



December 7, 2017

**Ex Parte**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

**RE: Promoting Telehealth in Rural America, WC Docket No. 17-310**

USTelecom submits this letter regarding the draft Rural Health Care order that will be considered by the Federal Communications Commission (Commission) at its December 14 Open Meeting.<sup>1</sup> USTelecom writes to express concerns about one of the draft order's proposals to address potential shortfalls to funding for the Rural Health Care (RHC) Program charges for FY 2017. Specifically, the draft order stipulates that healthcare providers seeking support in FY 2017 could "benefit from any voluntary price reduction(s) that their service providers elect to undertake for services based on qualifying funding requests submitted during the filing window period for FY 2017."<sup>2</sup>

We are writing to express concern that the Commission may be looking to service providers to bear the burden of the program exceeding its budget by reducing prices below competitively-bid rates. The more appropriate and efficient approach is for the Commission to better manage costs in the RHC program through procedural measures such as allocating additional funding or by more judiciously approving RHC support applications. Funding applications should not be approved beyond budgeted amounts, and service providers or others should not be in the role of making up shortfalls by lowering already competitively-bid rates. USTelecom's members are committed to rural America, and have invested billions of dollars in their networks to improve connectivity for rural Americans. With this in mind, the Commission should recognize that improved access to health-care services in rural, high-cost areas can be best achieved through careful stewardship of the resources directed towards the RHC Program.

If the Commission believes the proposed approach is the only way to address funding shortfalls for 2017, it should strengthen the language in its draft order to emphasize that any

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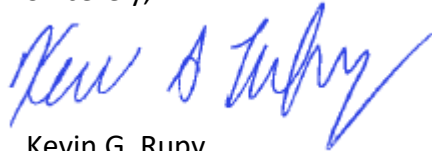
<sup>1</sup> Draft Notice of Proposed Rulemaking and Order, *Promoting Telehealth in Rural America*, FCC-CIRC1712-02.

<sup>2</sup> *Id.*, ¶ 107.

price reductions by service providers for RHC funding in FY 2017 are strictly voluntary and allowed as a single, one-time measure. Absent a clear statement that the Commission will not provide future waivers, USTelecom is concerned that healthcare providers will inappropriately factor a service provider's prior willingness to "voluntarily" reduce its rates into its bid selection process for future funding years and attempt to force rates below what competitive bidding produces. This could threaten the long term viability of the program.

In addition, the Commission should make clear that the proposed solution for 2017, should not be viewed as a viable solution on a going-forward basis. The number of rules the Commission found necessary to waive in order to implement the proposal is a clear signal that this approach is in conflict with long standing safeguards. In the future the Commission must adhere to the established budget and ensure that applications submitted and subsequently approved for RHC funding do not exceed the cap for the program.

Sincerely,



Kevin G. Rupy  
Vice President, Law & Policy