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April 8, 2005

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20054

Re: 47 CFR Part 54 Rural Health Care Support Mechanism [WC Docket No. 02-60;  
FCC 04-289]; Notice of Proposed Rulemaking (*70 Federal Register*, 6390), February 7, 2005  
VIA EMAIL

Dear Secretary Dortch:

On behalf of the American Hospital Association (AHA) and our 4,700 member hospitals, health care systems, and other health care provider members, and 31,000 individual members, we appreciate this opportunity to comment on 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 care delivery, helping to ensure access to health care services for many rural communities by providing discounted telecommunication rates for telemedicine and telehealth activities. Rural hospitals that participate in the Rural Health Care Universal Service Program achieve substantial savings on telecommunication costs and provide needed health care services that otherwise might not be available in remote areas.

This important program lies at the crossroads between telecommunications and health care. We agree with Department of Health and Human Services Secretary Mike Leavitt when he recently told a House appropriations committee that "telemedicine... (is) critical to the nation's health and economy, and technology will facilitate health care delivery to rural communities." We believe that the rural health care universal service support mechanism helps make this connection possible.

Our comments address Internet access and support for infrastructure development as were outlined in the FCC's February 7 proposed rule.



### **Internet Access**

**The AHA recommends that the FCC increase the current Internet access discount of 25 percent.** This discount should be similar to the discounts provided by the FCC's School and Libraries Support Mechanism in rural locations, which range from 25 to 90 percent. **The AHA also recommends that there should be no restriction on the connection type for Internet services, as these services can be provided over many types of telecommunications modalities.**

Under the FCC's Schools and Libraries Support Mechanism, basic conduit access to the Internet, including e-mail is eligible for support. In rural areas, discounts range between 25 to 90 percent. According to the *2003 Annual Report of the Universal Service Administrative Company*, \$191.1 million was provided in Internet access support to schools and libraries. Of this amount, 86 percent was provided in the 50 to 90 percent discount bands. Types of Internet access support provided include broadband Internet access, cable modem service, digital subscriber line (DSL), domain name registration, e-mail account service, firewall service, global service provider rates, Web hosting, and wireless Internet access.

Discounts also should be provided to underwrite access to Internet connectivity via any modality. In some communities and states, other providers of telecommunications technology, such as local cable operators, public utility boards, or state operated fiber optics networks have chosen to provide access to the Internet. Rural health care providers that choose to access those services should be eligible for discounts if that telecommunications technology provides services that support medical and health care or medical/health education purposes.

### **Infrastructure Development**

**The AHA recommends that the Rural Health Care Support Mechanism provide funding for both hospital infrastructure and rural communications infrastructure.**

Hospital Infrastructure: Most rural hospitals are struggling to find resources for investment in hospital technology infrastructure. Revenue constraints and cost pressures from governmental and private payers and general financial instability prevent rural hospitals from making many necessary investments. In addition, a history of deteriorating or negative margins makes it increasingly difficult for rural hospitals to obtain the capital needed to improve aging hospital infrastructure and upgrade or replace outdated information systems and clinical technology.

The AHA believes that the Rural Health Care Support Mechanism should provide discounts to rural facilities for the development of internal infrastructure comparable to the discounts for internal infrastructure that the FCC provides to rural schools and libraries. Improving rural hospital infrastructure for information technology will enable these hospitals to more readily move from paper medical records to electronic medical records and computerized physician order entry systems, access educational videoconferencing, and provide teleconsultations. These technological advances will improve the quality and efficiency of rural health care delivery.

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Rural Communications Infrastructure: The FCC should provide incentives to encourage telecommunications companies to invest in telecommunications infrastructure in rural areas. According to the Institute of Medicine report, *Quality Through Collaboration, The Future of Rural Health*, “broadband networks have not reached many rural communities.” Support for a rural communications infrastructure will help rural hospitals to breach the digital divide between urban and rural areas and become equal participants with other health care providers in telemedicine and telehealth activities. In addition, such networks will aid the broader rural community, by enabling rural residents, including health care professionals, to participate in distance learning and training programs; local businesses to market their products more efficiently; and the community to become computer and health care literate.

Many states are developing fiber optics systems that connect educational institutions, museums, libraries, state and federal agencies, and, in some states, hospitals in a statewide telecommunications network. Examples of such networks include the Corporation for Education Network Initiatives in California, Illinois Century Network, Iowa Communications Network, and Missouri Research and Educational Network. These high-speed networks are used for distance learning programs, video conferencing, online research, and, in some instances, hospital teleconsultations.

The Rural Health Care Support Mechanism should provide subsidies to allow rural health care providers to be able to connect to these existing statewide networks – for Internet access and telemedicine and telehealth applications. DSL lines, which are used by many rural hospitals for Internet access and videoconferencing, are not private nor do they have the bandwidth capability to allow rural hospitals to access the Internet and conduct a videoconference simultaneously. Rural hospitals need at least a T-1 line or a line with video capability and Internet access to be able to take advantage of modern technology and achieve improvements in patient safety, quality and efficiency.

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 me or Jane Gibson, assistant director of the Section for Small or Rural Hospitals, at (312) 422-3305.

Sincerely,

Rick Pollack  
Executive Vice President