

Where Oh Where Do Those Dollars Go – Part II

If you have been diligently keeping up with the quarterly technology articles you will remember that we discussed how the government uses some of the tax dollars you pay on your telephone bill – coded as Universal Service Fund. Last month we discussed a funding source for schools nationwide. This program is called E-rate. The second funding source is the Rural Health Care Program. This program is again run by USAC which is the Universal Service Administration Company (USAC) overseen by the Federal Communications Commission. According to USAC “The program is intended to ensure that rural health care providers pay no more for telecommunications in the provision of health care services than their urban counterparts.”

This program is a relatively new program. There was a pilot program enacted by USAC in September of 2006 to help public and private facilities connect to Internet 2 facilities.

So what is the program? It is an avenue for rural healthcare systems to apply for funding assistance to level out the costs involved in bringing communications and internet services to a healthcare facility. These services can include T1 lines for internet or voice communications, DSL circuits, standard telephone lines, etc. Further, if a facility must dial long distance to use dial-up internet services there is assistance for that type of long distance as well. This does not have to be a new service. The funding can be applied to existing services or be used to add services that have been desired but out of the budget realm.

The level of funding is based upon location of the facility as well as filing accuracy of the required documents. The facility must conduct a competitive bid process for all services they are seeking funding for. After bids are received the health care provider has a responsibility to choose the most cost-effective method of providing the desired service. The FCC defines the most cost effective solution as “the method of least cost after consideration of the features, quality of transmission, reliability, and other factors relevant to choosing a method of providing the required services.”

So why is this important? Healthcare is changing rapidly and technology in healthcare is keeping up. There are images that are transmitted and stored off site for simple X-rays to CT Scans, MRIs and more. These are mission critical files, not to mention large enough files that standard telephone lines using dial-up internet is not going to accomplish what is needed for a healthcare facility wanting to offer these types of services. There are also collaboration tools such as video, screen sharing and others available to further benefit patient care if the bandwidth is available to run the services. Part of our work with our clients allows us access to various types of services. A client in Peoria can get a T1

connection to the internet for \$200/month. Some facilities, depending on size, could even get by with a DSL circuit which would lower the cost even more. Some high bandwidth ADSL (i.e. 6mb download/1mb upload) circuits will cost a client less than \$100.00 per month. If we take the same scenario in a rural setting we get a much different result. First, we will most likely be told that there are no DSL services available in that switch station for the phone company. This leaves the facility no choice but to look at a T1 for internet service. Some local telephone companies provide this service and others do not. Local providers in rural settings have charged close to \$400/month for a partial T1. If a long distance company is needed to provide this service could be as much as \$600.00/month depending on the location of the facility in need. This is just internet access not to mention low competition for local telephone service. As you can see from this quick example rural facilities have very different service options and costs available to them. This is what the USAC program is trying to minimize.

How do you know if you are eligible? There is a published list on the USAC website that will allow a facility to search by census district if it complies with the geographic footprint. For instance all of Peoria and Mclean County are not eligible but some parts of each county are eligible. The sample report shows that in Peoria County these are the rural areas that would be eligible to apply for funding 0036.01, 0036.02, 0037.00, 0038.00, 0040.00, 0049.02 with Mclean County eligibility being in these areas – 0052.02, 0053.02, 0055.01, 0055.02, 0056.01, 0056.02. However, all of Fulton County is considered rural. The website for reference is <http://www.usac.org/rhc/tools/rhcdb/Rural/2005/result.asp>.

There are required forms for filing, site visits to be conducted verifying rural status, etc. and also possible audits from USAC. They routinely and randomly audit facilities to ensure that the funding is being used in appropriate ways.

Many hospitals and other qualifying health care facilities don't even know this program exists or, if they have knowledge, deadlines are missed and no funding appropriated. We hope by reading this article more healthcare providers will take advantage of this USAC program. Rural facilities can be more competitive in the health care marketplace and free up operation funds to provide specialized care closer to a rural person's home.