

**STATEMENT OF  
CHAIRMAN JULIUS GENACHOWSKI**

*Re: Rural Health Care Universal Service Support Mechanism, WC Docket No. 02-60*

What we do at the Commission every day is important. Typically it's not a matter of life or death. This is.

In the 21<sup>st</sup> century, high quality health care depends on broadband connectivity. But today, too many clinics and hospitals lack affordable access to broadband connectivity adequate to handle basic telehealth tasks, like transmitting an x-ray, MRI, or other electronic medical records, or consulting remotely with a doctor. In fact, nearly thirty percent of federally funded rural health care clinics don't have secure and reliable broadband services. These are clinics at the farthest reaches of the United States, and in the center; in small town Appalachia, in the great Northwest plains, in the vast deserts of the Southwest, and in virtually every region of our country. In some areas, the numbers are even lower than the distressingly low average. Only eight percent of Indian Health Service Centers even have access to the broadband they would need to deliver advanced health care to their patients.

To achieve the goals of a 21<sup>st</sup> century health care system, including telemedicine and utilizing electronic medical records, to deliver better health care more broadly, and to lower the costs of our medical system, we need to ensure that hospitals and clinics have the technology tools and connectivity they need. Today, we are introducing a new and transformed rural health care connectivity program that would expand investment in broadband for medically underserved communities across the country. The program would give patients in rural areas access to state-of-the-art diagnostic tools now typically available only in the largest and most sophisticated medical centers. This program has the potential to do for rural health care providers and patients what the enormously successful E-Rate program has done for schools and students.

This program builds on the foundation of the existing rural health care pilot program and the lessons learned from recent pilots to extend infrastructure in rural America, like the Iowa Health System, California Telehealth Network, Oregon Health Network, Health Information Exchange of Montana, and West Virginia Telehealth Alliance. It also brings together many important voices in the health care ecosystem, including clinics and hospitals, doctors and patients, broadband service providers, medical and technology experts, entrepreneurs, and investors looking to support and unleash innovation in this important area.

The program's investment in broadband connectivity would not only improve care, but also significantly reduce health care costs – potentially saving billions of dollars. It would spur private investment in networks as well as innovative health-related applications, and would create jobs that range from building infrastructure to developing and implementing health IT solutions. Without increasing the projected size of the overall universal service fund, this program would invest up to \$400 million annually to enable doctors, nurses, hospitals, and clinics to deliver world-class health care to patients, no matter where they live. The program would have a real impact on communities across the country, including up to 12,000 hospitals, clinics, and other rural health care providers – a twenty percent increase over the current program. It would help connect a limited supply of specialists to a growing patient base that needs their expertise, and make it easier for people to get the treatment they need – be it emergency care, chronic condition treatment and management, or wellness promotion.

These technological breakthroughs have a real impact on patients, their families, and our broader health care system. For instance, with telemedicine, patients don't have to travel long distances to receive care, jeopardizing their jobs and the jobs of their family members. Without the obstacles of distance, they

are also more likely to keep appointments and complete treatments. People shouldn't have to choose between their jobs and their health. Broadband-powered telehealth can turn what today is a painful choice into a false choice – achieving better care, and lowering overall medical costs.

The results of telemedicine have been remarkable. Broadband enables remote screening and counseling for diabetics and heart patients, remote monitoring of babies in neo-natal intensive care units, and much more. I recently learned about a teenager in rural North Dakota who was in a semi-conscious state after a serious car accident. The closest hospital with expertise to treat her was more than 100 miles away. But the local hospital was able to use broadband to access the expertise necessary to save her life. In Massachusetts, a woman suffering a stroke was treated via video link by a stroke specialist 75 miles away at Mass General. Without the specialist's consult, the woman wouldn't have received a life-saving drug and made a full recovery. In another case, a young boy with a painful skin condition couldn't get the treatment he needed from a local physician. A dermatologist at a distant hospital was able to diagnose him over broadband, helping him get the treatment he needed to relieve his suffering. Recently, I spoke with doctors in Hawaii and California who've used broadband-enabled telemedicine to reduce long-distance chemotherapy visits by 90%, and save the sight of newborns through remote diagnostics.

This program is a critical step in fulfilling the vision of the National Broadband Plan. It establishes a fiscally prudent program to invest in infrastructure for health care connectivity, without increasing costs to consumers, and makes an expanded range of broadband services more affordable. It would stimulate additional private investment and innovation in both broadband and health IT. By requiring that participants secure matching funds for both infrastructure and services, we are forging a public-private partnership to act in a smart and fiscally responsible way. And by expanding the market for health-related technologies and applications, we will promote innovation and private investment. With the help of all participants in this process, we intend to design and implement this program with the best ideas to drive real results and greater efficiency.

The proposed reforms would not only improve health care, but also reduce the costs of care, yielding a substantial return on investment. Implementing an electronic health records system could save our nation over \$500 billion over 15 years, but a functioning EHR system requires broadband connectivity. Remote monitoring of chronic conditions saves tens of billions more each year by enabling doctors to identify health problems early, thereby avoiding hospital readmissions and shortening average hospital stays. To help monitor the return on our investment, today's Notice suggests developing performance measures to ensure that the funds supporting broadband connectivity are used in a manner that produces quantifiable benefits.

In addition to today's action, we will be taking another important step later this month to help unleash investment and innovation in health-related devices by increasing the predictability and speed of regulatory approvals. We are collaborating with the Food and Drug Administration to better understand the future of wireless health technology and to promote investment and innovation in this strongly promising area.

I look forward to working with my colleagues to launch a health care program for the 21<sup>st</sup> century, and I thank the staff for their hard work on today's item.