

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska)	Application No. NUSF-57
Public Service Commission, on)	Progression Order No. 6
its own motion, seeking to)	
administer the Nebraska)	ORDER SEEKING COMMENT
Telehealth Program.)	
)	Entered: February 19, 2020

BY THE COMMISSION:

On June 27, 2006, the Nebraska Public Service Commission (Commission) opened the above-captioned docket establishing a procedure for administering the Nebraska Telehealth Program and making adjustments to the approved Telehealth Plan. Over the years, the Commission has made modest modifications to the Telehealth Program but the program criteria and funding mechanism has stayed largely the same.

In 2012, the Federal Communications Commission (FCC) expanded the Rural Health Care (RHC) Program to include the Healthcare Connect Fund (HCF). In doing so, the FCC provided a flat 65 percent discount for the cost of broadband services and facilities. The FCC also adopted three new goals for the RHC which were as follows:

1. Increase access to broadband for health care providers, particularly those serving rural areas
2. Foster development and deployment of broadband health care networks; and
3. Reduce the burden on the Universal Service Fund (USF) by maximizing the cost-effectiveness of the health care support mechanisms.

In August 2019, the FCC made further modifications to the RHC program in an effort to improve transparency, predictability and efficiency; prioritize funding when total requests hit the established annual cap; increase effectiveness of the competitive bidding process; establish changes to filing windows and forms; and consolidating and simplifying RHC program rules between the Telecom program and Healthcare Connect Fund programs.

In light of modifications the FCC has made to the federal program, the Commission enters this Progression Order to seek comment on various issues in relation to the Nebraska Telehealth Program supported through the Nebraska Universal Service Fund (NUSF). We seek comment on a number of issues designed to modernize and coordinate funding consistent with the FCC's goals articulated above and recent modifications made to the

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determination of federal rural health care support, but we invite interested parties to provide comments on any other issue they believe to be germane to this program.

Issues for Public Comment:

The Commission seeks comments responsive to the questions posed below:

1. Should the Commission restructure its funding mechanism to account for changes made by the FCC in its 2012 Healthcare Connect Fund Order?
 - a. Specifically, should the Commission restructure funding to support the health care providers under the model created by the FCC through the HCF?
 - b. If so, should the Commission continue to provide funding under the RHC Telecom program funding model as well? Why or why not?
 - c. If the Commission provides funding to health care providers receiving support under either federal model, should the Commission consider phasing out funding under the RHC Telecom program? If so, how should that transition be structured and how long should the transitional period last?
2. Should the Commission consider the goals of these two programs and prioritize one over the other? Why or why not?
3. With a limited amount of funding available how should the Commission structure the provision of funding? If support is provided under both the RHC Telecom program and HCF program, how should the Commission prioritize funding of the two programs?
4. Federal support can be provided to consortia with member hospitals that cross state lines. Should the Commission consider a proration of funding for consortia applications with health care providers that are not located in Nebraska? How should the proration be calculated?
5. Should a deadline for applications be established and available funding be awarded on a competitive set of standards? Why or Why not?

6. Should funding be allocated on a first come first served basis?
7. What timing for a state filing window would enable health care providers to properly marry their funding plans with federal filing windows?
8. Should funding be provided via a tiered support approach based on rurality? Should the Commission adopt the same rurality test being employed on the federal level?
9. Should the Commission entertain applications for funding that were not fully funded at the federal level due to federal caps? Why or why not? How would the timing of such applications work?
10. Should an application cap be established? If so, what should the cap be and how would it be administered? How should that application cap be set for health care providers seeking support individually versus as part of an established consortia of hospitals?
11. Should there be any technology type or service which should not be considered eligible for funding? Should the Commission permit all projects deemed eligible for federal support to be eligible for state support?
12. Under the federal support program, consortia arrangements can be supported if a consortium has more than 50 percent rural health care provider sites, with possible increases in the percentage when requests exceed the funding cap. Should the Commission set the required percentage to match the yearly established federal threshold? In the alternative, with a limited amount of funding, should the Commission consider a higher threshold or an increased amount of funding for consortium with higher percentages of rural health care provider sites?
13. Under the HCF, costs are paid at a rate of 65 percent of eligible costs. What portion of the remaining 35 percent of costs should be eligible for supplemental support? Should the Commission deem some costs ineligible for funding?
14. Should support be limited to providers serving non-profit hospitals? Should support for public health centers be considered?

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15. With the requirement that support must be provided to eligible telecommunications carriers (ETCs), how could the Commission consider funding for health care provider constructed and owned network facilities? Should these entities be required to obtain certification as a Nebraska eligible telecommunications carrier (NETC)? If so, how should the Commission consider the entities' financial structure to determine which costs should be eligible?
16. Should the Commission consider funding only monthly recurring costs? If not, what type of non-recurring costs should be considered? If non-recurring costs are considered should a per site cap be employed? How should a cap be for non-recurring costs be calculated?
17. What type of reporting requirements should be placed on telecommunications companies that are bidding on and providing services? What about for health care providers receiving support for Telehealth services in Nebraska?
18. Should it be mandatory that support be provided only as secondary to federal funding so the Commission can ensure that services were subject to established competitive bidding requirements?

Comment Deadline and Procedure

Comments responsive to the questions and issues set forth above and any other issue germane to this proceeding should be filed by interested parties on or before **April 7, 2020**. Interested parties should file one (1) original paper copy and one (1) electronic copy in Word or PDF format to Cullen.Robbins@nebraska.gov and Brandy.Zierott@nebraska.gov.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the issues set forth above be and they are hereby open for public comment.

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ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 19th day
of February, 2020.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Paul Johnson
Don Williams
Tim Schram

Mary Riddle
Chair

ATTEST:

Michelle H. H.
Executive Director