TESTIMONY
From
The Pacific Island Health Officers Association
To
The US House of Representatives – Committee on Government Reform

"OUR CONCERN – IS OUR PEOPLE"

Digital Divide / Telehealth

Access to telehealth (telemedicine and health professions distance education) technologies and affordable telecommunication rates could help the Pacific Jurisdictions improve health care throughout the region. However, in some of the jurisdictions, in particular the Freely Associated States, phone or Internet services are often unavailable, unreliable, of low quality due to bandwidth limitations and very expensive (long-distance phone rates range from $.99/minute in Palau to $1.69 in the Federated States of Micronesia).[1] Even in the Flag Territories (Insular Areas) where sufficient bandwidth and technology exists for telemedicine and distance education, the high cost of telecommunication rates to access sources of specialty care and distance education are too expensive to be frequently utilized. This is particularly disturbing because the Flag Territories pay into the Universal Service Subsidy fund, yet are unable to benefit from the Fund's Rural Health Provider Program. The Rural Health Provider program is a program established under the Telecommunications Act of 1996 that was created specifically to enable rural communities to access telehealth services at affordable telecommunications rates.

Given the issues, Congress could help the Pacific Insular Areas and the Freely Associated States in several ways.

An immediate action that would help the health care providers in the Pacific Insular Areas -- American Samoa, Guam and the Commonwealth of the Northern Marianas Islands -- is to pass H.R. 3750 - Pacific Insular Areas Rural Telemedicine. This bill, introduced by Congresswoman Madeline Bordallo and four co-sponsors (Mr. Faleomavaega, Mr. Abercrombie, Mr. Acevedo-Fila, and Mrs. Christensen), would provide for the correct and proper treatment of the Pacific Insular Areas. HR 3750 would enable the health care providers in these jurisdictions to interconnect to Honolulu, Hawaii (the nearest urban area with specialists, sub specialists, and health professions schools including a medical school) under the Universal Service Rural Health Provider program. Specifically, the program would subsidize the difference in telecommunication rates between a jurisdiction and Honolulu, thus providing an affordable mechanism for the Insular areas to access telehealth services.

[1] Many outer islands do not have access to phone and therefore must use single band radiophones to the main islands. For example, the inhabited outer islands of Palau, north of Papua New Guinea, communicate with the main island of Korror through these single side band radiophones for regular and emergency communication with the Palau Hospital.

Under the current law and rules of the Federal Communications Commission, the telecommunication link between the Insular jurisdictions and an urban area with specialty care (i.e., Honolulu) is not eligible for the subsidy because the current law and rules only subsidizes the cost of the communications connections between urban and rural areas within a state, and the FCC is treating the Flag Territories as states for the purposes of the law. HB 3750 would correct the problem by amending the Communications Act of 1934 as follows:

"Section 254 (h) (1) (A) of the Communications Act of 1934 – 47 U.S.C. 254 (h) (1) (A)) is amended by adding at the end the following new sentence: "For the purposes of this subparagraph for American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam, the Commission shall by regulation (i) designate Honolulu, Hawaii, as the urban area that shall be treated as if such urban area were in the same State as the rural areas of Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands, respectively; (ii) specify that the maximum allowable distance shall be the distance between the capital cities of these Pacific insular areas and Hawaii; and (iii) specify that the urban rate shall be based on the urban rate for Hawaii."

There are several compelling reasons why this bill should be supported.

1. First, the Pacific island jurisdictions are all rural as defined by the Universal Service Administrative Company (USAC)[2] and the U.S. Department of Health and Human Services.[3] In fact, no Insular Areas has a metropolitan statistical area (i.e., an area with a population of 50,000 or more), nor even have a metropolitan area (a new OMB designation for an area with an urban cluster of 10,000 individuals).[4] Although the FCC has chosen to label the largest population center of each jurisdiction as "urban" for the purposes of the Rural Health Provider Program, labeling it as such does not change that fact that there is an absence of tertiary and specialty care in each of the jurisdictions.

   Given the lack of a population base to support specialty and subspecialty care, as well as a variety of health professions training programs, each jurisdiction has a great need to connect to health care providers and health professions training programs in an urban area that can provide a range of telemedicine and health professions education services. Hawaii is the closest state with a range of health professions training programs including a well-established medical school, advanced medical facilities, and a statewide telehealth and telemedicine network. Enabling interconnections to the health care providers and education programs would significantly improve health care services for the rural Insular Areas. Being eligible for subsidized telecommunication connections, would enable hospitals and clinics in the Insular Areas to transmit medical imagery, obtain consultations, and share clinical education and Grand Rounds that are routinely offered by the State of Hawaii Telehealth Access Network (STAN). It should be noted that 40 hospitals and clinics are interconnected to the STAN network, including those of the VA Medical and Regional Office Center in Hawaii, and the majority of these do receive benefits under the Rural Health Provider program.

[2] http://www.rhc.universalservice.org/eligibility/rurallist.asp
[3] http://www.whitehouse.gov/omb/inforeg/msa99.pdf
[4] U.S. Census Bureau – About Metropolitan and Micropolitan Statistical Areas, http://www.census.gov/population/www/estimates/aboutmetro.html

2. Second, the telephone subscribers of these Insular Areas pay into the universal service trust fund through surcharges passed on by the carriers. Yet, the rural health care providers in these jurisdictions are unable to apply for discount services to be connected to telehealth providers in an urban area despite paying into the fund. Congressional action is needed to rectify this problem. In fairness, it should be stated that the Federal Communications Commission did solicit comments on this specific problem through both an Insular Area and Universal Service docket. Unfortunately, the FCC has found that it is constrained by the current restrictions in the law.

The FCC has stated in its REPORT AND ORDER, ORDER ON RECONSIDERATION, AND FURTHER NOTICE OF PROPOSED RULEMAKING, released on November 17, 2003 that:[5]

(45) Background. Section 254(h)(1)(A) provides that telecommunications carriers must offer telecommunications services to rural health care providers "at rates that are reasonably comparable to rates charged for similar services in urban areas in that State." Consistent with this statutory language, for purposes of calculating the "urban rate" to determine the amount of universal service support received by rural health providers in insular areas, the Commission looks at the rates charged customers for a similar service in the largest population center in the State. The Commission, however, has recognized that use of this calculation may be ill-suited for insular areas because many rural health care providers are located in the largest population center in the territory, which results in no recognizable urban/rural rate comparison. Accordingly, in the NPRM, the Commission sought comment on whether section 254(h)(2)(A) gives us the authority to allow rural health care providers to receive discounts by comparing the rural rate to the nearest large city outside of their "State." The Commission also sought comment on alternative means for addressing the problems of insular areas, consistent with section 254.

(46) Discussion. Although we continue to recognize that using urban rates within a State as the benchmark for reasonable rates may be ill-suited to certain insular areas, we believe that the proposal made – to permit the comparison of insular rural rates to the Reconsideration, Congress could have provided discounts for tele-communications services that connect rural health care providers to the nearest major hospital within or outside the State. Congress, however, explicitly provided that rates should be compared to the urban rate in that State. We continue to believe section 254 (h) (1) (A) precludes us from designating an urban area outside of the State as the benchmark for comparison for remote, insular areas.

(47) We also disagree with American Samoa Telecommunications Authority that section 254(h)(2)(A) authorizes the Commission to provide support for telecommunication links between American Samoa to an urban center outside the territory, such as

[5] Federal Communications Commission, REPORT AND ORDER, ORDER ON RECONSIDERATION, AND FURTHER NOTICE OF PROPOSED RULEMAKING, November 17, 2003 pgs 45-47.

Honolulu, Hawaii, without regard to the urban-rural rate difference. Section 254(h)(2)(A) authorizes the Commission to take action to increase access to advanced telecommunications and information services. Support for telecommunications services, however, is provided subject to section 254(h)(2)(A) and as discussed herein, requires an urban to rural comparison within the State.

The FCC has recognized the problem, but has found that Congressional action is needed since the Insular Areas are treated as "states" under the law. As a result, there is a gross inequity for the rural and insular areas that are not able to receive benefits from the rural health care fund even though the fund was intended to help such rural, insular health care providers. No health care provider in American Samoa, Guam, or the Commonwealth of the Northern Marianas Islands has received any discount funding for telecommunication services, despite paying into the fund. HR 3750 would correct the problem for the Pacific Insular areas.

3. Third, a recent rule change by the FCC addressing Internet access will provide little benefit in the Insular areas. The FCC, in the Report and Order, Order on Reconsideration and Further Notice of Proposed Rulemakings released November 17, 2003, revised its Internet access rule in a manner that it believes will assist the Insular Areas. Regarding the revised rule, which extends the Rural Health Care Provider subsidy to include covering 25% of the cost of a rural health care provider's Internet access, the FCC states at [47]: "…we believe (this) will functionally provide significant support to health care providers in insular areas". However, this is not a viable solution for the Insular Areas for the following reasons:
   a. An Internet connection would not provide the "Quality of Service" (QoS) needed to support many telehealth and telemedicine applications. An Internet connection is not the functional equivalent of a T1, Fractional T1, DS-3, or other telecommunication connections authorized by the Rural Health Care Program.
   b. If QoS were to be a part of the bid specifications for Internet access, then, it is unlikely that the Internet access providers would be able to meet this requirement with the current capacity. The Internet Access provider would need to augment the underlying telecommunications transmission capacity. This would then become cost prohibitive to the health care provider given that only 25% of the cost would be subsidized.
   c. Although Internet access is available in these locations, the network capacity is not very robust to support video teleconferencing for consultations and telehealth education, or other higher bandwidth applications with locations outside of these rural jurisdictions.
   d. Although for many parts of the United States that have broadband DSL or cable Internet services, the Internet can, as the Commission states, "serve as an invaluable resource, by providing online courses in health education, medical research, follow-up care, regulatory information, video conferencing, web based electronic benefits claims systems, including online billing and other crucial business functions", this is not true for the Pacific Insular Areas because of the limited off-island and on-island connections. Even many distance learning health care education and training

program cannot be delivered via the Internet in the Pacific insular areas because they require large files and other course objects to be transferred.

Only the passage of HR 3750 will provide the FCC the authority it needs to correct its treatment of the Insular Areas in a meaningful manner.

4. Fourth, it should be noted that the K-12 schools in these jurisdictions do benefit from the Schools and Libraries Program established by the Telecommunications Act of 1996. We are merely requesting that corrections be made to address the needs of the rural health care providers in these areas.

Another way the U.S. Congress could help the rural health care providers in the Pacific Region is to enable the Freely Associated States (FAS) to be given the right to opt-in and opt-out of being regulated by the Federal Communications Commission. The telecommunication carriers in the Freely Associated States, in contrast to the U.S. territories and the Commonwealth, are all monopoly carriers. Enabling the Freely Associated State to elect participation in the National Exchange Carriers Association and be regulated by the Federal Communications Commission would help the health care providers by requiring that these Insular Areas be subject to open competition should they opt-into NECA and FCC regulation.

The Republic of Palau understands the implications of such participation, is ready to participate in the NECA, and is ready to open up to competitive telecommunications. The Federated States of Micronesia and the Republic of the Marshall Islands are not ready today, but might be tomorrow. Competition, coupled with participation in NECA, would significantly help the health care providers in these areas by providing a means for the rural health provider to have access to advanced telehealth and telemedicine capabilities through participation in the universal service programs. Participation would also provide carriers with an opportunity to directly compete for business in these jurisdictions.

In addition to the two options identified above, the rural health care providers in the Pacific Islands region would also be helped if current health care programs funded by the U.S. Department of Health and Human Services were to be encouraged to support the specific telehealth, telemedicine, and distance learning needs of the islands. We have some special problems in this area and targeted special help in these areas could make dramatic differences. The cost of travel to provide clinical services, distance education, and technical assistance can be made far more effective and efficient if some of it can be provided through technology.

Last, we urge Congress to recognize that until the Pacific Insular Areas and Freely Associated States have access to affordable telecommunications for telehealth, they will remain the weakest link in our Nation's defense against disease outbreaks such as SARS and the Avian flu, which started in Pacific Rim countries, as well as against biological and chemical terrorist attacks. We urge Congress to do all it can to ensure that the Pacific jurisdictions have access to affordable telecommunication rates for telehealth services, both to increase needed health care services and health professions training in the region as well as enhance our Nation's overall security.