

OVERVIEW OF THE HEALTHCARE CONNECT FUND

18th Annual Conference on Telecommunications Law
Law Seminars International
Seattle, WA
April 4, 2013

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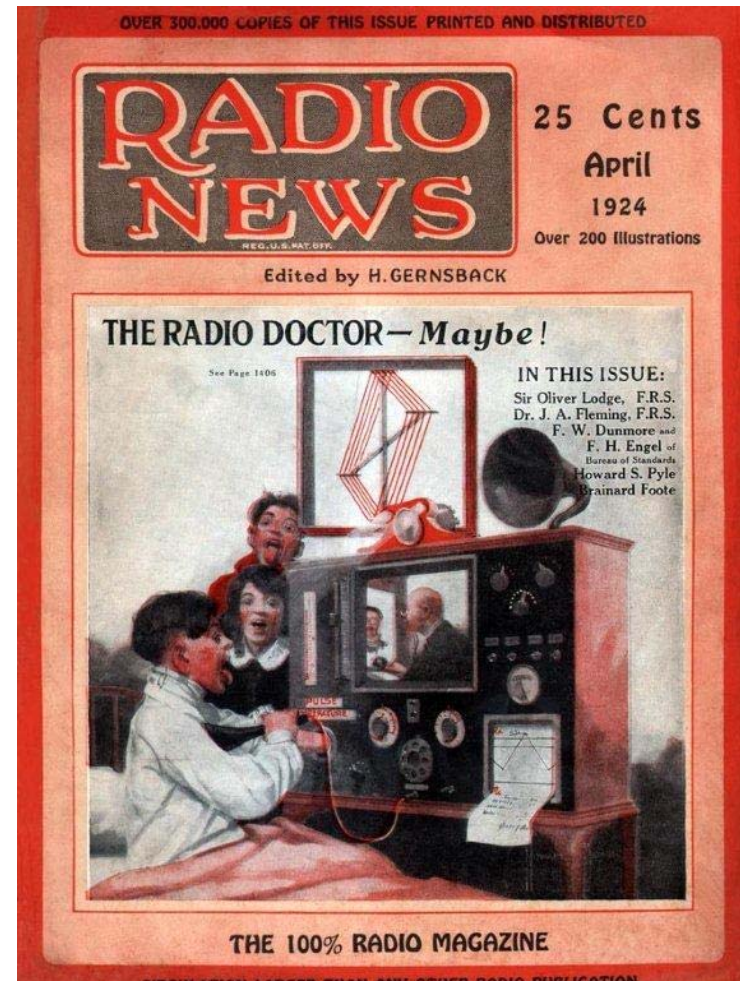
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The Promise of Telemedicine

Telemedicine was once
only a dream.

But with advances in
technology it is
now a reality.



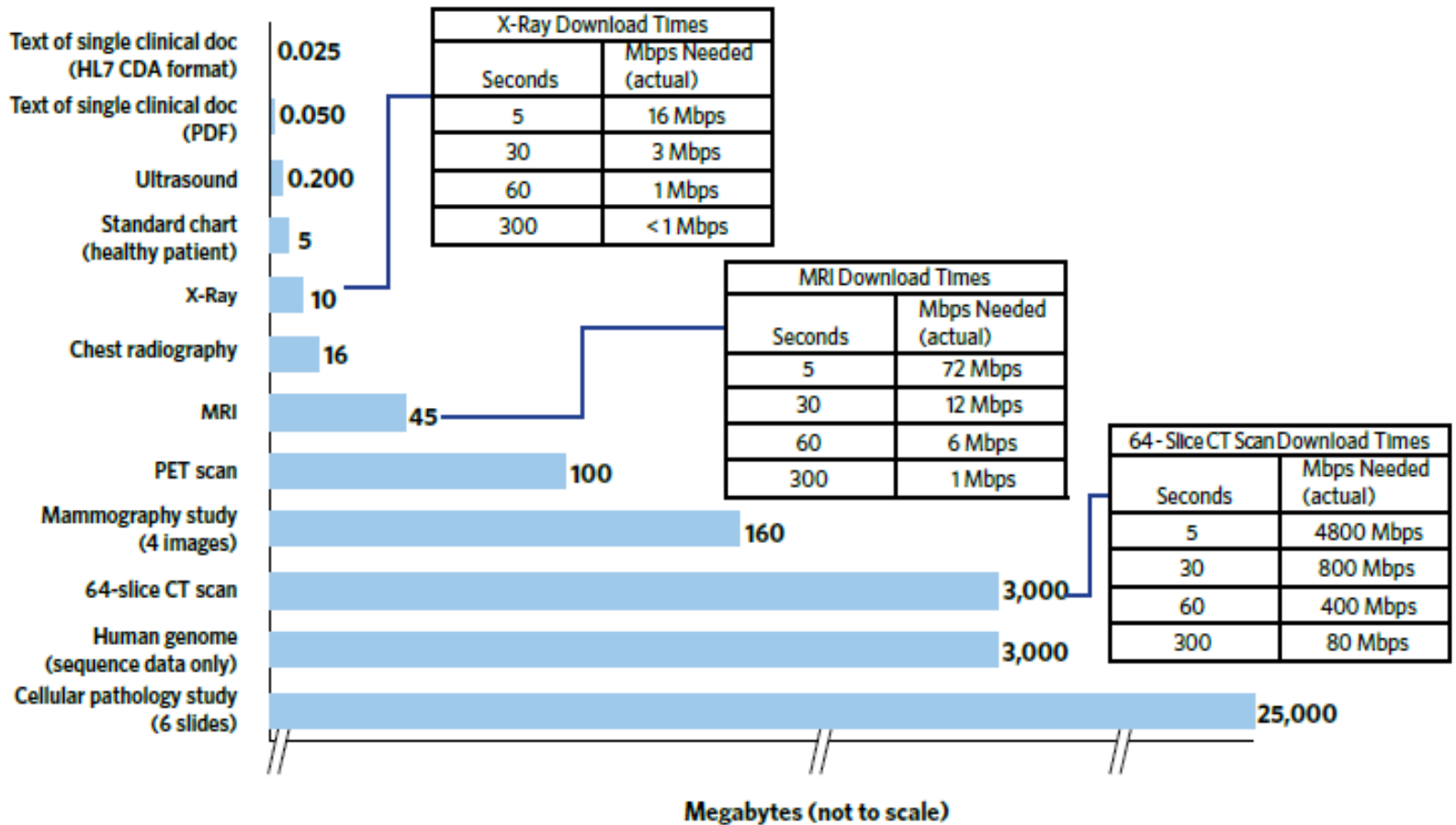
Benefits of Telemedicine

- For patients
 - access to specialists
 - quicker, more accurate diagnosis and treatment
 - reduced costs (travel, meals, accommodation, lost work, etc.)
- For Health care providers
 - more efficient use of resources
 - improved patient screening, follow-up, and outcomes
 - increased patient retention due to fewer out-referrals
 - improved physician utilization



Need for Robust Broadband

*Exhibit A:
Health Data
File Sizes and
Bandwidth
to Support
Download
Times³*



Real-time Application Needs

“Real-time” or “Synchronous” applications need:

- High Capacity (streaming capable) Connections
- High Level of Service Quality
To Avoid
 - Latency
 - Packet Loss
 - Jitter



FCC Estimated Minimum Bandwidth Requirements

Delivery Setting	Use Profile	Use Assumptions	Minimum Bandwidth (Mbps)
Solo Primary Care Practice	<ul style="list-style-type: none"> - Supports practice management functions (billing, scheduling, etc.), email and web browsing - Allows simultaneous use of EHR and high-quality SD video consultations - Enables non real-time image downloads - Enables remote monitoring 	<ul style="list-style-type: none"> - Three total users per doctor for EHR and other general web-based activities - Image files ($\leq 10\text{MB}$) should download in less than 30 seconds 	≥ 4
Small Primary Care Practice and Rural Health Clinics (2-4 physicians)	<ul style="list-style-type: none"> - Same as above, plus: - Enables HD video consultations and remote monitoring 	<ul style="list-style-type: none"> - 2-3 users per doctor for EHR and other general web-based activities - Two simultaneous high-quality SD video consultations - Image files ($\sim 10\text{MB}$) should download in less than 30 secs. 	≥ 10
Clinic / Large Physician Practice (5-25 physicians)	<p>Same, plus:</p> <ul style="list-style-type: none"> - Enables multiple real-time image transfers - Allows simultaneous use of EHR and HD video consultations - Enables remote monitoring and consultations 	<ul style="list-style-type: none"> - Specialty services provided - Three total users per practitioner for EHR and other general web-based activities - Large image files ($\sim 20\text{MB}$) should transfer in less than 10 seconds - Five simultaneous high-quality SD video consultations 	≥ 25
Medium Size (100-bed) Hospital	<p>Same, plus:</p> <ul style="list-style-type: none"> - Enables continuous, multiple remote monitoring - Multiple HD video consultations and data transmissions by treating doctors on-site 	<ul style="list-style-type: none"> - PACS in place for real-time diagnostic imaging - Very large image files ($\sim 50\text{MB}$) should transfer in less than 5 secs. - Supports multiple simultaneous high-quality video consultations 	≥ 100

FCC's Health Care Connect Fund

December 10, 2012 *Report and Order**
creates the

Healthcare Connect Fund ("HCF")

\$400 Million Annually devoted to expanding
broadband access to Health Care Providers

**Rural Health Care Support Mechanism, Report and Order, Federal Communications
Commission, WC Dkt. 02-60, FCC 12-150 (Dec. 21, 2012)*

FCC's Health Care Connect Fund

Significant aspects of the
Health Care Connect Fund
are as follows...

Purchase or build

The fund allows eligible health care providers the option of purchasing services

or

Health care providers can form consortia to design and build networks where they can demonstrate that their choice is the most cost-effective option

Infrastructure Funding Capped

Infrastructure funding, which is capped at \$150 million each year, may be used in combination with services purchased from commercial service providers.

- Only coalitions of providers will be permitted to receive support for new infrastructure builds.
- Urban HCPs will be permitted to participate in those coalitions so long as they are not a majority of the participants.

Rural and Non-Rural Participation

Rural and non-rural health care providers may participate in the fund, but rural providers (as defined by the FCC) must constitute a majority of the consortium's members.

Support Limited for Larger Providers

Large health care providers (hospitals with 400 beds or more) are limited to \$30,000 per year for recurring charges and \$70,000 for non-recurring charges over a five-year period.

However, they may participate in consortia and reap the benefits of the network.

Nursing Facility Pilot Program

The FCC committed \$50 million to a new 3-year Pilot Program to evaluate extending support to skilled nursing facilities.

Source: Standard & Poor's LCD, Leveraged Lending Review 4Q08

Application Form Being Developed

The FCC will not begin taking applications for the new program before August 2013.

Because the application form has not yet been finalized, it is likely that applications will not be due before October 2013.

Thank you.

Questions?

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Source: Standard & Poor's LCD, Leveraged Lending Review 4Q08

