American Hospital Association

Liberty Place, Suite 700
325 Seventh Street, NW
Washington, DC 20004-2802
(202) 638-1100 Phone
www.aha.org

March 5, 2004

Marlene H. Dortch
Commission's Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: 47 CFR Part 54 Rural Health Care Support Mechanism [WC Docket No. 02-60; FCC 03-288]; Proposed Rulemaking (68 Federal Register, 74538), December 24, 2003

Dear Ms. Dortch:

On behalf of our nearly 5,000 hospital, health system, network and other health care provider members, the American Hospital Association (AHA) welcomes the opportunity to respond to the Federal Communications Commission's (FCC) proposed rule on the rural health care universal service support mechanism.

The rural health care universal service support mechanism has become an important component of rural health service delivery, helping to ensure access to health care for many rural communities by providing discounted telecommunication rates for telehealth activities. Rural hospitals that participate in the Rural Health Care Universal Service Program are able to achieve substantial savings on telecommunication costs as well as provide needed health care services that otherwise might not be available in remote rural areas.

The AHA believes that the clarifications in the November 17, 2003 *Report and Order on Reconsideration* (Report and Order), made in response to comments solicited in the May 15, 2002 proposed rule, provide needed flexibility to the rural health care universal support mechanism. Our comments below address issues outlined in the December 24, 2004 Notice of Proposed Rulemaking concerning the definition of rural area, streamlining the application process, and enhancing outreach efforts so that the rural health care universal support mechanism can reach its full potential.

Specific Comments:

Definition of "rural area"
The definition of a rural area is a critical element in implementing many federal programs designed to address the needs of rural Americans. For example, health care facilities' eligibility for certain Medicare programs (i.e. critical access hospitals, swing beds, sole community hospitals, Medicare dependent hospitals and rural health clinics) depends on their location in a rural area. In addition, determinations of the hospital wage index and Medicare geographic reclassification are made based on the geographic location of the hospital.

In our July 2002 comments to the FCC's May 15, 2002 proposed rule, the AHA recommended that the non-urbanized area definition that applies to both the rural health clinic and swing-bed programs under Medicare be used to determine "rural" eligibility. This definition states that rural areas are those not delineated as urbanized areas in the last census conducted by the Census Bureau. (*Rural Health Clinic: 42 CFR Ch. IV (10-1-01 Edition) § 491.5 Location of clinic, and Swing-Bed Hospital: 42 CFR Ch. IV (10-1-01 Edition) § 482.66 Special requirements for hospital providers of long-term care services (''swing-beds'').)* **The AHA continues to support this recommendation because this definition includes rural areas within Metropolitan Statistical Areas (MSAs) as well as the newly designated Micropolitan Statistical Areas (Office of Management and Budget, Standards for Defining Metropolitan and Micropolitan Statistical Areas; Notice, 12/27/00, 65 *Federal Register* 82228) and, therefore, expands the program to health care providers located in these rural areas within MSAs as well as those providers located in the newly designated micropolitan statistical areas.**

Streamlining the Application Process
The Universal Service Administration Company's Rural Health Care Division (RHCD), which administers the universal service program, has worked to improve and simplify the application process. Initiatives include on-line form access, electronic certification, the ability to file an application on-line, prepopulation of data for renewed applications, and simplification of the application process by reducing the number of forms and steps to be completed. In addition, the RHCD conducts monthly conference calls with applicants, telecommunications service providers, and others interested in the program to discuss issues surrounding program implementation, rules, and requirements.

While the AHA commends these improvements, we believe the application process needs additional simplification. As stated in our July 2002 comment letter, one of rural health care providers' main problems with the application process is lack of response from telecommunication service providers. Few rural hospitals have the necessary resources to devote

the time and personnel to manage the complex process of filing; researching information, including rates of telecommunication companies; and completing the required forms for universal service funding. In our July 2002 comment letter, we also supported development of a simplified process for multi-year contracts. **The AHA recommends further simplification to the Rural Health Care Universal Service Program, and development of a simplified process for multi-year contracts so that health care providers do not have to re-apply on an annual basis.**

Outreach

Low participation in the universal service program is due to many factors, including previous difficulties with the application process; lack of awareness of the program by health care providers; uncooperative telecommunications service providers; misconception that funding is only for telemedicine applications and for currently installed telecommunications networks (as opposed to planned networks); and perceptions that the process is complex and confusing.

Eligible rural health care providers in all states need to be aware that the program exists and that they may be eligible to receive discounts on their telecommunication costs. The key to generating a significant increase in participation in the universal service program is an effective outreach and technical assistance program that encourages health care providers to file for universal service funding.

The AHA recommends that the FCC and the Universal Service administration Company SAC develop marketing and educational campaigns to make eligible rural health providers aware of the benefits of the Rural Health Care Universal Service Program.

We appreciate the opportunity to work with you to improve the rural health care universal service support mechanism. If you have any questions or need additional information, please feel free to contact John Supplitt, senior director, Section for Small or Rural Hospitals, at (312) 422-3306.

Sincerely

Rick Pollack
Executive Vice President

cc: Sheryl Todd