

# BRIEFING FROM THE BELTWAY

FCC Healthcare Connect Fund: Building the Rural  
Telemedicine Infrastructure

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July 18, 2013



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# Reminder

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# Reminder

*Please press mute when not speaking*

*(\* 6 to mute, \*7 to unmute)*



# Agenda

**4:00 – 4:05 PM** Welcome and Introductions

**4:05 – 4:20 PM** Matthew Quinn, Director of Healthcare Initiatives at the Federal Communications Commission (FCC)

**4:20 – 4:40 PM** Eric Brown, President & CEO of the California Telehelath Network (CTN)

**4:40 – 4:55 PM** Discussion

**4:55 – 5:00 PM** Updates and announcements of eHI future events.

**5:00 PM** Adjourn



# Matthew Quinn



Director of Healthcare Initiatives,  
Federal Communications Commission (FCC)





Federal  
Communications  
Commission

# FCC's Healthcare Connect Fund

eHI's Briefing From the Beltway

July 18, 2013

Matt Quinn,  
Director of Healthcare Initiatives



# Federal Communications Commission

## Mission

The FCC was established by the Communications Act of 1934 and is charged with regulating interstate and international communications by radio, television, wire, satellite and cable. The FCC's jurisdiction covers the 50 states, the District of Columbia, and U.S. possessions.

## Staff & Offices

- Approx. 1700 Attorneys, Engineers, Economists, et al
- HQ at 445 12<sup>th</sup> St, SW, Wash., DC
- Lab in Columbia, MD
- Field Offices: 3 Regional, 16 District, 8 Resident Agent



[www.fcc.gov](http://www.fcc.gov)



## FCC Areas of Responsibility

- **Rural Health Care Program:** Supports broadband for health care providers, which promotes telemedicine adoption to expand patient access to specialists and drive down costs.
- **Broadband:** Advances both wireline and wireless communications services and technologies, thus enabling many medical and medical-associated applications.
- **Spectrum:** Provides access to the airwaves for wireless medical devices and various radio services that support Health IT applications, while preventing harmful interference.
- **National Broadband Plan:** Engages in a variety of actions and activities to facilitate Health IT under NBP recommendations.



# The Promise of Broadband-Enabled Health Technology

## **Expanding connectivity for health technology can:**

**Increase access to health care** and medical expertise, especially in hard to serve areas

- Telemedicine and video conferencing allow rural health care providers to take advantage of specialists, training, and resources in urban centers

**Improve patient care** by utilizing data to improve health care strategies

- Patients who used a mobile tracking system for diabetes care received regular, tailored self-care messages and were able to achieve significant reduction in blood sugar levels over a year long study

**Reduce health care costs** by using information to improve efficiency of care delivery

- Telehealth can reduce the costs of medical care among the elderly by 25%, because it reduces the number of face to-face consultations needed
- Costs related to data collection can be reduced by allowing patients and doctors to access health records remotely, increase efficiency, avoid duplication, and save between 20% and 30% in administrative costs



# Current FCC Rural Health Care Programs

- Telecommunications Program
  - Funds urban/rural rate difference for telecommunications services for rural HCPs
  - Remains in place after Healthcare Connect Fund is implemented
- Internet Access Program
  - Provides 25 percent discount on Internet access services for rural HCPs
  - Ends June 30, 2014, as participants transition to Healthcare Connect Fund
- Pilot Program
  - Supports 50 state-wide and regional broadband HCP networks
  - Participants transition to Healthcare Connect Fund as Pilot funds are exhausted

# Key Features of New Healthcare Connect Fund

- Support for broadband connectivity and broadband networks for eligible health care providers (HCPs)
- Both consortium and individual HCPs may apply
- 35% HCP contribution required
- Funding begins January 1, 2014 (July 1, 2013, for existing Pilot projects)
- Covers both broadband services and HCP-owned infrastructure
- Non-rural HCPs can participate if in majority-rural consortia
- Multi-year funding commitments available to consortia
- Connections to off-site administrative offices and data centers covered



## Goals of Healthcare Connect Fund

- Increase access to broadband for HCPs, especially those serving rural areas
- Foster development and deployment of broadband health care networks
- Maximize cost-effectiveness of the program



## Benefits of Consortium Approach

- Creation and growth of broadband HCP networks
- Lower administrative costs
- Sharing of medical, administrative, and technical expertise
- Lower prices, higher bandwidth, and better quality connections
- Access by rural HCPs to medical specialists at larger HCPs through telemedicine
- Enhanced exchange of electronic health records and coordination of patient care
- Remote training of medical personnel
- Improved quality and lower cost of health care



## Who is eligible to participate?

- To be eligible, an HCP must be public or not-for-profit and belong to one of these statutory categories: 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.  
47 U.S.C. § 254(h)(7)(B)
- Non-rural HCPs may participate in Healthcare Connect Fund if they belong to a consortium that has a majority rural HCPs
- The largest HCPs (400 + patient beds) are eligible, but support is capped if non-rural.



## What is supported?

- For all applicants:
  - Broadband services
  - Reasonable and customary installation charges
  - Equipment necessary to make service functional
  - Connections to off-site administrative offices and data centers
  - Connections to research & education networks
- Consortium applicants also may receive support for:
  - Equipment necessary for network
  - Upfront charges for deployment of new or upgraded facilities, including dark fiber HCP constructed and owned facilities, if shown to be most cost-effective option



## Application Process – Usual Steps

- Assess technical requirements
- Organize consortium and design network (consortia)
- Obtain and submit letters of agency and network plan (consortia)
- Submit request for services (or RFP) for competitive bidding (unless exempt from competitive bidding)
- Review bids and select most cost-effective bid
- Submit request for funding commitment
- Begin receiving services
- Receive vendor invoice and pay HCP portion (35 %)
- Submit invoice for payment by Administrator to vendor



# Skilled Nursing Facilities Pilot Program

- Purpose is to test how to support broadband connections for skilled nursing facilities
- Pilot will get underway in 2014
- Funding will be up to \$50 million total over a three-year period
- FCC will solicit input regarding design of the pilot program
- Participants will be required to collect data and submit reports



## 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



## Program Administration

- Details of program and rules are set forth in FCC's Order released December 21, 2012
- The Universal Service Administrative Company (USAC) administers the Healthcare Connect Fund and other FCC rural health care programs, and processes applications
- USAC's website will have forms and other materials to assist applicants going forward ([www.usac.org/rhc](http://www.usac.org/rhc))
- USAC will conduct training sessions for prospective applicants



# Questions?

For more information:

- Healthcare Connect Fund order, at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-12-150A1.doc](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-12-150A1.doc)
- FCC website, <http://www.fcc.gov/encyclopedia/rural-health-care>
- Healthcare Connect Fund FAQs, <http://www.fcc.gov/encyclopedia/healthcare-connect-fund-frequently-asked-questions>
- USAC website, [www.usac.org/rhc](http://www.usac.org/rhc)
- Pilot Program map, <http://www.fcc.gov/maps/rural-health-care-pilot-program>
- Pilot Program Staff Evaluation, [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DA-12-1332A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-12-1332A1.pdf)
- Questions: [rhc-assist@usac.org](mailto:rhc-assist@usac.org)

# Eric Brown



President & CEO, California Telehealth  
Network (CTN)



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CHANGING HEALTHCARE, CHANGING LIVES

# CTN Mission Statement

**To promote advanced information technologies and services to improve access to high quality healthcare focusing on medically underserved and rural Californians**

# CTN Created to Serve the Underserved

- Statewide consortium came together to apply for the FCC Rural Health Care Pilot Program (RHCPP) broadband subsidy in 2007
- Led by UC Davis Health System (UCDHS) as the lead agency, CTN secured a \$22.1 million subsidy to provide medical grade broadband to safety net healthcare providers in rural and medically underserved communities in California. Eligible healthcare providers include:
  - Federally Qualified Health Centers
  - Non profit community and rural health clinics
  - Critical Access Hospitals
  - Public/Municipal/County Health Hospitals and Clinics
  - Native American Healthcare Clinics and Hospitals
  - Veterans Administration Healthcare Facilities

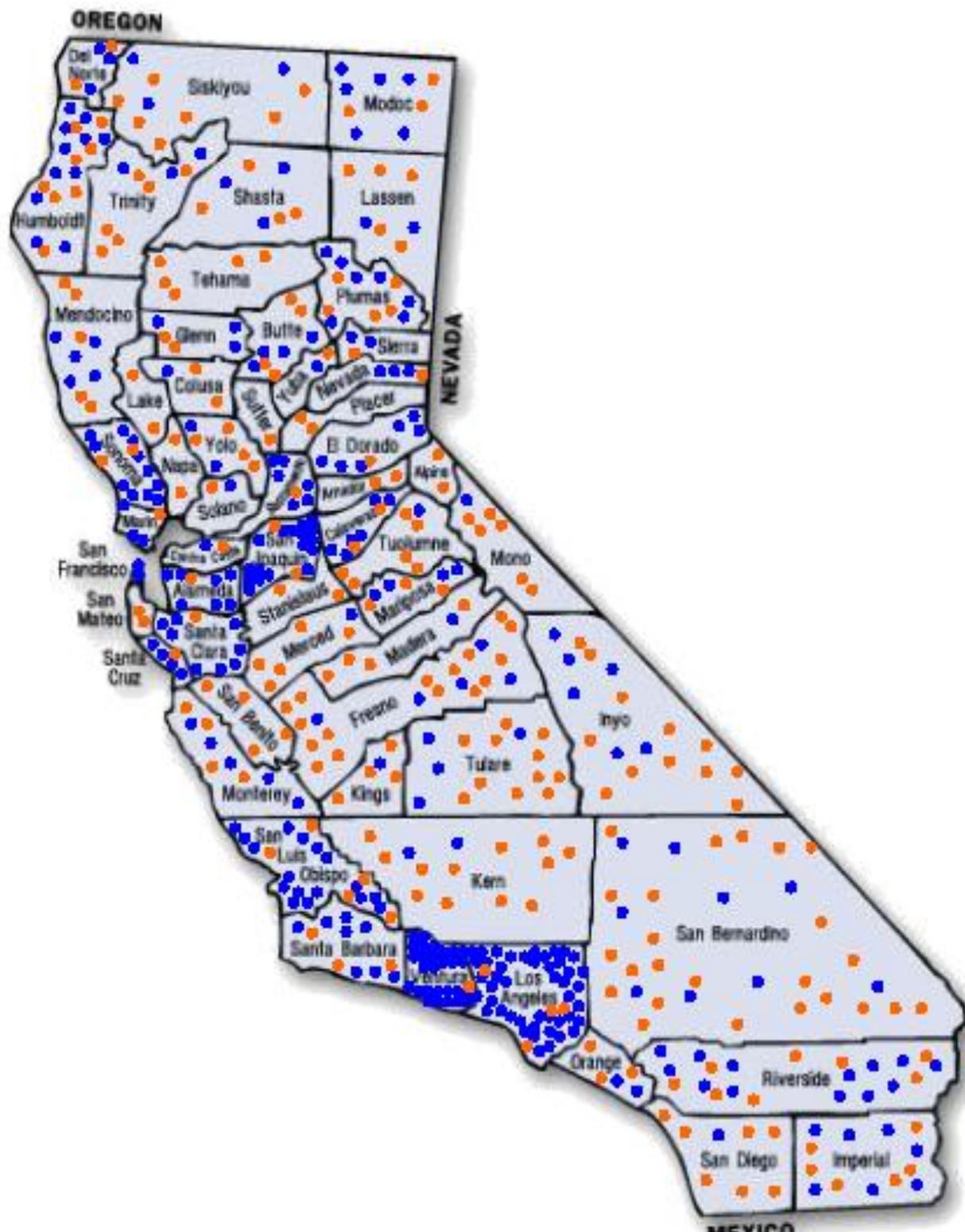
# CTN's Consortium Members are dedicated to providing access to rural and medically underserved communities, improving clinical outcomes, and reducing costs

- ▶ The Office of the Governor – California Technology Agency
- ▶ The University of California Office of the President
- ▶ The California Emerging Technology Fund
- ▶ The California HealthCare Foundation
- ▶ Center for Connected Health Policy
- ▶ California Health & Human Services Agency
- ▶ The California Primary Care Association
- ▶ The California Hospital Association
- ▶ United Healthcare
- ▶ All About Advanced Health
- ▶ The California Public Utilities Commission
- ▶ The California Association of Health Plans
- ▶ The California Department of Managed Health Care
- ▶ The California Telehealth Resource Center
- ▶ University of California Davis Health System
- ▶ The Corporation for Education Network Initiatives in California (CENIC)
- ▶ California Medical Association
- ▶ California Rural Indian Health Board

# Current CTN Site Map



# CTN Future Site Map



# Pilot Program Deployment Progress

- At the close of July 2013 CTN has broadband connections to 771 healthcare sites
- RHCPP paid 85% of broadband costs, CETF provided 15% match – allowed CTN to keep site participation costs low
- Signature applications – live HD quality video and secure, reliable exchange of patient information
- CTN has evolved into a “network of networks” including interconnections with:
  - CENIC which provides broadband access to all academic medical centers in California
  - California Rural Indian Health Board (CRIHB)
  - Indian Health Services broadband network
  - San Francisco Community Clinic Consortium

# Healthcare Connect Fund

- Leveraging the CTN staff and expertise developed from the Pilot Program
- CTN will leverage alliances developed with regional broadband and healthcare consortia all over California
- Conduct HCF enrollment briefings whenever possible at stakeholder organization convening's and trainings
- Utilize site outreach consultants to leverage local relationships and assist with site eligibility and enrollment process
- Seeking match funding from California Teleconnect Fund to compensate for lower (65%) HCF discount
- CTN has signed over 217 health care provider sites to HCF Letters of Agency (LOA's) as of July 2013.

# CTN Strategic Plan

- CTN transitioned from UCDHS into an independent non profit 501c3 corporation in July 2011
- Goal to transition core operations from grant funding to become self funded from revenues generated from value added services by 2015
- Currently on pace to exceed \$500k in membership fee revenues over the next 12 months
- California Health Care Foundation funded an independent business plan study in October 2011
- The business plan indicated CTN would need \$10 million in seed capital over the first five years to reach sustainability

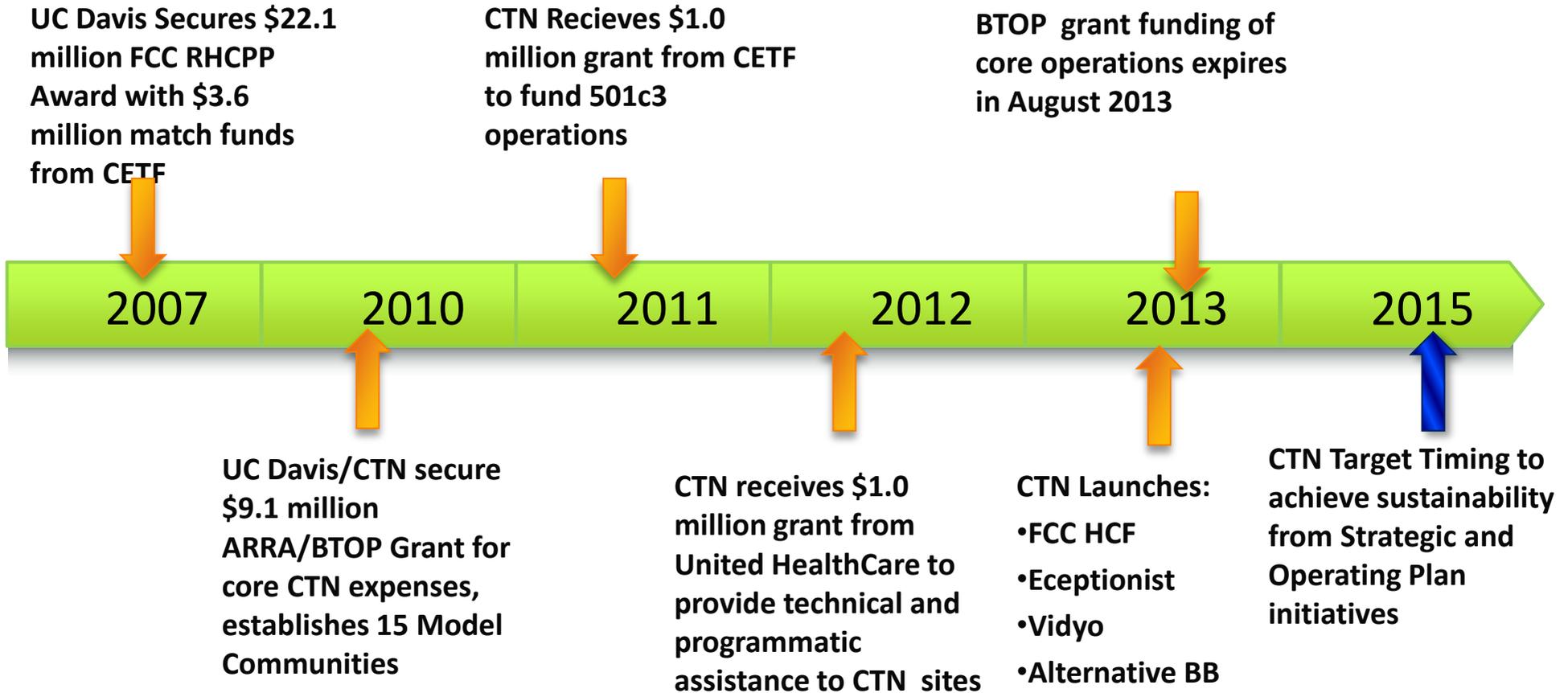
# CTN Strategic Plan

- In October 2010, CTN merged with the California Telemedicine and eHealth Center (CTEC)
- CTEC was renamed the California Telehealth Resource Center (CTRC) and today provides HRSA funded programmatic and technical assistance to California's safety net providers
- Since the merger, CTN/CTRC have enabled over 200 health care provider sites to become telemedicine ready

# Strategic Plan Objectives

1. Prioritize applications and services with the potential to reduce healthcare delivery cost and/or improve outcomes
2. Leverage CTN's size to achieve economies of scale
3. Leverage CTN stakeholder partner expertise to provide "Best in Class" services
4. Achieve alignment with California's statewide policy initiatives

# CTN Funding Timeline



# Barton Hospital





# Barton Hospital

- Critical Access Hospital - South Lake Tahoe, CA (Pop 21,000)
- Closest tertiary hospitals:
  1. Renown in Reno, NV - 60 miles away
  2. UC Davis Health System in Sacramento, CA - 105 miles away
- CTN upgraded broadband services and worked with UC Davis to deploy telemedicine equipment
- Today Barton reports averaging 200 patient telemedicine video consultations per month
- Estimated public benefit value of \$300 per saved patient trip (transportation and lost wages) or \$720,000 per year

# CTN Connect Powered by Vidyo

- Web based video conferencing solution that provides HD quality video over any wired or wireless broadband connection
- Ideal application to support telepsychiatry and other non bandwidth intensive telemedicine activities
- Less expensive, interoperable, user friendly alternative to telemedicine carts and/or video conferencing codec hardware platforms
- CTN negotiated license fee rates based on economies of scale
- Allows CTN to offer significant savings to CTN member sites while generating sustainability revenue for CTN

# Lessoned Learned

- CTN's broad based consortium of public agencies, private foundations, academic medical centers and stakeholder/provider organizations is one of its best assets
- In California, one size *does not* fit all!
- It's not about the technology, its about training the people to leverage the technology
- If you build it, they will *not* come....you have to make consistent outreach efforts to make things happen
- With rural safety net providers, consistent direct assistance is the most effective approach to broadband and telehealth adoption

# Thank You!

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# DISCUSSION



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# 2<sup>nd</sup> Annual National Forum on Data & Analytics in Healthcare

Gaylord Convention Center  
Washington, DC  
August 1-2, 2013

## 5 GREAT REASONS TO ATTEND

- Learn Best Practices from Industry Leaders
- Discuss Experiences, Problems, and Solutions with HIT Peers and Experts
- Network and Make Valuable New Contacts within the HIT Community
- Discover Cutting-Edge Data & Analytic Products and Tools at the Forum
- Enjoy the Beautiful Atmosphere by the Potomac Waterfront





### FEATURED SPEAKERS:



George Lazenby, CEO,  
Emdeon



John Glaser, CEO,  
Health Services,  
Siemens



Rodney Cain, VP,  
Strategic Initiatives,  
OptumInsight



Christopher Ross, CIO,  
Mayo Clinic



Dan Garrett,  
Principal & HIT  
Practice Leader,  
PwC

### PANEL DISCUSSIONS:

Achieving Quality Improvement Through Data and Analytics

Leveraging Analytics to Facilitate Accountable

For Big Data to Realize its Promise, Industry Collaboration Will Be Key

Building the Business Case for Data Analytics

Predictive Analytics for Genomics and Personalized Medicine

Health Insurance Exchange (HIX) Analytics

Driving Down Healthcare Costs: Using Data and Analytics to Achieve Savings

Analytic Techniques for Community, Population Health Management and Surveillance

Policy/Privacy Issues in the Era of Big Data & Analytics

# NATIONAL FORUM ON DATA & ANALYTICS

AUGUST 1-2, 2013 WASHINGTON DC



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**AGENDA AVAILABLE AT:**

<http://www.ehealthinitiative.org/2013-data-and-analytics-forum.html>

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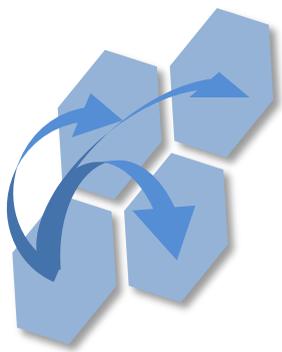
**2013**

**HEALTH DATA EXCHANGE SUMMIT**

OCTOBER 30-31, 2013

Grand Hyatt Washington DC





**2013**

# **HEALTH DATA EXCHANGE SUMMIT**

OCTOBER 30-31, 2013

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## Discussion Topics

Building a Trusted Environment for Exchange

The Challenges Associated With Interstate Data Exchange

Protecting Patient Interests: Data Privacy and Ownership Issues in Healthcare

Accountable Care and Health Data Exchange

Sustaining the HIE Model: Defining the Value of Health Data Exchange

A Growing HIE: Quality and Efficiency, Data and Analytics, Public Health and Beyond

Enterprise Data Exchange: Moving Information Across Integrated Delivery Networks

Strategies After Federal Funding Runs Out: HIE Survival

Connecting Communities: Exchanging Health Data at a State and Regional Level

Sharing Data on the Health Insurance Exchanges



# Next Briefing from the Beltway

**September 19, 2013**

**4:00 - 5:00 pm (ET)**



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# Thank You



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