	14	14	115	118	122	126	129	133	137	141
Bad Debt	905	2,891	1,294	2,911	3,166	3,355	3,557	3,770	3,996	4,236	4,490	4,760	5,045
Total Operating Expenses	51,586	55,656	57,521	60,375	66,564	70,770	73,999	77,120	80,472	83,861	87,421	91,163	95,097
Excess of Revenue over Expenses from Operations	3,438	1,774	2,535	1,229	2,422	2,790	2,379	1,761	1,964	2,057	2,202	2,709	3,000
Nonoperating Revenue													
Investment Income	3	0	0	0	2,229	2,141	2,535	2,575	2,575	2,575	2,575	2,575	2,575
Non Operating Interest Expense	0	0	0	-3	0	0	0	0	-	-	-	-	-
Unrestricted Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-Operating	2,890	-1,103	1,524	0	0	0	0	0	0	0	0	0	0
Net Nonoperating Revenue	2,893	-1,103	1,524	-3	2,229	2,141	2,535	2,575	2,575	2,575	2,575	2,575	2,575
Excess of Revenue over Expenses	6,331	671	4,059	1,226	4,651	4,931	4,914	4,336	4,539	4,632	4,777	5,284	5,575

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

St. Joseph's Hospital and Sacred Heart Hospital have received some of the telemedicine infrastructure components.

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

No activity at this time.

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.

No activity at this time.