



March 30, 2011

Sharon Gillett, Chief  
Wireline Competition Bureau  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20024

**Re: WC Docket No. 02-60; Request for Additional Pilot Program Funding**

Dear Ms. Gillett:

I am writing on behalf of the California Association of Rural Health Clinics (CARHC), its 73 member clinics, the 275 rural health clinics (RHCs) in California, and the more than five million people who live in rural California (13.7% of California's population), to support the California Telehealth Network's (CTN) request for additional Rural Health Care Pilot Program (RHCPP) funding.

Many RHCs are in fairly remote areas of the state. It is of utmost importance to us that our members in California's most rural locations have access to a robust and secure broadband network as it will enable a more responsive health care delivery system for our patients. As you may know, California is facing a severe budget deficit and our housing markets were some of the most impacted in our national economic crisis. This has meant a lack of resources for the state and our health care system, a slashing of budgets, and the need to think creatively about how to serve our patients with less. One of the most obvious solutions is telehealth - this solves the issue of geographic distance and a lack of providers. Providing the CTN with additional resources from a pot that is full due to voluntarily relinquished projects or projects that had to forfeit due to inability to achieve the required program filing requirements is a responsible decision.

The CTN is requesting \$90.9 million in additional Pilot Project funding to be expended over an eight year period, through 2019. The additional funding would allow the CTN to achieve the following:

- Allow existing eligible CTN members to extend the 85% Pilot Program subsidy for their monthly recurring costs for three additional years (from 2014 through 2017) at a cost of approximately \$15.6 million per year, for a total of \$47 million. This is especially important for the clinics and health centers participating in the program as over the past couple of years they have been the victim to over \$50 million in direct cuts in the state budget. Extending this subsidy an additional three years is a win for the safety net as it allows them to use those saved resources for patient care, and it also solidifies their commitment to the CTN.



- Allow CTN to add an additional 1,100 eligible health care provider members and \$13.9 million per year for three years (from 2014 through 2017) for a total of \$41.8 million. California is a gigantic state. Providing additional funding to open the CTN to even more providers is crucial to achieving the goal of connected health. Rural health clinics are an important part of the safety net – however, since quite a few of them are owned by the medical provider, they are considered “for profit” and have not been included in the first CTN round.
- Construct a redundant connection at the CENIC Point of Presence in Sacramento, CA, at a cost of approximately \$100,000 per year for a total of \$600,000.
- Allow CTN to connect to other Rural Health Care Pilot Programs and state telehealth networks such as Oregon Health Network, Colorado, and Southwest Telehealth Access Grid.

CARHC is fully supportive of the CTN’s plan for the \$90.9 million in requested funds from the unused or relinquished Pilot Program funding. We request that if the WCB grants the request, that time be permitted to the CTN to secure the 15% match for the newly available funds, and an additional five years to expand any newly committed funds.

Thank you for considering this request. If you have any questions, please contact me at [NickerGW@ah.org](mailto:NickerGW@ah.org) or [CARHOnline@gmail.com](mailto:CARHOnline@gmail.com).

Sincerely,



Gail Nickerson  
President  
California Association of Rural Health Clinics