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February 12, 2014

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: Notice of *Ex Parte* Communication, WC Docket No. 02-60

Dear Ms. Dortch,

On December 16, 2013, John D. Scott, M.D., Assistant Professor of Medicine and Medical Director, University of Washington Telehealth, spoke via telephone to Linda Oliver, Jay Schwarz and Garnet Hanly of the Wireline Competition Bureau (Bureau). The purpose of the call was to inform Bureau staff about the University of Washington Telehealth program and Dr. Scott's previous experience in working on other skilled nursing facility (SNF) projects using telemedicine applications, in order to help inform the Bureau staff on the design of a SNF Pilot Program.

Dr. Scott said that the University of Washington has an extensive telehealth (telemedicine) program, which enables it to reach patients in remote or geographically distant areas. He said that the University of Washington houses the only medical school in a five-state region, and is also the only level one trauma center in that region. Dr. Scott discussed his background working on telemedicine research projects. He specifically discussed his work on SNF telemedicine research with academics at the University of Queensland in Australia (randomized controlled trials in geriatric facilities). He also described his work with Dr. Wayne McCormack, the president of American Geriatric Association, on SNF telemedicine projects across several western states, including Wyoming, Montana, Idaho, Oregon, Alaska, and Washington. Dr. Scott also described other research he worked on that tested the use of remote monitoring and remote rounds in nursing homes.

Based on his experience, Dr. Scott made the following observations regarding telemedicine generally, regarding how the use of telemedicine can improve health outcomes in SNFs, and regarding the design of the Commission's SNF Pilot Program:

- High definition video is not necessary for telemedicine, though two-way video is important. For skin lesions, a high resolution digital photo is usually sufficient. He also said that telemedicine technology isn't the challenge – the greater challenges are in areas such as scheduling patients and getting reimbursed. He said that 20-30 percent of rural doctors will be retiring in the next 30 years, so telemedicine will become increasingly important. He did note that sometimes video will cut in and out during telemedicine consults. Rural sites don't always have IT support, so simplicity and reliability is more important than having lots of bells and whistles.

- In his experience, he is not aware that affordability or availability of broadband is a particular obstacle to adoption of telemedicine or exchange of electronic health records by SNFs. SNFs might use broadband for training of personnel, accessing Health Information Exchanges, and exchanging electronic health records (EHRs). SNF use of broadband for telemedicine will require clinicians to become interested in using telemedicine in such facilities, and to recognize the business case for providing telemedicine in SNFs. Improvements in reimbursement policies would help further that goal. If a SNF learns that broadband connectivity and use of telemedicine

applications will be cost-neutral or result in cost savings, then it will have an incentive to adopt such technologies in the future.

- Penalties for high readmission rates for hospitals and alternative reimbursement schemes for accountable care organizations should help create incentives to improve transitions of care for SNFs and to improve the quality of care in SNFs. Telemedicine will be a big part of the solution.

- Dr. Scott's research experience in Australia suggests that SNF Pilot experiments have the potential to produce statistically useful information through randomized controlled trials. For such trials, it is important to randomize by site, not by patient, and there should be at least ten sites in both the control and the experimental group.

- The administrative costs associated with conducting such research experiments normally would include site recruitment, study coordination and management, maintaining a database and collecting data, coordination with clinicians, regulatory compliance, and evaluation of the project. He estimated that the cost of a typical three-year research project covering 20 health care sites would be approximately $1-2 million.

- If the Commission chooses to limit its SNF Pilot universal service support to just the cost of broadband connections, Dr. Scott predicts that there will be few SNF Pilot project proposals and that there will be little interest from academics in designing and participating in the pilot projects. On the other hand, if the Commission were to cover the administrative (including personnel) costs for designing, conducting, and evaluating the pilot projects, the application process would be extremely competitive, because the proposed funding amount of $50 million over a 3-year period is substantial, and there is limited funding available for this kind of research. There are academics who specialize in telemedicine, and they would view this Pilot Program as a unique opportunity to produce a statistically useful study on the possible benefits of telemedicine in a SNF setting.

- Sustainability of support for broadband costs also will be a factor in SNF decisions whether to participate in the Pilot. If support is available only for three years, they might not be willing to make the investments in broadband upgrades and in telemedicine and EHR capabilities.

Respectfully submitted,

Linda L. Oliver
Deputy Chief, Telecommunications Access Policy Division
Wireline Competition Bureau