

WILKINSON ) BARKER ) KNAUER ) LLP

2300 N STREET, NW  
SUITE 700  
WASHINGTON, DC 20037  
TEL 202.783.4141  
FAX 202.783.5851  
WWW.WBKLaw.COM  
TIMOTHY J. COONEY  
202.383.3361  
TCOONEY@WBKLAW.COM

October 11, 2012

**VIA ECFS**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: *Ex Parte Presentation, WC Docket No. 02-60*

Dear Ms. Dortch:

Pursuant to Section 1.1206(b) of the Commission's rules, this letter serves as notification that on October 9, 2012, an oral ex parte presentation was made in the above-referenced proceeding on behalf of the American Hospital Association ("AHA"), the Colorado Hospital Association ("CHA"), and the Colorado Telehealth Network ("CTN") (collectively, "the AHA participants"). Participants included Chantal Worzala, Director of Policy, AHA; Steven Summer, President and CEO of the CHA; Russ Johnson, Chief Executive Officer, San Luis Valley Regional Medical Center; John Gardner, Chief Executive Officer, Yuma District Hospital; Dana Moore, Senior Vice President and Chief Information Officer, Centura Health; Ed Bostick, Executive Director, CTN; Debby Farreau, Director, CTN; and Brad Gillen and Timothy Cooney of Wilkinson Barker Knauer, LLP. The presentations were made in separate meetings with Commissioner Jessica Rosenworcel and her Legal Advisor Priscilla Delgado Argeris; Nicolas Degani, Legal Advisor to Commissioner Ajit Pai; Christine Kurth, Legal Advisor to Commissioner Robert McDowell; and Carol Matthey, Trent Harkrader, Linda Oliver, and Mark Walker of the Wireline Competition Bureau.

The AHA participants described how CTN has been a great success and how the Rural Health Care Pilot Program has worked very well. They distributed the attached hand-out providing a brief summary of CTN's funding, the locations of its member sites, and the benefits of the telehealth services provided to its 201 current member sites. CTN is one of 5 statewide consortia that received funding from the FCC's Rural Healthcare Pilot Program and only one of three that integrate physical and behavioral sites on the same network. CTN described how USF bridge funding received in 2012 allowed 112 sites to stay on the network. Because of the success of CTN, many more rural health care providers are seeking to connect to CTN but

Marlene H. Dortch, Secretary

October 11, 2012

Page 2

current funding does not currently allow new additions. With additional funding properly structured, it is anticipated that 300 more sites can be added to CTN providing critical connections to underserved rural communities throughout Colorado.

**The Life Saving Benefits of Telehealth.** The AHA participants described how important the CTN is in providing health care to patients in rural (and economically challenged) communities throughout Colorado, and how the CTN is representative of other successful efforts under the Pilot Program. CTN has improved the quality of care for patients, provided more convenient and timely options for patients in remote communities, and reduced the cost of care for patients and the health care system as a whole. In the best of weather, many rural communities in Colorado are several hours drive from urban hospitals and specialists, but the roads are often impassable during eight months of the year due to weather. CTN allows many patients, especially senior citizens and low-income residents who find this to be a significant hardship, to avoid the long drives to urban specialists. Telehealth also saves lives at the same time it saves money. For example, Mr. Gardner described how after a multi-car accident his facility attempted to transmit CT scan data of four victims to a specialist. Before CTN, it took over two hours to transmit each CT scan; but with CTN it now takes only ten minutes to transmit each scan, thereby allowing more timely diagnoses and treatment. Mr. Johnson explained how the high speed connection allows the two hospitals in his system to share one technology platform and other services. This has saved the small Critical Access hospital over \$300,000 in costs of duplicate technology. Mr. Moore described how potential stroke victims in some rural areas routinely would be transported by helicopter but now can be treated locally through video diagnostics provided via CTN. Mr. Moore says that in less than a year, this tele-stroke program has already resulted in the avoidance of four helicopter transports, which saved over \$15,000 in transportation costs alone.

Mr. Johnson discussed how the CTN connection between his hospitals allows them to share clinical data and how CTN reduces the number of patients that need to be transferred to tertiary providers. He also described how there is only one psychiatrist to serve 58,000 people in an area the size of New Jersey, but CTN connections will provide access to the psychiatric services that would otherwise go unmet or require substantial travel at great expense of money and time.

**Successful Elements of the Pilot Program.** The AHA participants urged the FCC to incorporate many of the key components of the Rural Health Care Pilot Program into any future reforms of the rural health care program. Participants should be permitted to lease as well as construct infrastructure, and the AHA participants stressed the importance of urban sites continuing to be able to participate in consortia because they are where the healthcare and IT resources reside. They also explained that cutting back the maximum subsidy from 85% to as low as 50% would have a severe adverse impact on CTN's members. It was estimated that 30%

Marlene H. Dortch, Secretary

October 11, 2012

Page 3

or more of the current CTN sites would potentially drop off the network with a reduction to 50% because of the increased expense, and the number of new sites that CTN hoped to add would be greatly reduced. The AHA participants highlighted the limited budgets and resources of remote and rural health care facilities.

**Key Elements of an Effective Tele-Health Approach.** The AHA participants asked that the new program expand eligibility for funding to long-term care centers serving rural constituencies to ensure all potential eligible entities can participate fully in eligible consortia. They also urged that administrative and data centers be made eligible for funding. In fact, several potential members of CTN did not join because of the inability to connect their data and administrative centers. Operationally, the AHA participants explained that for financial reasons it is often desirable to maintain an off-site data center and that the statewide network cannot function properly without access to these critical sites. Further, as the government and industry demand for more intensive IT resources grows with the rollout of electronic health records, remote monitoring, mobile health applications, clinical data sharing for public health, image sharing, and widespread health information exchange to support better care coordination, the pressure on rural health care facilities to keep pace will be heavily dependent upon resources like the CTN. First, CTN provides the bandwidth necessary to support both the health records and the increasingly data-rich diagnostic tools. Second, CTN provides—typically through its urban partners—the IT expertise, network design, and resources to provide the necessary services and access to health care practitioners. Over time, the AHA participants explained, centralized data centers—again in more urban areas—will be increasingly necessary to support the needs of rural health care facilities. They urged the Commission to ensure that its funding mechanism supports all elements of today and tomorrow’s tele-health networks in a manner consistent with the statute.

The AHA participants also supported the proposal to support up to \$100,000 in administrative expenses. Although a telehealth consortium provides great savings to patients and to the health care community as a whole, organizing and running the consortium requires significant administrative and oversight costs.

**Need for Reform in 2012.** Finally, the AHA participants described the critical need for Commission action before year end. Absent additional financing, the ability of CTN to continue to serve its patient community and expand as needed to reach all rural residents of Colorado will be in jeopardy. They urged the Commission to complete its work and incorporate the existing Pilot Programs into the new funding mechanism as soon as practicable. It will take CTN approximately six months to prepare the paperwork for the new program so that its funding can continue. If the final rules are not completed by year end so that new funding is not available by July 1, 2013, the Commission should be prepared to extend interim funding for existing programs.

WILKINSON ) BARKER ) KNAUER ) LLP

Marlene H. Dortch, Secretary  
October 11, 2012  
Page 4

Respectfully submitted,

WILKINSON BARKER KNAUER, LLP

TIMOTHY J. COONEY