



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 23, 2020

The Honorable Lisa Murkowski
United States Senate
522 Hart Senate Office Building
Washington, DC 20510

Dear Senator Murkowski:

Thank you for your letter regarding the Commission's efforts to strengthen the Rural Health Care (RHC) Program and improve access to telehealth in Alaska and rural America. As the son of two doctors in rural Kansas, I understand the critical role that broadband plays in Alaska in providing patients in rural areas with high-quality health care services. And during my time at the Commission, I've seen the potential of telemedicine firsthand, especially for those living in Alaska Native villages.

The ongoing pandemic has made clear how important telemedicine is for keeping Americans connected to their doctors, avoiding potential exposure to the virus for health care providers and other patients, and maintaining the social distancing necessary to slow the spread of the disease. That's why the Commission has taken a number of steps to provide greater flexibility for health care providers and help meet their connectivity needs. For example, on March 26 we extended the RHC Program application window until June 30, 2020. We also eased competitive bidding requirements for health care providers with expiring evergreen contracts, and extended deadlines for filing invoices, appeals, and for responses to inquiries from the Program Administrator. The Commission also waived the gift rules governing the RHC Program until September 30, 2020, to enable service providers to offer, and health care providers, to solicit and accept, improved connections or additional equipment for telemedicine during the pandemic. This critical action makes it easier for broadband providers to support telehealth efforts during the pandemic, and healthcare providers can devote more of their attention to continuing to meet the needs of their communities. Commission staff will monitor the situation and determine whether additional relief is warranted.

Before the pandemic, the Commission was already taking steps to extend the Program's impact. For instance, we adopted the first increase to the Program's budget in a generation, added automatic inflation adjustments, and began carrying unused funding forward to later funding years. And in March, we provided an additional \$42.19 million in funding to fully fund all funding year 2019 requests, bringing the total funding available to \$719 million, nearly double the original \$400 million budget.

At the same time, we must ensure that scarce federal funds are being well spent. Every dollar misspent on an unscrupulous service provider is a dollar not devoted to telemedicine and the patients who need it. That's why, in order to promote efficient distribution of limited

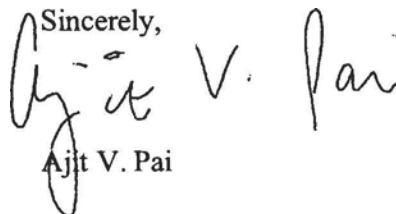
Program funds and increase transparency and predictability for participants, the Commission adopted a Report and Order at the FCC's August 2019 Open Meeting which reformed Program rules. The Report and Order (1) reformed the distribution of RHC funding to promote efficiency and reduce waste, fraud, and abuse; (2) directed the Administrator to create a transparent database of rates that healthcare providers could use to quickly and easily determine the amount of support they can receive; (3) targeted funding to the most rural areas and those facing shortages of healthcare providers; and (4) simplified the application process. Furthermore, based on stakeholder feedback, the Order adopted a supplementary tiered approach for determining rural rates to specifically reflect the unique circumstances in Alaska, where, as you well know, most of the land mass is inaccessible by road and the barriers to providing telecommunications services to off-road communities are thus typically higher than on-road communities.

As you note, it is important that rural health care providers are focused on treating patients rather than administrative paperwork. The new rate database that the Administrator expects to debut soon will allow health care providers to effortlessly determine how much they will pay, and service providers to see how much support they can receive, for the eligible services that health care providers need.

The simple fact is that the prior rules for determining the rural rates were not working. When the Administrator began looking into how service providers were calculating their own rural rates in 2017, it discovered widespread waste, fraud, and abuse in the Program. The inquiry has led to several enforcement investigations that already resulted in settlements for more than \$32 million. What is more, many service providers were unable to produce documentation supporting the rates they were requesting; for example, some Alaskan service providers could only produce documentation justifying rates 30% or more below what they had originally requested. This represents tens of millions of unjustified taxpayer dollars that these service providers would have received. As stewards of taxpayer money disbursed through the Universal Service Fund, we cannot risk giving unjustified support to service providers that have not shown they are entitled to that support. However, healthcare providers will continue to have access to the Program funds they need to provide quality care to their patients. Federal law provides that rural healthcare providers may not be charged more than the applicable urban rate for the services they need, and service providers may not refuse or discontinue service to healthcare providers for not paying more than the urban rate.

I share your views on how important the Rural Health Care Program is to your constituents and rural Americans everywhere. My belief in the importance of the Program is why it is so critical that we ensure that the finite support is going where it is most needed.

Please let me know if I can be of any further assistance.

Sincerely,

Ajit V. Pai



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June 23, 2020

The Honorable Dan Sullivan
United States Senate
302 Hart Senate Office Building
Washington, DC 20510

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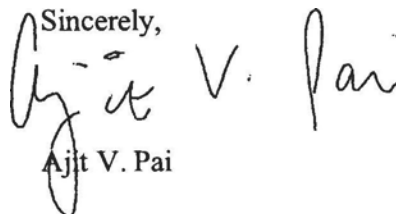
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OFFICE OF
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June 23, 2020

The Honorable Don Young
U.S. House of Representatives
2314 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Young:

Thank you for your letter regarding the Commission's efforts to strengthen the Rural Health Care (RHC) Program and improve access to telehealth in Alaska and rural America. As the son of two doctors in rural Kansas, I understand the critical role that broadband plays in Alaska in providing patients in rural areas with high-quality health care services. And during my time at the Commission, I've seen the potential of telemedicine firsthand, especially for those living in Alaska Native villages.

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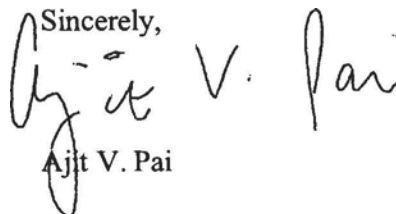
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