

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska	)	Application No. NUSF-57.02
Public Service Commission, on	)	
its own motion, seeking to	)	
administer the Nebraska	)	
Telehealth Program: Nebraska	)	GRANTED
Statewide Telehealth Network's	)	
June 20, 2013 request for	)	
consideration and approval of	)	
changes to the Nebraska	)	
Telehealth Network support	)	Entered: October 1, 2013
mechanism.		

BY THE COMMISSION:

On June 20, 2013, the Nebraska Statewide Telehealth Network ("NSTN") filed a request seeking changes to the structure and funding amount allocated to the Nebraska Telehealth Program. In support of its request, the NSTN stated it had been in the process of exploring alternative connectivity structures for the network backbone lines in an effort to move to newer technologies with higher bandwidth capabilities, provide network redundancy and update outdated bridges on the network. Notice of the application appeared in the Daily Record, Omaha, Nebraska on July 3, 2013. No protests or petitions seeking intervention were filed.

The Commission held a hearing on the NSTN's request on September 17, 2013 in Lincoln, Nebraska. The application filed by the NSTN was made part of the record as Exhibit No. 3. According to the NSTN's application, it plans to replace existing backbone lines with lines that have greater bandwidth capacities than the current T1 lines and implement double redundancies at each hub site. The NSTN also plans to initiate changes to the network bridges currently funded by the Commission by replacing existing outdated bridges at three of the hub sites, upgrading two of the hub site bridges and phasing out two of the remaining bridges through cooperative agreements between hub sites. In order to implement these changes, the NSTN seeks a one-time increase in the Telehealth support cap for the 2013-2014 fiscal year. The NSTN anticipates the changes to the network will cost \$1,478,210.49 in fiscal year 2013-2014.

Mrs. Laurie Casados, Policy Analyst and Telehealth Coordinator for the Commission's Telecommunications Infrastructure and Public Safety Department ("Department"), recommended approval

of the NSTN request. Mrs. Casados stated the NSTN has proven to be excellent stewards of the state funding received for the Telehealth program. Mrs. Casados further stated the network had communicated the necessity of these proposed changes to the department two years ago, and the NSTN has been implementing changes to the network to create some cost savings from their fiscal year cap, where possible. Mrs. Casados noted that the NSTN has created approximately \$850,000 in cost savings over the last three fiscal years in preparation of this request. Finally, Mrs. Casados stated the Department believes the requested upgrades are necessary and that the NSTN has put forth a sound reconfiguration plan which will help the network keep up with changes in technology and Telehealth practices.

Mr. Rick Golden, Assistant Chief Information Officer for the University of Nebraska, whom also sits on the NSTN technical committee, gave a statement in support of the NSTN application. Mr. Golden stated he believed the main objective was to improve network speeds and upgrade the technologies used on the network. He stated that the current T-1 lines are not always fast enough to meet the needs of the users. Mr. Golden further stated approval of the NSTN proposal would improve the redundancy of the network, which would prevent the entire network from going down if one backbone line should have any connection issues. In addition, Mr. Golden testified that the network was also starting the process of reviewing the new federal Health Care Connect program, and hopes to apply to that new program within a 2-3 year timeframe.

Mr. Max Thacker, Associate Director of Information Technology Services for the University of Nebraska Medical Center, also testified in support of the NSTN application. Mr. Thacker testified he serves as the current co-chair of the governing board of the Nebraska Statewide Telehealth Network. Mr. Thacker stated the video bridges are used to connect multiple sites together into a video conference and the upgrades to the backbone lines would necessitate upgrades to these bridges. The NSTN request shows upgrades to two of the existing hubs in Lincoln: one at Bryan Health and the other at St. Elizabeth. Then, they will also replace bridges at Good Samaritan in Kearney, Regional West in Scottsbluff, and UNMC in Omaha. The remaining two bridges will be phased out due to cooperative agreements between the hub sites. The NSTN requested \$640,000 for a one-time upgrade initiative which includes an up-front payment for four years for maintenance on the video bridges, and a \$350,000 cost annually.

Mr. Dale Gibbs, Director of Catholic Health Initiatives, also testified. Mr. Gibbs responded to a question from Commissioner Boyle about the Veterans Hospital system ("VA") and the use of the Telehealth network to serve veterans. Mr. Gibbs stated they were working to make that connection with the VA. It is his hope to develop a connection for veteran access to care through the Telehealth network.

#### O P I N I O N       A N D       F I N D I N G S

Based upon the application, the recommendation of the Department and the testimony given in this matter, the Commission is of the opinion and finds the request filed by the NSTN should be granted. The Commission agrees with the Department that the upgrades described in the application are necessary in order to strengthen the current network and to keep pace with newer technology. The witness statements in support of the NSTN application are a testament to the considerable benefits of the Telehealth network and the continued need for support.

Since its inception, the statewide Telehealth Network has proven to be a valuable resource for patient care, education, and health care coordination. Currently, the network connects over 80 hospitals and other health care entities so that consumers in rural locations can have comparable access to health care providers and information without the need for extensive travel. In order to continue to meet the needs of the network users, the Telehealth network must evolve. To that end, the Commission finds the modifications described in the application as well as an increase in the support cap for the 2013-2014 fiscal year would serve the public interest. The application along with the corresponding increase in the Telehealth support cap for the current fiscal year should be granted.

The Commission further finds that approval of support for the network lines shall not be technology specific, but rather merely support for the approved location up to a certain amount. The Commission recognizes that available technology can change rapidly. In addition, the network sites that are approved for support are bound by competitive bidding requirements at the federal level. The new federal program rules will make it easier for network sites to accept bids using the most current technology available. In order to take advantage of this, the Commission does not believe that Telehealth program support should be tied to a certain technology going forward.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission the June 20, 2013 request filed by the Nebraska Statewide Telehealth Network be, and it is hereby, approved as filed.

IT IS FURTHER ORDERED that the Telehealth Program support cap should be increased as requested for the 2013-2014 fiscal year.

MADE AND ENTERED at Lincoln, Nebraska this 1st day of October, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

Application No. NUSF-57.02

Page 4

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission the June 20, 2013 request filed by the Nebraska Statewide Telehealth Network be, and it is hereby, approved as filed.

IT IS FURTHER ORDERED that the Telehealth Program support cap should be increased as requested for the 2013-2014 fiscal year.

MADE AND ENTERED at Lincoln, Nebraska this 1st day of October, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Tim Schram*

*Red Johnson*  
*Guell Alps*

//s//Anne C. Boyle  
//s//Frank E. Landis

*Anne Boyle*  
Chair

ATTEST:

*Steve Meredith*  
Executive Director