

HJR

14

<TARGET><BILL></BILL><SUBJECT>HJR
14</SUBJECT><COMM>SHSS30</COMM></TARGET>



Sponsor Statement

House Joint Resolution 14 FCC: Increase Rural Health Care Budget

HJR 14 supports an increase to the Federal Communications Commission (FCC) Rural Health Care Universal Service Support Budget in order to ensure Alaska can continue to expand access to affordable broadband telehealth services in rural communities.

The Rural Health Care Universal Services Support program enables healthcare providers in even the most remote corners of Alaska to offer telehealth services that dramatically improve access to care. These services can expand locally available treatment options, accelerate diagnosis and treatment, and help in avoiding unnecessary travel for care. Also through telehealth, local availability of mental and behavioral health care and substance abuse services has grown significantly in recent years.

The support budget that makes this possible has been capped at the same level since it was established in 1997. For most of its existence, the budget's \$400 million cap has been adequate to meet the demands of the program. However, following two decades of advances in technology, increases in demand, and the effects of inflation, the FCC expects that in 2017 demand may exceed the cap for the first time.

The State of Alaska has no funding obligation to the Rural Health Care Universal Service Support fund. The entirety of the program is funded through Universal Service charges.

HJR 14 urges the FCC to increase the Rural Health Care Universal Service Support Budget sufficiently to adjust for inflation, advances in technology and the services available with increased broadband, and the increase in demand for broadband-based services. Additionally, the resolution encourages the FCC to index the program budget for inflation and provide for any unused funds to be carried forward to future funding years. In doing so, the FCC will allow Alaska healthcare providers to continue improving access to care in rural parts of the state.

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	HJR 14
Fiscal Note Number:	1
(H) Publish Date:	3/24/2017

Identifier: HJR 14
 Title: FCC: INCREASE RURAL HEALTH CARE
 BUDGET
 Sponsor: EDGMON
 Requester: House Labor and Commerce Committee

Department:
 Appropriation:
 Allocation:
 OMB Component Number: 0

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates					
			FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

initial version

Prepared By: Representative Kito
House Labor and Commerce Committee

Phone: (907)465-4766
 Date: 03/21/2017

**Alaska Communications
Increasing the Rural Health Care Funding Cap
White Paper**

January 16, 2017

Idea in Brief

The Federal Communications Commission's (FCC) Rural Health Care (RHC) Program budget has remained static for 20 years, despite inflation, technology innovation and increased demand for services. The FCC expects the demand may exceed the cap for the first time in 2017. We have an opportunity, now, to continue supporting rural health care and increase the RHC budget by reallocating unused funds from existing programs, without putting pressure on the overall fund size or contribution factor.

History

The RHC Program, established in 1997, supports health care facilities in bringing world-class medical care to rural areas through increased connectivity. It provides up to \$400 million annually to rural health care providers to assist them with their needs for broadband and telecom services. It is administered through the USAC, which also administers the Schools and Libraries, Lifeline, and High Cost programs. USAC administers the flow of funds pursuant to the programs and policies established by the FCC. USAC is a not-for-profit corporation that administers almost \$10 billion annually.¹

Rural Health Care Program Benefits

The Rural Health Care Program has improved the quality and reduced the cost of healthcare in rural areas.² The program has stimulated regional broadband infrastructure critical for connecting rural consumers and health care providers (HCPs) with urban-based specialists. Now patients in rural areas can be seen for specialized care without delay or the need to travel long distances. It has allowed these patients to have continuity of care as their local providers can participate, refer to, and consult with, specialists hundreds of miles away to develop the most appropriate treatment plan. In a large, rural state like Alaska, initiatives to bridge the distance between patients and

¹ www.usac.org/about (accessed January 16, 2017)

² Order at para. 2.

specialists not only results in substantial cost savings, but also significantly improves the quality of care.

For example, Sitka Counseling and Prevention Services recently stated:

“The communities of Yakutat and Sitka have been significantly affected by the ability to provide Tele-Behavioral Health services. The small community of Yakutat can access eight master level Clinicians across the Vido system. The access to services continues to help and support a number of families. We welcome all clients and don't place barriers to service, we help connect people to the services they need, weather those services are available within the agency or through referral.”³

According to Cross Road Health Ministries in Glennallen, Alaska:

“The RHC Program has enabled us to implement telecommunications that significantly improve healthcare services in the regions of rural Alaska we serve. In particular, our patients have benefited from us moving from film-based to digital diagnostic radiology services enabled by secure, private connectivity between our clinics and radiology vendor.”⁴

Funding Challenge

The current \$400 million RHC Program budget remains at the initial level set in 1997. And, at the same time, demand for RHC funding is approaching the cap. The RHC Program has led to new broadband infrastructure, improved quality and reduced the cost of rural health care; these benefits have led to a surge in demand for funding.⁵

When the RHC reform Order was released in 2012, the total demand for RHC funding was less than half the \$400 million cap.⁶ The Order stated that USAC did not anticipate the cap would become an issue. However, the projected program demand for the four

³ Zanuzoski, Amy. Letter to The Honorable Senator Murkowski, The Honorable Senator Sullivan, The Honorable Congressman Young. 14 Nov., 2016.

⁴ Medendrop, Joel. Letter to The Honorable Senator Murkowski, The Honorable Senator Sullivan, The Honorable Congressman Young. 7 Nov., 2016.

⁵ Order at para. 5.

⁶ See 47 CFR § 54.623(a).

quarters of 2016 is \$360.75 million.⁷ This consistent rate of increase is an indication the \$400 million cap likely will be reached in 2017. Based on current rules, requests for RHC funding will be handled on a first-come, first-served basis; or, as has recently been proposed, prioritized based on funding windows.⁸ Network technology and the benefits of telemedicine that were the basis for the \$400 million cap in 1997 bear little to no resemblance to the applications today with a modern broadband network.

The Commission has recognized that as prices rise over time, an inflation adjustment is necessary in order to keep pace with changing broadband requirements.⁹ The fact that the RHC cap has not been increased in 20 years shows foresight in how the FCC anticipated long-term cost increases; it also distinguishes it from the Commission's other support programs. The Schools and Library fund cap was increased by \$1.65 billion in 2014 from \$2.25 to \$3.9 billion.¹⁰ The Schools and Library fund was increased to ensure the e-rate fund had sufficient budget to meet its long-term needs and because the budget had not been increased since 1999.

Similarly, in 2016 the Commission established a cap on the Lifeline program of \$2.25 billion along with an inflation adjustment mechanism. The Commission described its Lifeline Reform as "another step" in its efforts to overhaul all USF programs to promote the availability of modern networks.¹¹

Proposed Solution

The Commission can increase the RHC budget by reallocating unused funds from existing programs, without putting pressure on the overall fund size or contribution factor. For example, the Commission announced this past June that \$1.9 billion more

⁷ Proposed 1st Quarter 2016 Universal Service Contribution Factor, Public Notice, Federal Communications Commission, DA 15-1412, Released December 11, 2015, Proposed 2nd Quarter 2016 Universal Service Contribution Factor, Public Notice, Federal Communications Commission, DA 16-266, Released March 10, 2016, Proposed 3rd Quarter 2016 Universal Service Contribution Factor, Public Notice, Federal Communications Commission, DA 16-658, Released June 14, 2016, Proposed 4th Quarter 2016 Universal Service Contribution Factor, Public Notice, Federal Communications Commission, DA 16-1024, Released September 12, 2016.

⁸ Order at para. 365.

⁹ Public Notice, Federal Communications Commission, DA 16-505, Released May 6, 2016.

¹⁰ In the Matter of Modernizing the E-rate Program for Schools and Libraries, Second Report and Order and Order on Reconsideration, FCC 14-189, WC Docket No. 13-184, released December 19, 2014, at para. 77.

¹¹ Lifeline and Link Up Reform and Modernization et al., Report and Order and Further Notice of Proposed Rulemaking, WC Docket. Nos. 11-42 et al., FCC 12-11 (rel. Feb. 6, 2012) at para. 2.

was collected for the e-rate program than was disbursed.¹² Under the Commission's rules this amount was carried forward to the 2016 funding year. As a result, the total cap for e-rate was \$5.839 billion – almost three times the amount authorized in 2015. The Lifeline program disbursements are also well below the annual cap of \$2.25 billion – reaching \$1.495 billion in 2015. While the USAC authorized \$1.495 million in Lifeline support in 2015, it based its contribution factors on a projected amount of \$1.551 billion, resulting in a potential over-collection of \$106 million. This amount, as well as over-collections from previous years could be used to insure that worthy RHC applications are not denied due to funding limitations.

An increase in RHC funding may also be financed through the use of existing universal service reserve funds. The *Federal Universal Service Support Mechanisms Fund Size Projections for First Quarter 2017* released by USAC Nov. 2, 2016 shows that the High Cost Reserve Fund, consisting of contributions in excess of disbursements and expenses now exceeds \$2 billion.¹³ The Commission has indicated that an annual amount of \$150 million from the reserve may be used to provide additional high cost support to Rate of Return carriers that elect the A-CAM model.

In Summary

We have an opportunity, now, to continue supporting rural health care and increase the RHC budget. The FCC's Rural Health Care RHC Program budget has remained static for 20 years, despite inflation, technology innovation and increased demand for services. The FCC expects the demand may exceed the cap for the first time in 2017. The Commission can increase the RHC budget by reallocating unused funds from existing programs, without putting pressure on the overall fund size or contribution factor.

¹² Public Notice, Federal Communications Commission, DA 16-629, Released June 8, 2016.

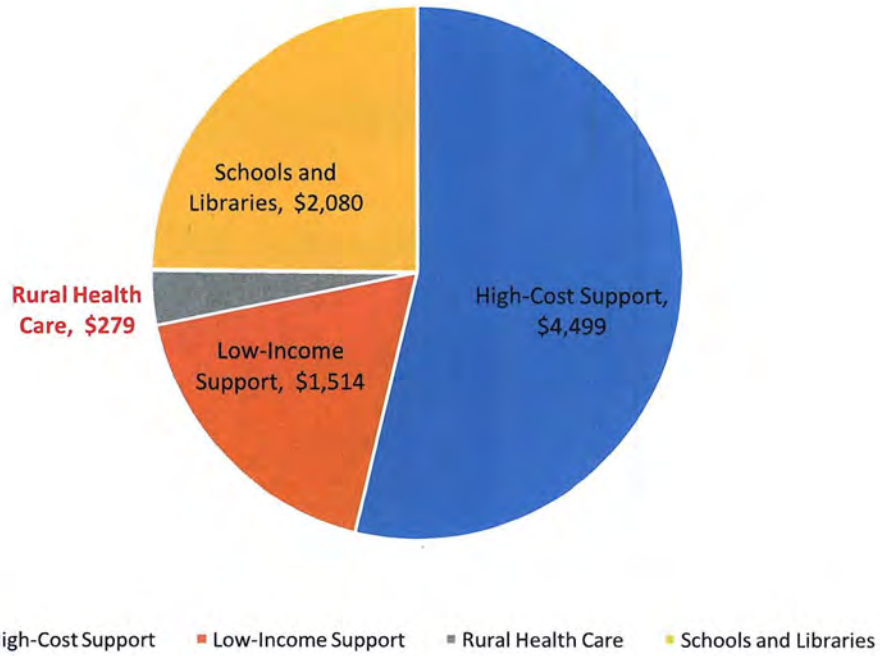
¹³ See page 11 of

<http://www.usac.org/about/tools/fcc/filings/2017/q1/USAC%201Q2017%20Federal%20Universal%20Service%20Mechanism%20Quarterly%20Demand%20Filing.pdf>, (Fund Size Projections).

Universal Service Disbursements 2015 (in \$millions)

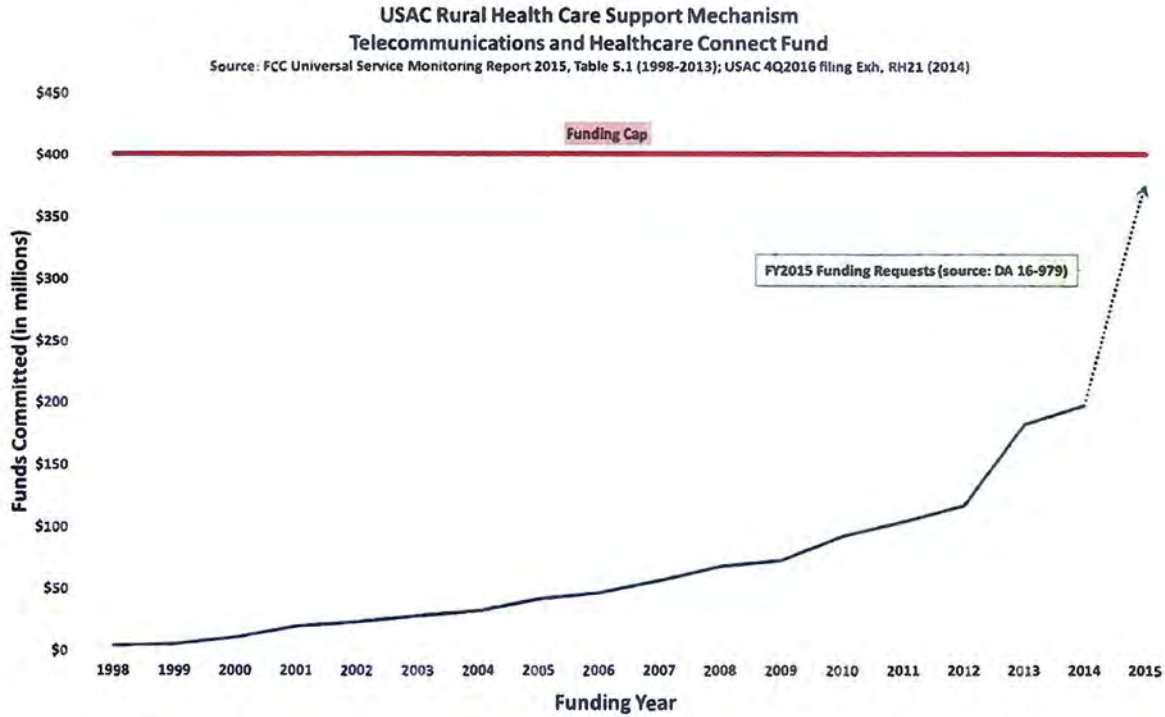
Total = \$8.3 billion

Source: Federal-State Joint Board on Universal Service, 2016 Universal Service Monitoring Report, Table 1.10

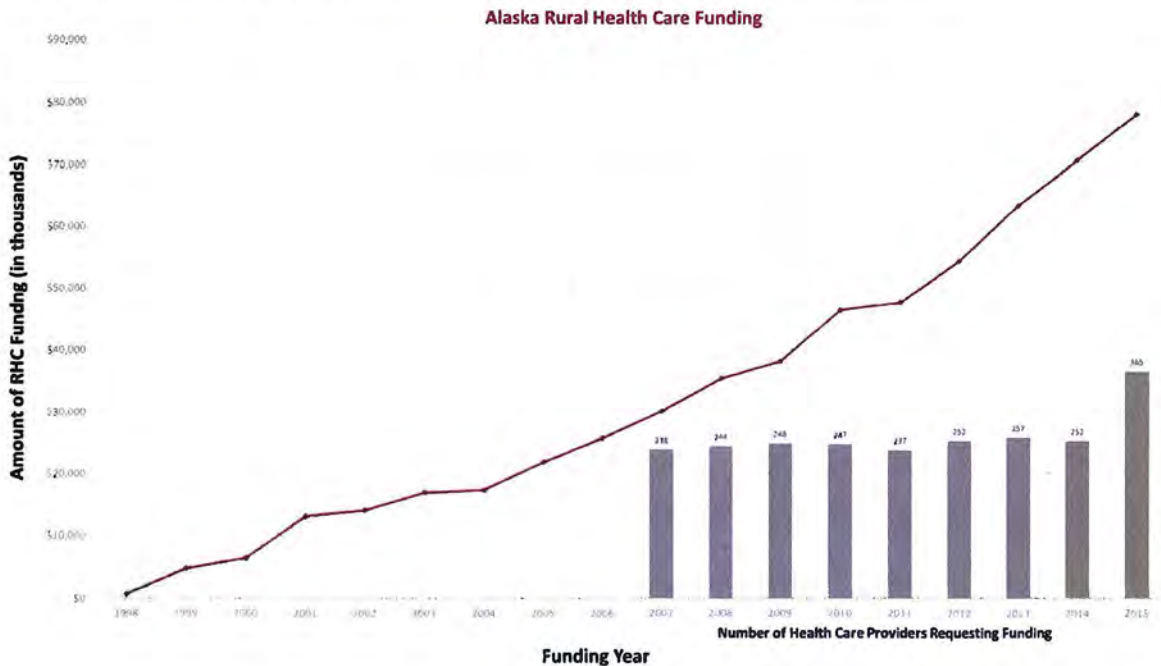


Rural Health Care Universal Service Support in Alaska

- **The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased:**
 - The current \$400 million budget remains at the initial level set in 1997, despite quantum leaps in technology and demand for services. The FCC expects that demand may exceed the cap for the first time in Funding year 2016.
 - **An equivalent budget today, adjusted for inflation, would be about \$600 million.**

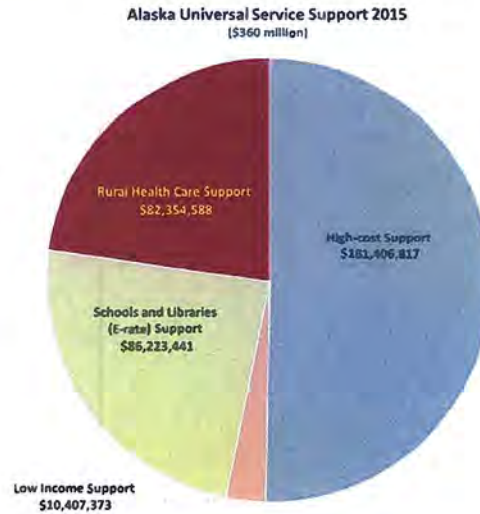


- **Rationing of these funds will disproportionately impair delivery of crucial health care services in Alaska:**
 - Alaska receives a far larger share of rural health care universal service funds than any other state – consistently 30 to 40 percent or more of all USAC rural health care funding commitments nationwide.



- Rural Health Care Universal Service Support funding is essential to enable providers to deliver affordable broadband telehealth services in Alaska’s rural and Bush communities:**

- Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014.
- In 2015, rural health care support was about 23 percent of all federal USF flowing to the state (\$360 million).
- Together with the E-rate program, rural health care funding enables service providers to deliver affordable broadband Internet access and other services to schools, libraries, and rural health care providers in rural and Bush Alaska that are reasonably comparable to those available in central Anchorage, Fairbanks, and Juneau.
- Often, these anchor institutions have the only broadband connections in their communities.
- Today, although per-Mbps bandwidth prices have fallen steadily, demand is soaring, as healthcare organizations increasingly share information among their locations and with others.



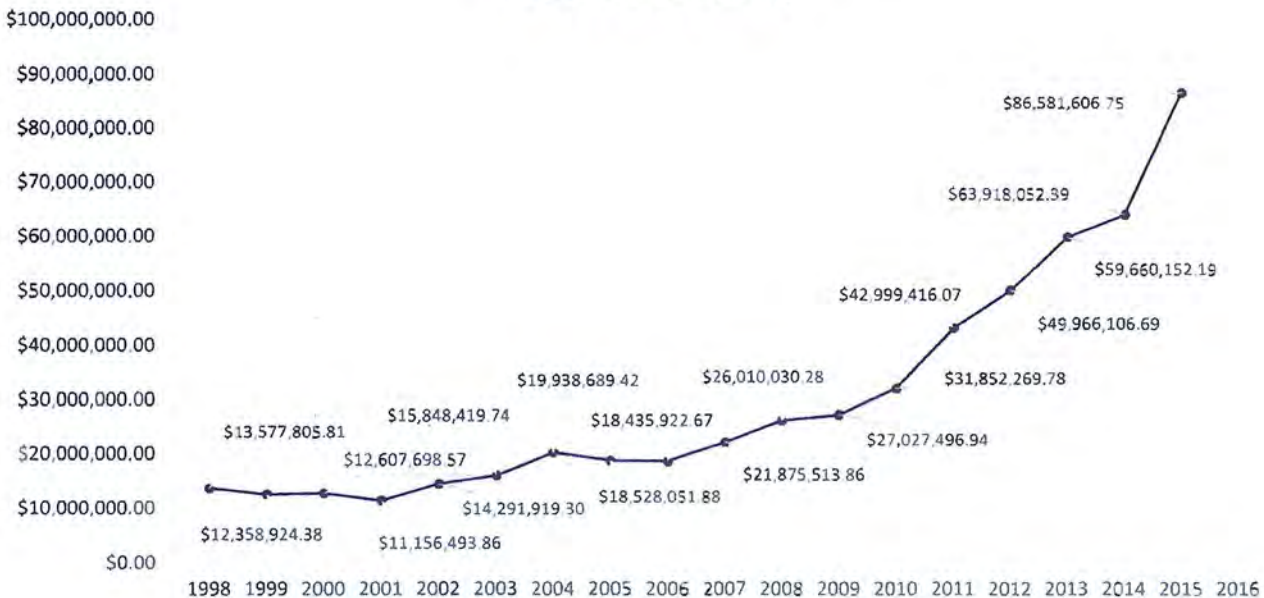
- Rural Health Care support enables telehealth implementations that dramatically improve access to care, accelerate treatment, and improve local treatment options:**

- Rural Veterans Health Access Program, behavior health for veterans in rural communities
- Akeela – tele-behavior health for inmates and community members
- Kenaitze – Implementing Electronic Health Records and integrating care with the Alaska Native Medical Center

- The FCC should increase the rural health care budget and index it for inflation, as it recently did with E-rate**

- E-rate support is similarly essential in delivering affordable telecommunications services to rural and Bush Alaska
- E-rate enables rural and Bush schools and libraries to offer e-learning services and cutting-access information that were impossible only a few years ago.
- Unlike the rural health care mechanism, the FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, *and indexed it for inflation*, reflecting increases in demand.

Alaska eRate Funding





Below is a selection of facts and figures that illustrate some of the operations and responsibilities that USAC carries out as administrator of universal service collections and disbursements.

2015 USAC Expenses

USAC Administrative Expenses	
2015 Deductions \$8,483,722,000	Administrative Expenses \$143,568,000
Administrative Expense Rate 1.69%	

2015 Contributions

Contributors	
2015 Total Contributions \$8,643,473,000	Contributors at Year-end 3,117

2015 Universal Service Programs

UNIVERSAL SERVICE

Universal service is money collected from telecommunications companies and dedicated to fulfilling the goals of universal service programs. Telecommunications companies are required to make universal service contributions under the [Telecommunications Act of 1996](#). USAC administers the collection and disbursement of these contributions.

Universal service is based on the principle that all Americans should have access to a baseline level of telecommunications service and further the public interest of keeping all Americans connected. This principle is the cornerstone of the Communications Act of 1934, which established universal service in legislation and also created the Federal Communications Commission (FCC). Since that time, universal service policies have helped make telephone service widely available throughout the U.S., even in rural areas.

The law adopted explicit goals to guide the implementation of universal service policies. These goals include:

- Promote the availability of quality services at just, reasonable, and affordable rates.
- Increase access to advanced telecommunications services throughout the nation.
- Advance the availability of such services to all consumers, including those with a low income and those who live in rural, insular, and high cost areas, at rates that are reasonably comparable to those charged in urban areas.
- Increase access to telecommunications and advanced services in schools, libraries, and rural health care facilities.
- Provide equitable and nondiscriminatory contributions from all providers of telecommunications services to the fund supporting universal service programs.

Contributors, beneficiaries, USAC, and the federal government share the task of ensuring that universal service money is handled properly from start to finish. Through program administration, auditing, and outreach, USAC works with and for contributors, service providers, and program beneficiaries to make sure that accurate payments go to the right people for the appropriate uses.

The FCC is reforming universal service policies to encourage further investment in and access to evolving broadband and voice services, promote expansion and adoption of broadband services, and improve efficiencies, and eliminate waste in the programs.

Where does the money come from?

Universal service is paid for by contributions from telecommunications carriers, including wireline and wireless companies, and interconnected Voice over Internet Protocol providers, including cable companies that provide voice service, based on an assessment of their interstate and international end-user revenues.

Telecommunications companies are required by law to make contributions to universal service paying in a percentage of their end-user interstate and international revenues. This percentage is called the contribution factor, and it changes each quarter, varying with demand for universal service support.

Consumers may notice a universal service line item on their telephone bills. This line item appears when a telecommunications carrier chooses to recover its universal service contributions directly from its customers through a charge on their telecommunications bills.

The FCC does not require telecommunications carriers to pass through their universal service contribution obligations to their customers, but if a carrier does choose to assess its customers a

universal service charge, the FCC has established certain rules regarding how the charge must be calculated (see 47 CFR Section 54.712 and FCC orders).

Using information received from universal service program participants, USAC estimates how much money will be needed in each quarter to provide universal service support. USAC then provides this information, called "demand filing," to the FCC each quarter in its [FCC Filings](#). The demand filing includes projections of support requirements for the universal service programs and the fund size and administrative cost projections.



Alaska Primary Care
ASSOCIATION

2017 Alaska Health Center utilization of USAC RHC funds

2015 USAC Funding (updated Feb 2017)	HCP #	City	Service Provider	Est Support Amount (Partial Listing)
Alaska Island Community Services	32149	Coffman Cov	GCI	43,405.80
Aleutian/Pribilof Island Assoc.	10761	St. Paul	GCI	904,273.19
Anchorage Neighborhood Health Center				
Bethel Family Clinic	10892	Bethel	GCI	596,772.00
Bristol Bay Area Health Corp.	10982	Chignik Bay	GCI	441,809.25
Bristol Bay Borough-Camai Clinic	14459	Nakenk	GCI	941,322.34
City of Seward-Seward CHC	34295	Seward	GCI	14,448.00
Council of Athabascan Tribal Gov't	11018	Arctic Village	GCI	223,683.60
Cross Road Medical Center	14761	Glenallen	ACS	258,750.87
Eastern Aleutian Tribes, Inc.	12780	Adak	GCI	331,577.19
Front Street Clinic				
Girdwood Health Clinic, Inc				
Iliuliuk Family & Health Services, Inc.	11046	Unalaska	ACS	691,565.21
Interior Community Health Center	16320	Healy	ACS	8,867.58
Kodiak Area Native Association	11197	Kodiak	ACS	569,520.00
Kodiak Island Health Care Found.	16031	Kodiak	Alascom	39,398.78
Manillaq Association	10811	Ambler	GCI	458,709.21
Mat-Su Health Services, Inc.				
Municipality of Skagway-Dahl Memorial Clinic	14542	Skagway	ACS	186,000.00
Native Village of Eyak-Ilanka CHC	11932	Cordova	ACS	19,576.07
Norton Sound Health Corp.	10673	Brevig Missio	GCI	301,771.01
Penninsula Community Health Services of Alaska	32576	Kenai	ACS	64,389.02
Seldovia Village Tribe	10783	Homer	GCI	51,456.00
Southcentral Foundation	13562	Iliamna	GCI	744,079.44
Southeast Alaska Regional Health Consort.	10050	Angoon	GCI	6,454.80
Sunshine Community Health Center	12251	Talkeetna	MTA	16,304.50
Tanana Chiefs Conference	10727	Nenana	DRS	504,000.00
Yakutat Tlingit Tribe	12020	Yakutat	GCI	386,829.72
Yukon Kuskokwim Health Corp.	10214	Aniak	GCI	875,160.00



Port Graham
Nanwalek

Chugachmiut

October 18, 2016

The Honorable Senator Murkowski
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Senator Sullivan
702 Hart Senate Office Building
Washington, DC 20510

The Honorable Congressman Young
2314 Rayburn House Office Building
Washington, DC 20515

Dear Senator Murkowski, Senator Sullivan, and Congressman Young,

I am writing to ask for your support ensuring Alaskans continue to have access to affordable broadband telehealth services in rural and Bush communities. The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million.

Rural Health Care Universal Service Support is essential to enable providers to deliver affordable broadband telehealth services in Alaska's rural and Bush communities. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014.

If rural Alaskans are to continue to receive the affordable broadband telehealth services they need, the FCC must increase the rural health care budget and index it for inflation, as it recently did with E-rate. The FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, and indexed it for inflation, reflecting increases in demand.

Rural health care support enables telehealth services to be provided that dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs, and expand local treatment options.

In order for our organization to recruit and retain a dynamic primary healthcare team working within a rural setting to reduce health disparities amongst those we serve within the Chugach Region, service connectivity to provide Telehealth services is a necessity.

Telehealth services serves as an extended healthcare support system for our community health aides, primary care providers, and patients and family members in need of emergent and specialty care.

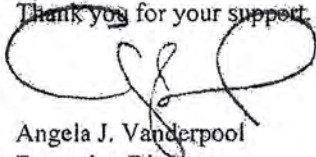
Telehealth has enabled us to provide a higher level of support and care that is quick, convenient, and desperately needed. With our Telehealth service connectivity and equipment, we have been able to provide emergent and specialty care services such as cardiology, nephrology, dermatology, and oncology service support amongst other specialty care for our people.



Undoubtedly, without service support and telehealth connectivity our healthcare teams and communities would suffer loss of life and equality.

We ask that you urge the FCC to increase the rural health care universal service support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years. This will ensure Alaska's rural and Bush communities continue to have access to affordable broadband telehealth services, critical for improving access to care.

Thank you for your support.

A handwritten signature in black ink, appearing to read 'Angela J. Vanderpool', is written over the text 'Thank you for your support.' The signature is stylized and loops around the text.

Angela J. Vanderpool
Executive Director
jan@chugachmiut.org

CC: FCC Secretary and staff



October 25, 2016

The Honorable Senator Murkowski
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Senator Sullivan
702 Hart Senate Office Building
Washington, DC 20510

The Honorable Congressman Young
2314 Rayburn House Office Building
Washington, DC 20515

RE: Rural Health Care Universal Services Support

Dear Senator Murkowski, Senator Sullivan, and Congressman Young:

I am writing on behalf of the Alaska Tribal Administrator's Association to ask for your support ensuring Alaskans continue to have access to affordable broadband telehealth services in rural and bush communities. For those communities who do not have affordable broadband telehealth services, we ask that access to those services be provided.

You may know the Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million.

Rural Health Care Universal Service Support is essential to enable providers to deliver affordable broadband telehealth services in Alaska's rural and Bush communities. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014.

If rural Alaskans are to continue to receive the affordable broadband telehealth services they need, the FCC must increase the rural health care budget and index it for inflation, as it recently did with E-rate. The FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, and indexed it for inflation, reflecting increases in demand.

Rural health care support enables telehealth services to be provided that dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs, and expand local treatment options.

The Mission of ATAA is to develop a collaborative atmosphere of knowledge sharing and professional support among Alaska's Tribal Administrators; and to promote effective tribal administration resulting in greater self-governance, community sustainability, and leadership.

We work collaboratively with tribal organizations, tribal leadership and tribal staff to improve local access to quality medical/health care services. Affordable broadband is the most significant factor in the delivery of quality health care services through the use of telehealth tools. Without affordable broadband, many rural clinics across Alaska could not afford to use telehealth tools to provide and promote patient-centered health care and patient safety. In Alaska, telehealth is heavily utilized to connect patients with a higher level of care and specialty services. Using telehealth technologies is a key factor in avoiding high cost and travel stress on elders or as routinely happens, separating children from a parent who cannot afford to travel with their child.

We ask that you urge the FCC to increase the rural health care universal service support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years. This will ensure Alaska's rural and Bush communities continue to have access to affordable broadband telehealth services, critical for improving access to care.

Thank you for your support.

ALASKA TRIBAL ADMINISTRATORS ASSOCIATION



Teresa Jacobsson
Founder/Chair

CC: FCC Secretary and Staff



Ninilchik Traditional Council
P.O. Box 39070
Ninilchik, Alaska 99639
Phone: 907 567-3313 / Fax: 907 567-3308
E-mail: ntc@ninilchiktribe-nsn.gov
ninilchiktribe-nsn.gov

October 26, 2016

The Honorable Senator Murkowski
709 Hart Senate Office Building
Washington, DC 20510

Dear Senator Murkowski,

My name is Ivan Z. Encelewski, Executive Director for the Ninilchik Traditional Council, governing body for the Ninilchik Village Tribe. I am writing to ask for your support to ensure Alaskans continue to have access to affordable broadband telehealth services in rural villages. The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million.

Rural Health Care Universal Service Support is essential to enable providers to deliver affordable broadband telehealth services in Alaska's rural villages. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014.

If rural Alaskan villages are to continue to receive the affordable broadband telehealth services they need, the FCC must increase the rural health care budget and index it for inflation, as it recently did with E-rate. The FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, and indexed it for inflation, reflecting increases in demand.

The Ninilchik Traditional Council Community Clinic, the primary care facility for the rural village of Ninilchik, appreciates the opportunity to utilize the telehealth services that dramatically improve access to care, accelerate diagnosis and treatment, enable video conferencing for remote consultation with patients, as well as ability to improve the VMware infrastructure between facilities. We recognize the increased need for affordable broadband telehealth services in rural Alaska, as it has certainly enhanced our capability to provide better healthcare service to our rural residents.

We ask that you urge the FCC to increase the rural health care universal service support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years.

Respectfully,

Ivan Z. Encelewski, Executive Director
Ninilchik Traditional Council

C: Heather Cavanaugh, APR Director - Corporate Communications

P O Box 5
Glennallen, AK 99588
(907) 822-5686 Phone
(907) 822-5684 Fax



November 7, 2016

The Honorable Senator Murkowski
709 Hart Senate Office Building
Washington, DC 20510

Re: INCREASE NEEDED IN RURAL HEALTH CARE UNIVERSAL SERVICE BUDGET

Dear Senator Murkowski,

I am writing to ask for your support ensuring Alaskans continue to have access to affordable broadband tele-health services in rural and Bush communities. The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million. Rural Health Care Universal Service Support is essential to enable providers to deliver affordable broadband tele-health services in Alaska's rural and Bush communities. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014.

If rural Alaskans are to continue to receive the affordable broadband tele-health services they need, the FCC must increase the rural health care budget and index it for inflation, as it recently did with E-rate. The FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, and indexed it for inflation, reflecting increases in demand.


Rural health care support enables tele-health services to be provided that dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs, and expand local treatment options.

Cross Road Health Ministries, Inc. has greatly benefited from Rural Health Care (RHC) Program funding since 2004. The RHC Program has enabled us to implement telecommunications that significantly improve healthcare services in the regions of rural Alaska we serve. In particular our patients have benefited from us moving from film-based to digital diagnostic radiology services enabled by secure private connectivity between our clinics and radiology vendor. The same connectivity enables us to securely, reliably and efficiently share information and services between sites, including access to our EMR and integration of our IP phone systems. The connectivity also facilitates increased Internet bandwidth, which has allowed us to more fully utilize cloud-

based services for training and collaboration, for example, and video teleconferencing for meetings.

We ask that you urge the FCC to increase the rural health care universal service support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years. This will ensure Alaska's rural and bush communities continue to have access to affordable broadband tele-health services, critical for improving access to care.

Thank you for your support.



Joel Medendorp

CEO

Cell phone: 907-320-0557

Email: jmedendorp@crossroadmc.org

JM:jm



**Peninsula Community
Health Services of Alaska**
MEDICAL • DENTAL • BEHAVIORAL HEALTH

230 East Marydale Avenue • Soldotna, Alaska • 99669 • www.pchsak.org
We are a 501(c)(3) nonprofit. Please consider a donation.

ADMINISTRATION Soldotna tel 907.260.7300 • fax 907.260.7301
MEDICAL Soldotna tel 907.262.3119 • fax 907.262.9290
BEHAVIORAL HEALTH Soldotna tel 907.260.3691 • fax 907.262.9290
MEDICAL Kenai tel 907.283.3600 • fax 907.283.3601
DENTAL Kenai tel 907.283.7759 • fax 907.283.4883

November 8, 2016

The Honorable Senator Murkowski
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Senator Sullivan
702 Hart Senate Office Building
Washington, DC 20510

The Honorable Congressman Young
2314 Rayburn House Office Building
Washington, DC 20515

Dear Senator Murkowski, Senator Sullivan, and Congressman Young,

We are writing to ask for your support ensuring Alaskans continue to have access to affordable broadband telehealth services in rural and Bush communities. The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million.

Rural Health Care Universal Service Support is essential to enable providers to deliver affordable broadband telehealth services in Alaska's rural and Bush communities. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014. Alaska has some of the highest overall utility rates and that is true for telecommunication and internet service as well, so the support is critical to keep down the high cost of healthcare.

If rural Alaskans are to continue to receive the affordable broadband telehealth services they need, the FCC must increase the rural health care budget and index it for inflation, as it recently did with E-rate for schools and libraries. The FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, and indexed it for inflation, reflecting increases in demand. Rural healthcare needs a comparable increase.

Page two

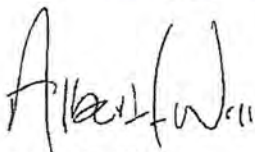
Rural health care support enables telehealth services to be provided that dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs, and expand local treatment options. The need for telecommunications and internet service has also grown over the past several years, with CMS requiring electronic health records and meaningful use to obtain incentives and avoid penalties. Our healthcare practitioners, as well as patients, have come to expect that their prescriptions are transmitted electronically and that their medical imaging is instantly accessible.

In recent years the Rural Health Care program has added new programs. First the Healthcare Connect Fund, which gives a flat 65% discount for broadband expenses was added. Now the eligibility is going to be expanded to include Skilled Nursing Facilities starting in 2017. The additional competition for funding beyond the initial Telecommunications Program has not been met with additional funding. We are now facing situations where our current multi-year contracts which had previously been awarded full funding will now need to compete with all new requests and may not be funded in full, although contracts and budgets were put in place with set dollar values.

We have attached some comments from our providers, who work so hard in our patient centered medical home to accomplish our mission of strengthening our community by providing accessible, affordable health care and who support our core values of innovative, comprehensive, integrated care for the whole person.

We ask that you urge the FCC to increase the rural health care universal service support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years. This will ensure Alaska's rural and Bush communities continue to have access to affordable broadband telehealth services, critical for improving access to care.

Thank you for your support.



Albert E. Wall
Chief Executive Officer

Peninsula Community Health Services of Alaska, Inc.
907-260-7300
awall@pchsak.org

CC:
FCC Secretary and staff

Statements from our providers:

Colette Reafl, MD

Medical Provider - Kenai Medical

Having high speed internet access, I am able to access the hospital medical server remotely. For my patients who are hospitalized, I am able to view critical results quickly and order remotely interventions in a timely manner. Last week, I was able to easily track the progress of labor for a mom prior to delivery of my newborn patient which saved multiple phone calls to the nursery. This also gives me the ability to appropriately plan around my scheduled patients and in a timely way notifies my office staff of the anticipated time I need to leave to take care of an impending delivery with complications requiring my attendance. This is pretty big for me since our PCHS Kenai office is a 25-30 minute drive to the hospital. This saves multiple phone calls between my office and the nursery and avoids a surprise call where I need to leave and travel to the hospital for an Emergency while affecting the care of my office patients without reasonable or timely notification.

Carlos A. Valenzuela, ANP, FNP-BC

Interim Medical Director

Family Nurse Practitioner-Medical

I am writing on behalf of my patients and employer to discuss the positive impact of high speed internet access on my current patient care. At our community health center, we serve a significant population with complex medical and psychosocial issues that require immediate evaluation and interventions. With high speed internet, I am able to access our secured electronic health record and review large volumes of relevant patient clinical history, medications, and diagnostic reports. I am able to immediately respond to patient and clinical issues which then results in delivery of high quality care. For example with high speed internet, I am able to remotely access our electronic health record, review lab results and reports from a remote location. I am then able to contact my patients and make further recommendations without any delay. Without this vital technology, I would not be able to efficiently manage this data by any other means. I hope that you continue to provide this support for the Rural Health Care Universal Service Support to allow our community health center to access our services.



**South Peninsula
Behavioral Health Services, Inc.**

3948 Ben Walters Lane, Homer, Alaska 99603

November 8, 2016

The Honorable Senator Murkowski
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Senator Sullivan
702 Hart Senate Office Building
Washington, DC 20510

The Honorable Congressman Young
2314 Rayburn House Office Building
Washington, DC 20515

Dear Senator Murkowski, Senator Sullivan, and Congressman Young,

I am writing to ask for your support ensuring Alaskans continue to have access to affordable broadband telehealth services in rural and Bush communities. The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million.

Rural Health Care Universal Service Support is essential to enable providers to deliver affordable broadband telehealth services in Alaska's rural and Bush communities. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014.

If rural Alaskans are to continue to receive the affordable broadband telehealth services they need, the FCC must increase the rural health care budget and index it for inflation, as it recently did with E-rate. The FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, and indexed it for inflation, reflecting increases in demand.

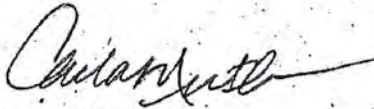
Rural health care support enables telehealth services to be provided that dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs, and expand local treatment options.

South Peninsula Behavioral Health Services provides behavioral health services on the lower Kenai Peninsula, which include mental health treatment services, development disability support services, and limited substance abuse treatment. We also provide psychiatric services

including medication management. We use an electronic health record which is internet based, requiring us to have fast and reliable internet service in order to provide accurate and timely client records. We also participate in a couple of intensive therapeutic programs which require transfers of large data files in order for us to comply with the requirements of the programs, which greatly benefits our clients. Our agency often hosts web-based training for our staff as well as the surrounding community, and we depend upon a fast and reliable internet connection to maintain a well trained staff and community. As our electronic health record grows, and as the State Of Alaska requires more real-time data, we will be even more reliant on a reliable connection, and will be requesting higher bandwidth to accommodate our growing needs.

We ask that you urge the FCC to increase the rural health care universal service support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years. This will ensure Alaska's rural and Bush communities continue to have access to affordable broadband telehealth services, critical for improving access to care.

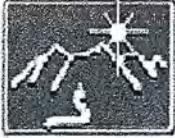
Thank you for your support.



Carla Meitler
Chief Operating Officer
South Peninsula Behavioral Health Services
Homer AK
907-235-9233

CC:

FCC Secretary and staff



SITKA COUNSELING & PREVENTION SERVICES, INC

113 Metlakatla Street, Sitka, AK 99835 Ph: 907-747-3636 Fax: 907-747-5316

November 14, 2016

The Honorable Senator Murkowski
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Senator Sullivan
702 Hart Senate Office Building
Washington, DC 20510

The Honorable Congressman Young
2314 Rayburn House Office Building
Washington, DC 20515

Dear Senator Murkowski, Senator Sullivan, and Congressman Young,

I am writing to ask for your support ensuring Alaskans continue to have access to affordable broadband telehealth services in rural and Bush communities. The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million.

Rural Health Care Universal Service Support is essential to enable providers to deliver affordable broadband telehealth services in Alaska's rural and Bush communities. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014.

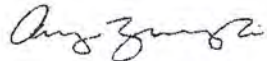
If rural Alaskans are to continue to receive the affordable broadband telehealth services they need, the FCC must increase the rural health care budget and index it for inflation, as it recently did with E-rate. The FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, and indexed it for inflation, reflecting increases in demand.

Rural health care support enables telehealth services to be provided that dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs, and expand local treatment options.

The communities of Yakutat and Sitka have been significantly affected by the ability to provide Tele-Behavioral Health services. The small community of Yakutat can access eight master level Clinicians across the Vidyo system. The access to services continues to help and support a number of families. We welcome all clients and don't place barriers to service, we help connect people to the services they need, weather those services are available within the agency or through referral. We recognize that healing is for the whole person; each person is assisted in developing a plan for their recovery and encouraged to develop new skills.

We ask that you urge the FCC to increase the rural health care universal service support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years. This will ensure Alaska's rural and Bush communities continue to have access to affordable broadband telehealth services, critical for improving access to care.

Thank you for your support.



Amy Zanuzoski
Executive Director
907-747-3636
amyz@scpsak.org

CC:
FCC Secretary and staff

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartletthospital.org

November 16, 2016

The Honorable Senator Murkowski
709 Hart Senate Office Building
Washington, DC 20510

Dear Senator Murkowski

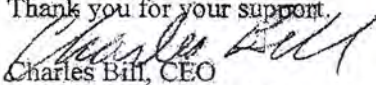
We ask for your support ensuring Alaskans continue to have access to affordable broadband telehealth services in rural and Bush communities. The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million.

Rural Health Care Universal Service Support is essential to enable providers to deliver affordable broadband telehealth services in Alaska's rural and Bush communities. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014. If rural Alaskans are to continue to receive the affordable broadband telehealth services they need, the FCC must increase the rural health care budget and index it for inflation, as it recently did with E-rate. The FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, and indexed it for inflation, reflecting increases in demand.

Rural Health Care support enables Bartlett Regional Hospital to access telehealth services from Providence Hospital in Anchorage through our eICU program, accelerate diagnosis by facilitating communication with specialists in Seattle and Anchorage to whom we send x-ray and other files. Through improved telecommunications we avoid unnecessary medivacs and expand local treatment options. The Rural Health Care Program facilitates our being able to locally serve patients effectively and economically as possible.

Please urge the FCC to increase the rural health care universal service support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years. This will ensure Alaska's rural and Bush communities continue to have access to affordable broadband telehealth services, critical for improving access to care.

Thank you for your support.


Charles Bill, CEO

ebill@bartletthospital.org



IT IS IN THE SMILE
OF EACH OTHER THAT
THE PEOPLE LIVE.

Irish Proverb

November 29, 2016

The Honorable Senator Murkowski
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Senator Sullivan
702 Hart Senate Office Building
Washington, DC 20510

The Honorable Congressman Young
2314 Rayburn House Office Building
Washington, DC 20515

Dear Senator Murkowski, Senator Sullivan, and Congressman Young,

I am writing to ask for your support ensuring Alaskans continue to have access to affordable broadband telehealth services in rural and Bush communities. The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million.

Rural Health Care Universal Service Support is essential to enable providers to deliver affordable broadband telehealth services in Alaska's rural and Bush communities. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014.

If rural Alaskans are to continue to receive the affordable broadband telehealth services they need, the FCC must increase the rural health care budget and index it for inflation, as it recently did with E-rate. The FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, and indexed it for inflation, reflecting increases in demand.

Rural health care support enables telehealth services to be provided that dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs, and expand local treatment options.

Specifically, Community Connections routinely utilizes our telehealth system to provide psychiatric care to children throughout southern southeast Alaska communities. We also utilize it to provide mental health therapy and occupational and physical therapy. Telehealth is a vital and integral part of our service delivery system. Without the FCC support, we would not be able to provide these necessary services to our remote island communities.

We ask that you urge the FCC to increase the rural health care universal service support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years. This will ensure Alaska's rural and Bush communities continue to have access to affordable broadband telehealth services, critical for improving access to care.

Thank you for your support.

Bess Clark
Executive Director
CC: FCC Secretary and staff

721 Stedman St.
Ketchikan, Alaska 99901
Tel: (907) 225-7825
Fax: (907) 225-1541

P.O. Box 420
Craig, Alaska 99921
Tel: (907) 826-3891
Fax: (907) 826-3892

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**Bristol Bay Area
Health Corporation**
6000 Kakanak Road
P.O. Box 130
Dillingham, AK 99576
(907) 842-5201
(800) 478-5201
FAX (907) 842-9354
www.bbahc.org

*Bristol Bay Area
Health Corporation is
a tribal organization
representing 28 villages in
Southwest Alaska:*

Aleknagik
Chignik Bay
Chignik Lagoon
Chignik Lake
Clark's Point
Dillingham
Egegik
Eduk
Ekwok
Goodnews Bay
Ivanof Bay
Kanatak
King Salmon
Knugank
Kolliganek
Levelock
Manokotak
Naknek
New Stuyahok
Perryville
Pilot Point
Platinum
Port Heiden
Portage Creek
South Naknek
Togiak
Twin Hills
Ugashik

*Our mission is to
provide quality
health care with
competence and
sensitivity*

January 19, 2017

The Honorable Senator Murkowski
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Senator Sullivan
702 Hart Senate Office Building
Washington, DC 20510

The Honorable Congressman Young
2314 Rayburn House Office Building
Washington, DC 20515

RE: Rural Health Care Universal Services Support

Dear Senator Murkowski, Senator Sullivan, and Congressman Young:

I am writing to ask for your support ensuring Alaskans continue to have access to affordable broadband telehealth services in rural and bush communities.

The Bristol Bay Area Health Corporation (BBAHC) was formed by a consortium of Bristol Bay tribes in 1973 to provide comprehensive health care services to a diverse population in the Bristol Bay Region. Our mission is to provide quality healthcare with competence and sensitivity.

BBAHC has been a long time recipient of the Rural Health Care Universal Service Support specifically under the Telecommunications Program. These program funds have been key for our organization to deploy and use telehealth tools supporting high speed broadband that has become a platform for 21st Century Electronic Health Records that can be shared securely with other medical providers directly improving patient care throughout Alaska and allows us to avoid the high cost of travel where and when we can.

For funding year 2016, the FCC expects that demand may exceed the cap of \$400 million. If the cap is hit; and without knowing the result or impact of requested support by BBAHC, we may have to reduce or interrupt broadband services currently used to provide healthcare which would have a huge negative impact on patient care adversely effecting lives a thousands of Alaskans.

BBAHC has worked with our GCI service provider of broadband services for funding year 2016 have already been contracted and provisioned and are already six months in the funding year. BBAHC is very concerned about the continuity of existing and new rural health care services if funding requests are reduced (pro-rated) or denied entirely. Our non-profit Kakanak Hospital and the 28 villages served simply can not afford to go back to paper, snail-mail and 20th Century Medicine.

Please urge the FCC to increase the Rural Health Care Universal Service Support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years.

Thank you for your support.

Sincerely,

Robert J. Clark, President & CEO



Dahl Memorial Clinic
Municipality of Skagway

January 25, 2017

Representative Sam Kito
State Capitol Room 404
Juneau AK 99801

Dear Representative Kito,

I am writing to ask for your support ensuring Alaskans continue to have access to affordable broadband telehealth services in rural and Bush communities. The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million.

Rural Health Care Universal Service Support is essential to enable providers to deliver affordable broadband telehealth services in Alaska's rural and Bush communities. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014.

If rural Alaskans are to continue to receive the affordable broadband telehealth services they need, the FCC must increase the rural health care budget and index it for inflation, as it recently did with E-rate. The FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, and indexed it for inflation, reflecting increases in demand.

Rural health care support enables telehealth services to be provided that dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs, and expand local treatment options.

Dahl Memorial Clinic has utilized broadband telehealth services for several years to send x-ray and ultrasound imaging to radiologists in Juneau for reading and interpretation. It is a vital part of the medical services we provide to our small community and the thousands of seasonal visitors who come to our town each year.

We ask that you urge the FCC to increase the rural health care universal service support budget, index it for inflation, and provide for any unused funds to be carried forward to future funding years. This will ensure Alaska's rural and Bush communities continue to have access to affordable broadband telehealth services, critical for improving access to care.

Thank you for your support.

Shelly O'Boyle
Clinic Executive Director
(907) 983-2255
s.oboyle@skagway.org

CC: FCC Secretary and staff



Aleutian Pribilof Islands Association, Inc.

1131 E. International Airport Rd.
Anchorage, Alaska 99518-1408

Phone (907) 276-2700

Fax (907) 279-4351

10 March 2017

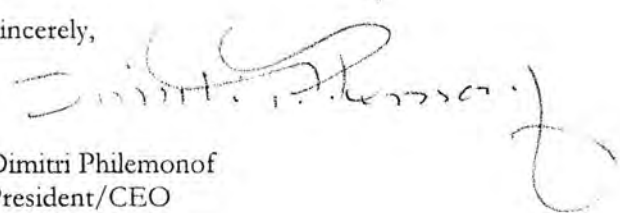
Representative Bryce Edgmon
Speaker of the House
Capitol Room 208
Juneau, AK 99801

Dear Representative Edgmon:

I understand that House Joint Resolution 14, urging the Federal Communications Commission to increase the Rural Health Care Program Budget was introduced on March 6, 2017 and referred to the House Labor and Commerce Committee. The Aleutian Pribilof Islands Association, Inc. is in full support of this effort.

Rural clinics and health care providers in remote areas of Alaska depend on the Rural Health Care Universal Services Support program to offer essential telehealth services, crucial in providing adequate health care. Sadly, the support budget that makes this possible has been capped at the same level since it was established in 1997. After twenty years of advances in technology, increases in demand, and the effects of inflation, it is expected that the 2017 demand may exceed that cap for the first time. These services are critical in providing adequate health care in rural Alaska, and we urge the FCC to increase the Rural Health Care Universal Services Support Budget sufficiently to adjust for inflation, technological advancement, and increased demand for broadband-based services.

Sincerely,



Dimitri Philemonof
President/CEO



ALASKA STATE HOSPITAL &
NURSING HOME ASSOCIATION

March 17, 2017

House Speaker Edgmon
State Capitol Room 208
Juneau, Alaska 99801

Re: HJR 14 – Increase Rural Health Care Budget

Dear House Speaker Edgmon,

The Alaska State Hospital and Nursing Home Association (ASHNHA) is writing this letter in support of HJR 14 – Increase Rural Health Care Budget. We represent more than 65 hospitals, skilled nursing facilities, and other health care organizations. Our membership spans geographically from PeaceHealth Ketchikan Medical Center to Samuel Simmonds Memorial Hospital in Utqiagvik. Our diverse association unites every small rural hospital and large hospital system in the state around common goals. For over 60 years, ASHNHA members have worked to improve health care in Alaska.

As health care providers, our members understand the critical importance of the Rural Health Care (RHC) Universal Service Support program that enables providers to deliver affordable broadband telehealth services in Alaska's rural and Bush communities. Alaska received more than \$82 million in rural health care support for 2015, a substantial increase in demand from 2014.

The RHC Universal Service Support budget has remained static for 20 years and must be increased. The current \$400 million budget remains at the initial level set in 1997, despite inflation, advances in technology and increased demand for services. The FCC expects that demand may exceed the cap for the first time in funding year 2016. An equivalent budget today, adjusted for inflation, would be about \$600 million.

Rural health care support enables telehealth services to be provided that dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs, and expand local treatment options. Telehealth services play an important role in our region.

Sincerely,

Becky Hultberg
President/CEO



March 22, 2017

Representative Bryce Edgmon
Speaker of the House
Capitol Room 208
Juneau, AK 99801

Dear Representative Edgmon:

I understand that House Joint Resolution 14, urging the Federal Communications Commission to increase the Rural Health Care Program Budget was introduced on March 6, 2017 and referred to the House Labor and Commerce Committee. The Aleut Corporation is in full support of this effort.

Rural clinics and health care providers in remote areas of Alaska, including our region, depend on the Rural Health Care Universal Services Support program to offer essential telehealth services, crucial in providing adequate health care. Sadly, the support budget that makes this possible has been capped at the same level since it was established in 1997. After twenty years of advances in technology, increases in demand, and the effects of inflation, it is expected that the 2017 demand may exceed that cap for the first time. These services are critical in providing adequate health care in rural Alaska, and we urge the FCC to increase the Rural Health Care Universal Services Support Budget sufficiently to adjust for inflation, technological advancement, and increased demand for broadband-based services.

Sincerely,

A handwritten signature in cursive script that reads "Thomas Mack".

Thomas Mack
President



The FCC's Universal Service Rural Health Care Programs

The Federal Communication Commission's (FCC) universal service rural health care programs currently include: (1) the Healthcare Connect Fund; (2) the Rural Health Care Telecommunications Program; and (3) the Rural Health Care Pilot Program. In 1996, Congress mandated that the FCC use the Universal Service Fund (USF) to provide support for both telecommunications and advanced telecommunications and information services for eligible health care providers (HCPs). HCPs use these services to provide telemedicine, transmit health records, and conduct other telehealth activities, thereby improving patient care and reducing health care costs. Here are some frequently asked questions about the FCC's universal service rural health care programs.

What Are the Main Features of the FCC's Universal Service Rural Health Care Programs?

- The Healthcare Connect Fund (HCF) supports high-capacity broadband connectivity and broadband networks for eligible HCPs with a 65 percent discount.
- The Rural Health Care Telecommunications Program, created in 1997, ensures that eligible HCPs pay no more than their urban counterparts for telecom services. The Telecommunications Program supports the urban-rural rate difference for telecommunications services for rural HCPs.
- The Rural Health Care Pilot Program, launched in 2007, supports 50 state-wide and regional broadband HCP networks with an 85 percent discount. The Pilot Program is closed to new applicants, and participants will transition to the HCF as Pilot funds are exhausted. The FCC built on lessons learned from the Pilot Program to create the HCF.

Which Health Care Providers Are Eligible to Participate in the Healthcare Connect Fund?

The HCF provides support to: (1) consortia of rural and non-rural public/non-profit HCPs, and (2) individual rural public/non-profit HCPs. Non-rural HCPs are eligible for support only if they are members of a majority-rural consortium.

Eligible public/non-profit HCPs include:

- Post-secondary educational institutions offering health care instruction, including teaching hospitals and medical schools;
- Community health centers or health centers providing health care to migrants;
- Local health departments or agencies;
- Community mental health centers;
- Not-for-profit hospitals;
- Dedicated emergency departments in rural for-profit hospitals;
- Rural health care clinics;
- Part-time eligible entities located in facilities that are ineligible; and
- Groups of health care providers consisting of one or more entities described above.

What Expenses Are Eligible for Support from the Healthcare Connect Fund?

In the HCF, eligible HCPs may seek support for broadband services, network equipment, and (for consortium applicants) HCP-constructed and owned network facilities.



What is the Budget for the FCC's Universal Service Health Care Programs?

Annual support for all universal service rural health care programs combined is capped at \$400 million.

Who Pays for the FCC's Rural Health Care Program?

All telecommunications service providers and certain other providers of telecommunications must contribute to the federal USF based on a percentage of their interstate and international end-user telecommunications revenues. These companies include wireline phone companies, wireless phone companies, paging service companies, and certain Voice over Internet Protocol (VoIP) providers.

Some consumers may notice a "Universal Service" line item on their telephone bills. This line item appears when a company chooses to recover its USF contributions directly from its customers by billing them this charge. The FCC does not require this charge to be passed on to customers. Each company makes a business decision about whether and how to assess charges to recover its Universal Service costs. These charges usually appear as a percentage of the consumer's phone bill.

Companies that choose to collect Universal Service fees from their customers cannot collect an amount that exceeds their contribution to the USF. They also cannot collect any fees from a Lifeline program participant (an income-eligible subscriber that receives discounts on telephone service).

Can I Find Out How Health Care Providers in My Area Are Benefiting from the FCC's Health Care Program?

Yes. You can visit USAC's website at www.rhc.universalservice.org/funding/asc/ to determine Rural Health Care funding specific to your state.

You can also view fact sheets on other Universal Service programs on the FCC website at:

www.fcc.gov/guides/universal-service-support-mechanisms

www.fcc.gov/guides/universal-service-program-schools-and-libraries

www.fcc.gov/guides/promoting-telephone-subscribership-indian-country.

For More Information

For more information on the FCC's universal service health care programs, visit www.fcc.gov/general/rural-health-care-program.

For more information on other consumer issues, visit the FCC's Consumer Help Center at www.fcc.gov/consumers.

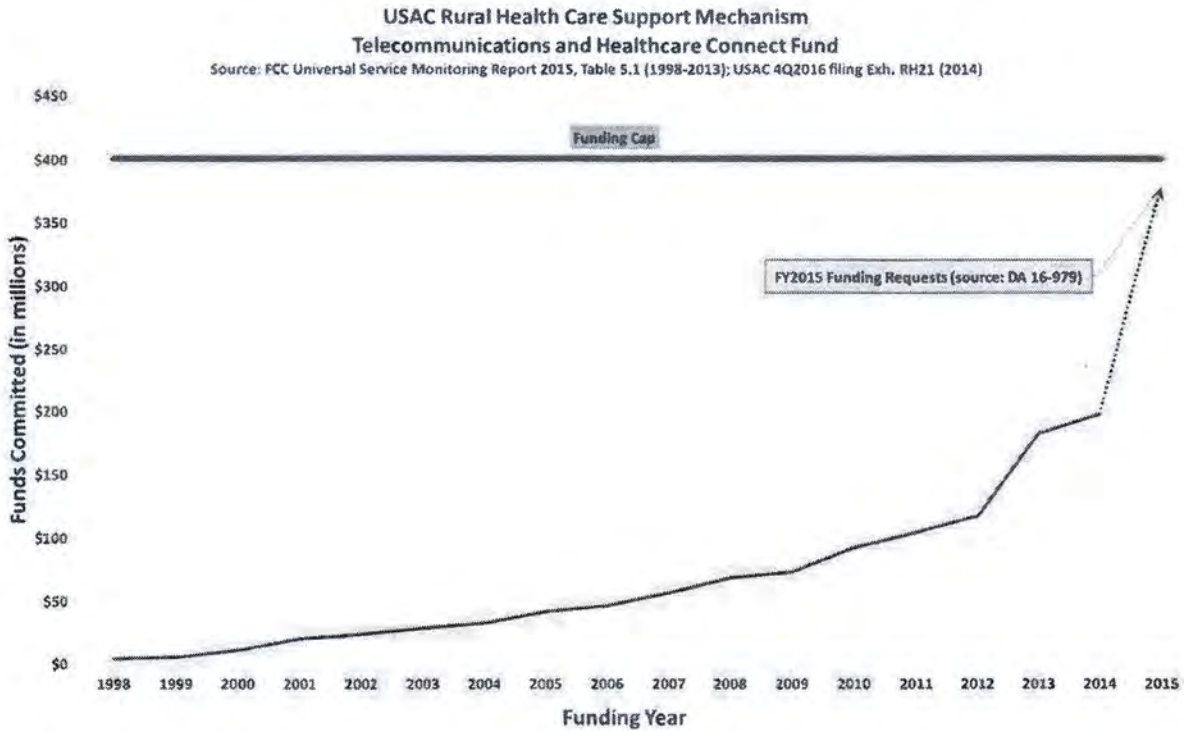
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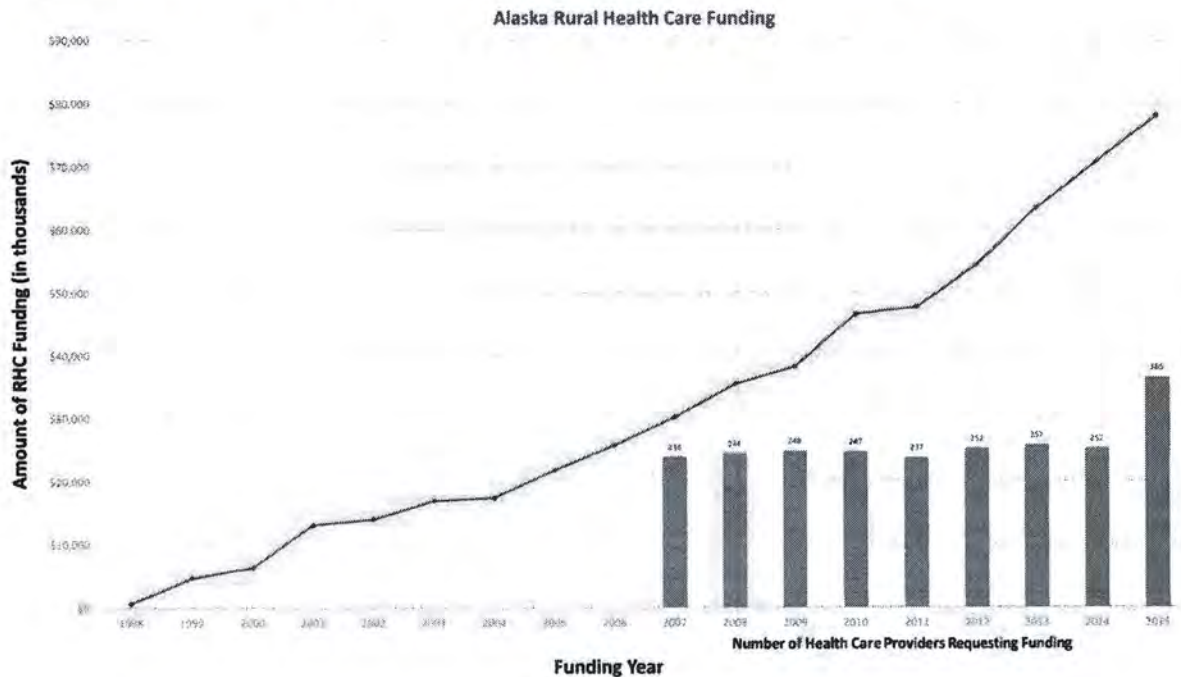
Last Reviewed: 2/6/17

Rural Health Care Universal Service Support in Alaska

- **The Rural Health Care Universal Service Support budget has remained static for 20 years and must be increased:**
 - The current \$400 million budget remains at the initial level set in 1997, despite quantum leaps in technology and demand for services. The FCC expects that demand may exceed the cap for the first time in Funding year 2016.
 - **An equivalent budget today, adjusted for inflation, would be about \$600 million.**

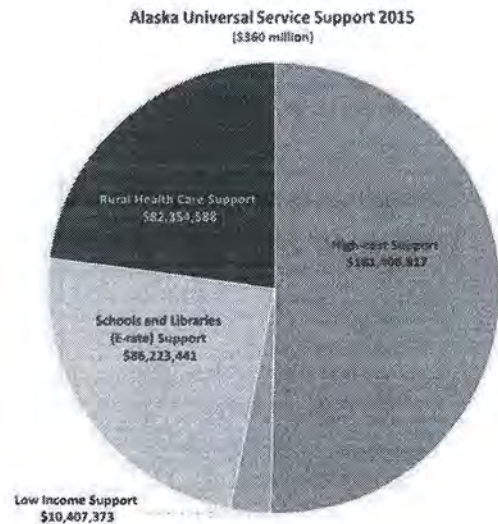


- **Rationing of these funds will disproportionately impair delivery of crucial health care services in Alaska:**
 - Alaska receives a far larger share of rural health care universal service funds than any other state – consistently 30 to 40 percent *or more* of all USAC rural health care funding commitments nationwide.



- Rural Health Care Universal Service Support funding is essential to enable providers to deliver affordable broadband telehealth services in Alaska's rural and Bush communities:**

- Alaska received more than \$82 million in rural health care support for 2015, a substantial increase from 2014.
 - In 2015, rural health care support was about 23 percent of all federal USF flowing to the state (\$360 million).
 - Together with the E-rate program, rural health care funding enables service providers to deliver affordable broadband Internet access and other services to schools, libraries, and rural health care providers in rural and Bush Alaska that are reasonably comparable to those available in central Anchorage, Fairbanks, and Juneau.
 - Often, these anchor institutions have the only broadband connections in their communities.
 - Today, although per-Mbps bandwidth prices have fallen steadily, demand is soaring, as healthcare organizations increasingly share information among their locations and with others.



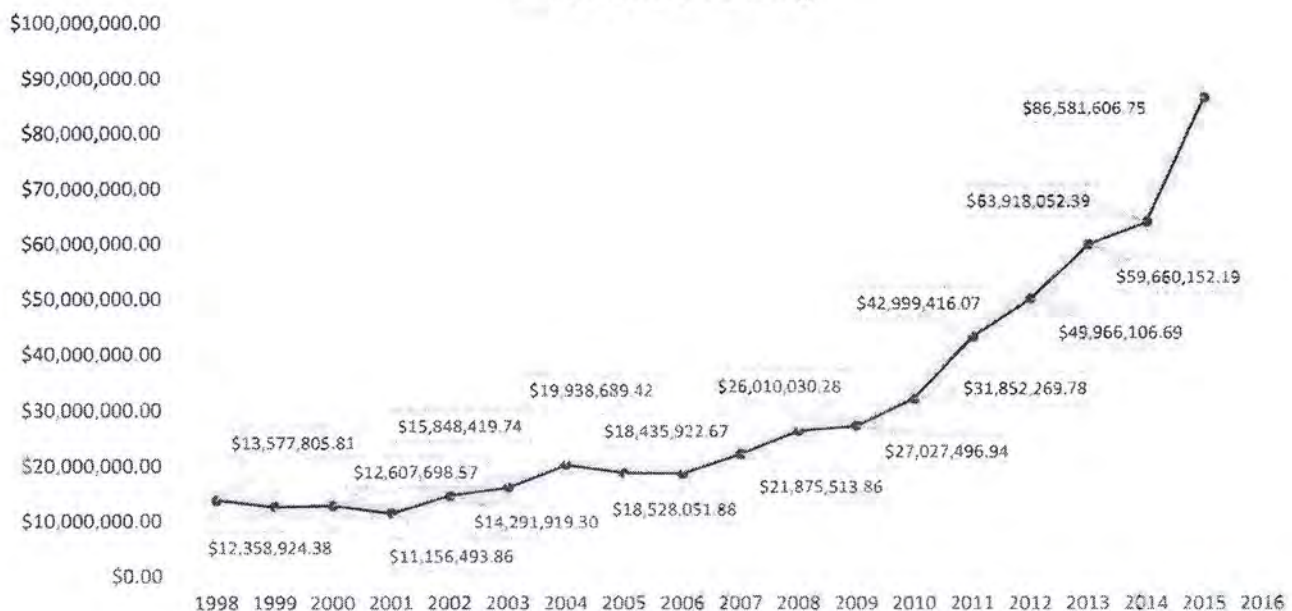
- Rural Health Care support enables telehealth implementations that dramatically improve access to care, accelerate treatment, and improve local treatment options:**

- Rural Veterans Health Access Program, behavior health for veterans in rural communities
 - Akeela – tele-behavior health for inmates and community members
 - Kenaitze – Implementing Electronic Health Records and integrating care with the Alaska Native Medical Center

- The FCC should increase the rural health care budget and index it for inflation, as it recently did with E-rate**

- E-rate support is similarly essential in delivering affordable telecommunications services to rural and Bush Alaska
 - E-rate enables rural and Bush schools and libraries to offer e-learning services and cutting-access information that were impossible only a few years ago.
 - Unlike the rural health care mechanism, the FCC has updated the E-rate budget from \$2.25 billion in 1997 to \$3.94 billion for 2016, *and indexed it for inflation*, reflecting increases in demand.

Alaska eRate Funding





Alaska Primary Care
ASSOCIATION

2017 Alaska Health Center utilization of USAC RHC funds

2015 USAC Funding (updated Feb 2017)	HCP #	City	Service Provider	Est Support Amount (Partial Listing)
Alaska Island Community Services	32149	Coffman Cov	GCI	43,405.80
Aleutian/Pribilof Island Assoc.	10761	St. Paul	GCI	904,273.19
Anchorage Neighborhood Health Center				
Bethel Family Clinic	10892	Bethel	GCI	596,772.00
Bristol Bay Area Health Corp.	10982	Chignik Bay	GCI	441,809.25
Bristol Bay Borough-Camai Clinic	14459	Nakenk	GCI	941,322.34
City of Seward-Seward CHC	34295	Seward	GCI	14,448.00
Council of Athabascan Tribal Gov't	11018	Arctic Village	GCI	223,683.60
Cross Road Medical Center	14761	Glenallen	ACS	258,750.87
Eastern Aleutian Tribes, Inc.	12780	Adak	GCI	331,577.19
Front Street Clinic				
Girdwood Health Clinic, Inc				
Iliuliuk Family & Health Services, Inc.	11046	Unalaska	ACS	691,565.21
Interior Community Health Center	16320	Healy	ACS	8,867.58
Kodiak Area Native Association	11197	Kodiak	ACS	569,520.00
Kodiak Island Health Care Found.	16031	Kodiak	Alascom	39,398.78
Manillaq Association	10811	Ambler	GCI	458,709.21
Mat-Su Health Services, Inc.				
Municipality of Skagway-Dahl Memorial Clinic	14542	Skagway	ACS	186,000.00
Native Village of Eyak-Ilanka CHC	11932	Cordova	ACS	19,576.07
Norton Sound Health Corp.	10673	Brevig Missio	GCI	301,771.01
Penninsula Community Health Services of Alaska	32576	Kenai	ACS	64,389.02
Seldovia Village Tribe	10783	Homer	GCI	51,456.00
Southcentral Foundation	13562	Iliamna	GCI	744,079.44
Southeast Alaska Regional Health Consort.	10050	Angoon	GCI	6,454.80
Sunshine Community Health Center	12251	Talkeetna	MTA	16,304.50
Tanana Chiefs Conference	10727	Nenana	DRS	504,000.00
Yakutat Tlingit Tribe	12020	Yakutat	GCI	386,829.72
Yukon Kuskokwim Health Corp.	10214	Aniak	GCI	875,160.00