

**SEPARATE STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: In the Matter of the Rural Health Care Support Mechanism (WC Docket No. 02-60)

Today we modify our rules to improve the effectiveness of the rural health care support mechanism. I believe that the modifications that we make will improve the program, increase participation of rural health care providers, and ensure that benefits of the program continue to be distributed in a fair and equitable manner. This program has not yet met the Commission's projections, and has not lived up to Congress' expectations. These changes will help the program fulfill its enormous potential to improve the quality of health care in rural America.

Today's decision is one of those that really makes our jobs as public servants incredibly rewarding. There are only winners in today's decision. And we are all winners as a result of today's decision. A chain is only as strong as its weakest link, and today we further fortify the links in our communications network.

As a result of today's decision, more entities will be eligible for funding. It is critically important that we now permit funding of dedicated emergency facilities in for-profit hospitals as "rural health care clinics". These facilities are often the first line of defense and the portal for the patients' entry into the health care system. This change is particularly important in light of our national security concerns and the need to address any national emergency situation that may present itself. For example, if there is a chemical or biological attack and a patient presents himself to the dedicated care facility, access to rural health care funding may help ensure a quicker, more comprehensive determination of the crisis at hand, potentially saving many lives.

It is critical that we will allow for funding of "part-time" rural health care facilities. This is the reversal of a prior rule that rural health care providers associated with non-profit nursing homes, hospices and long term care facilities are 100% ineligible for funding. It will enhance the availability of health care in rural areas that don't have any other option or entity to serve as a health care facility.

Today we also approve funding for Internet access to rural health care providers. We are directing USAC to provide to rural health care providers twenty-five percent of the monthly cost for any form of Internet access reasonably related to the health care needs of the facility. Internet access has changed the world and our interaction with it. The Internet brings the world to us. In remote rural areas, access to the wealth of information and instruction that the Internet provides can mean the difference between life and death. I believe that a twenty-five percent discount is appropriate at this time, but I am willing to consider a higher discount based on the usage we see.

Under our old rules, we would allow rural health care providers to compare their rural rates to urban rates in the nearest city with a population of 50,000. Now we allow the health care providers to compare their rates to any city in their state with a population of

greater than 50,000. We have learned through experience that the rural health care providers don't necessarily always choose to connect to a point in the nearest largest city, but may very well choose to connect elsewhere where their needs are better met. This improvement that we make today will allow for rural health care providers to enjoy lower rates and provide access to the services that are most useful for their facilities.

I strongly support the revision of our policy to allow rural health care providers to receive discounts for satellite services even where alternative terrestrial based services may be available. Different technologies may be better suited to different health care providers and the services that they wish to offer. We should not limit a health care provider's ability to make that assessment and subsequent choice. I do believe, however, that in order to appropriately oversee this fund, capping the discount at the amount providers would have received if they had purchased functionally similar terrestrial-based alternatives is an important addition to prevent waste, fraud and abuse.

I am also pleased that we are continuing to look at the myriad of ways to improve this program by asking questions about the appropriate definition of a rural area. In addition, we are requesting comment on the provision of support to mobile rural health care clinics for satellite services. These questions are imperative to continuing to improve this program that has already done so much good, but can clearly do more. I eagerly await the ideas that health care and service providers will offer in response to our request for more information.

Finally, I'd like to thank USAC for the fine job it has done to help promote this program and all the other universal service programs it administers. I know that USAC works very closely with our staff and serves as a resource that helps us make better, more knowledgeable decisions. In particular I'd like to thank Cheryl Parrino for her leadership and wish her well as she moves on to her next challenge. She will be missed.

I approve this item and look forward to future advances in the program that result from our actions today.