

FCC CHAIRMAN GENACHOWSKI ANNOUNCES UP TO \$400 MILLION HEALTHCARE CONNECT FUND TO CREATE & EXPAND TELEMEDICINE NETWORKS, INCREASE ACCESS TO MEDICAL SPECIALISTS

FCC WILL BEGIN ACCEPTING APPLICATIONS FOR THE HEALTHCARE CONNECT FUND BEGINNING LATE SUMMER OF 2013

Today, at the Oakland Children's Hospital & Research Center, FCC Chairman Genachowski was joined by the Alameda County Health Care Services Agency, the California Telehealth Network, and the Juvenile Justice Center to announce that up to \$400 million in annual funding will be made available to healthcare providers as part of the FCC's new Healthcare Connect Fund. Beginning in 2013, the FCC's new Healthcare Connect Fund will spur the development of broadband networks to support modern telemedicine, which will link urban medical centers to rural clinics or provide instant access to health records.

The Fund, which expands the Commission's health care broadband initiative from pilot to program, will allow thousands of new providers across the country to share in the benefits of connectivity and dramatically cut costs for both hospitals and the Universal Service Fund. These transformational changes build on major FCC reforms across the universal service system. The FCC will begin accepting applications for the Healthcare Connect Fund beginning in late summer of 2013.

FCC Launches New Healthcare Connect Fund to Promote Health Care Provider Networks and Increase Access to Specialists:

- The new Healthcare Connect Fund program builds on the success on the FCC's Rural Healthcare pilot program and will expand the Commission's health care broadband initiative from pilot to permanent program.
- For years, the FCC's primary healthcare program made it difficult for hospitals serving rural patients to get high bandwidth connections needed for modern telemedicine by limiting the services eligible for funding, and by making it hard for consortia to effectively bargain for the lowest cost service.
- The new Healthcare Connect Fund Program Goals:
 - Increase access to broadband for health care providers (HCPs), especially those serving rural areas.
 - Foster development and deployment of broadband health care networks.
 - Maximize impact of the FCC's universal service health care funding
- The Healthcare Connect Fund is expected to bring thousands of new providers across the country into the program, and allow thousands more to upgrade their connections.
- Using lessons learned from these pilots, the Healthcare Connect Fund could cut the cost of robust broadband health care networks in half, through group purchases by consortia and other efficiencies.
- New Skilled Nursing Facilities Pilot Program, set to launch in 2014, will test how to support broadband connections for skilled nursing facilities. Funding will be up to \$50 million total over a three-year period.

How the Healthcare Connect Fund Works:

- The Fund will provide patients at hospitals and clinics around the country access to specialists at major healthcenters through telemedicine, and support the exchange of electronic health records (EHRs), leading to better coordination of patient care and lower costs. Specifically, the Fund will:
 - Support broadband connectivity and broadband networks for HCPs.
 - Encourage formation of state and regional health care consortia to save costs and expand access to health care.
 - Provide a 65% discount on broadband services, equipment, connections to research and education networks, and HCP-constructed and owned facilities (if shown to be the most cost-effective connectivity option), while requiring a 35% HCP contribution.
- The FCC will begin accepting applications for the Healthcare Connect Fund beginning in late summer of 2013.
- Eligibility: Public or not-for-profit hospitals, rural health clinics, community health centers, health centers serving migrants, community mental health centers, local health departments or agencies, post-secondary educational institutions/teaching hospitals/medical schools, or a consortia of the above
 - Non-rural HCPs may participate in Healthcare Connect Fund as part of consortia; consortia must remain majority rural
- Funding Caps
 - Cap on total funding for FCC Rural Health Care Programs, including Healthcare Connect Fund and Skilled Nursing Facilities Pilot, is \$400 million annually.
 - Cap for upfront payments in Healthcare Connect Fund is \$150 million annually.

FCC's Role in Expanding Connectivity for Health Care:

- Broadband can revolutionize health care in our country, with powerful potential to improve quality of care for patients, while saving billions of dollars across the system. The FCC has been actively working to promote broadband access for health care since the original Rural Health Care Program in 1997.
- In 2006, the FCC launched its Rural Health Care Pilot Program to learn how to more effectively support broadband healthcare networks, and it now funds some 50 active Pilots across the nation, including the California Telehealth Network, which includes Oakland's Children's Hospital.
- The new Healthcare Connect Fund transforms the Commission's broadband funding initiative from pilot to permanent program

Technology is Transforming Health Care and Driving Innovation:

- *Improving health outcomes:* Telemedicine applications provided over robust broadband networks can facilitate immediate diagnoses and care needed to prevent lasting damage to stroke victims, prevent premature births and deliver psychiatric treatment for patients in rural areas
- *Driving down costs through telemedicine:* In South Dakota, e-ICU services have saved eight hospitals over \$1.2 million in patient transfer costs over just 30 months. In upstate New York, a network of about 50 providers expect \$9 million in cost savings from providing cardiology, trauma, mental health, neurology and respiratory services over their broadband connections.
- *Expanding access to specialists:* At Barton Memorial Hospital, part of the California Telehealth Network and a recipient of FCC Universal Service funding, doctors and nurses are using broadband to enable remote examination through a live IP video feed and a relatively inexpensive telemedicine cart. Barton has expanded its remote services to include cardiology, infectious disease, neurology and other specialties for which there are no specialists at Barton.

More Information on the Health Care Connect Fund:

- Health Care Connect Fund order: www.fcc.gov/document/fcc-releases-healthcare-connect-order
- FCC Health Initiatives: www.fcc.gov/health
- Universal Service Administrative Co. (USAC) website: www.usac.org/rhc

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