Capitol Hill
Steering Committee on Telehealth and Healthcare Informatics
June 21, 2007
(As prepared for delivery)

Introduction

Good afternoon. The Chairman sends his regrets, however I'm sure you all will understand and congratulate him and Cathy on the birth of their second child last evening – William Sutherland Martin.

Thank you Neal Neuberger, for inviting me; as these issues have been very important to me at the state level and now at the FCC.

Also, I would to acknowledge Honorary Steering Committee Co-Chairs: Senators Kent Conrad (D-N.D.); Mike Crapo (R-ID); and Representatives Eric Cantor (R-VA); and Rick Boucher (D-VA); my friend and fellow Tennessean Rep. Bart Gordon (D-TN); and Reps. David Wu (D-OR); and Phil English (R-PA). Thank you for your leadership!!

I have had the privilege of serving at the Federal Communications Commission for almost two years now and we have all witnessed the entire breadth of the communications industry undergo rapid and unprecedented change.

Vision

It is the Chairman's vision—and one I share--- that one day every healthcare facility in the nation connect to each other with broadband facilities --- So that pioneering communities, physicians, and hospitals can show that health care can be transformed by adopting and implementing health information technology—no matter where a patient is when they need it-- and we are committed to doing all we can to provide a framework to meet that vision.

Benefits of Broadband Connectivity for Health Care Providers

Broadband connectivity among healthcare providers will likely go a long way towards meeting the President's goal of implementing electronic medical records nationwide--- as well as assisting in response to a national crisis, whether terrorist, natural or a pandemic flu out break.

It has been exciting for me to see first-hand how new medical technologies-- combined with broadband-- enable everything from remote surgery in the mountains of Appalachia to telepsychiatry and teledentistry in remote parts of Alaska I have witnessed first-hand how the technology at both a research hospital and our most remote communities serves as the bridge not only to improve people's access to healthcare, but also to narrow the miles between doctor and patient, improve administrative efficiencies, and reduce the cost to the patient and our healthcare systems.

Likewise, broadband has also helped bridge the divide which has existed between physical healthcare and behavioral-mental healthcare.   Even in the wilds of Alaska – hundreds of miles from anywhere and reachable only by snowmobile, airplane or dogsled

– telepsychiatry helps psychiatrists maintain regular contact through video observation and live interaction with their patients.

In my home state of Tennessee, Centerstone, the largest behavioral health provider in Tennessee, is leading electronic medical record development efforts which will enable practitioners to access "best practices" regarding clinical guidelines; as well as cutting the time for researchers to identify patients for a study--sometimes from six months down to several days.

These benefits pertain, of course, to people in rural and remote parts of our country who will benefit from the access to specialists and research that, until recently, was often only available in urban or research centers. We must also keep in mind that these technologies will also keep our nation on the leading edge of our rapidly changing world; insure our competitiveness in a global environment including not only technology and industry, but also in terms of consumer welfare, education, and health care.

FCC Role in Health Care

The FCC has a far broader role in health care than most Americans think. From approving waivers for specialized implant devices to monitor diabetes patients to promoting the advancement of broadband networks that support telehealth.

In the Telecommunications Act of 1996, Congress specifically sought to provide rural health care providers "an affordable rate for the services necessary for the provision of telemedicine and instruction relating to such services."

And, in 1997, the Commission implemented this directive by adopting a rural health care support mechanism supported within the USF fund which provides reduced rates to rural health care providers for their telecommunications and Internet services. Although this rural health care support program has been in place for nearly 10 years, unfortunately, it has been greatly underutilized.

To give you a sense of how underutilized it is, of the $400 million dollars per year that is authorized for funding this program, only a little over $40 million was disbursed in 2006---only 10 percent---representing only 1 % of the total USF spending.

In many rural areas, broadband is not being deployed for health care providers. Although there a number of reasons for this lack of deployment, one of the main reasons that the health care providers bear the investment costs, but really do not receive the full benefits. Rather, the patients and Doctors receive the benefits.

Rural Health Care Pilot Program

I am very proud that we at the FCC took action to address this problem and launched the Rural Health Care Pilot program. This Pilot program will provide funding for up to 85 percent of an applicant's costs of deploying a broadband network connecting health care providers in rural and urban areas within a state or region. It also provides funding for up to 85 percent of applicant's costs of connecting those networks to Internet2 and/or National Lamda Rail, dedicated nationwide backbones, as well as the public Internet.

The program does not dictate the network configurations, designs or technologies. Rather the applicants will design the network that best meets their needs at the local, state and regional level.

Unlike the Commission's existing rural health care support program, the Pilot program is structured to foster applicants to aggregate the needs of health care providers in both rural and urban health areas, and select the most efficient technology based on their network needs. For example the Pilot program:

o Encourages multiple health care providers in a state or region to join together for the purpose of formulating proposals.

o Provides for consideration of each applicant's strategy for aggregating the specific needs of health care providers.

o Gives considerable weight to proposals that include rural health care providers.

o Requires applicants to indicate to what extent the network will be self-sustaining once established.

Once selected, participants in the Pilot Program will utilize the existing process administered by the Universal Service Access Corporation; which includes listing the locations for broadband deployment, along with requested services and undergoing a competitive bidding process for selection of the broadband provider.

The competitive bidding process is a critical component to ensure that most efficient broadband provider is selected; as well as guarding against waste, fraud, and abuse.

CONCLUSION

I am thrilled to report to you that the Commission received 81 applications covering 42 states and 2 territories. This proceeding is a priority for me and we are working as swiftly as possible to review the applications and select the participants.

The Commission is committed to taking whatever steps possible to foster access to a healthcare network that brings 21st century medicine to every corner of the nation.