



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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NEWS MEDIA CONTACT:
Mike Balmoris at (202) 418-0253
Email: Michael.Balmoris@fcc.gov

FCC ADJUSTS UNIVERSAL SERVICE RURAL HEALTH CARE RULES TO BROADEN THE BENEFITS OF TELEMEDICINE PROGRAM

Washington, DC – The Federal Communications Commission (FCC) today adopted new rules to improve the universal service program for rural health care providers. The program helps rural health care providers obtain access to modern telecommunications and information services for medical and health maintenance purposes. The six-year-old program provides discounted telecommunications services to rural health care providers at rates equal to the rates charged for similar services in urban areas.

With today's action, the FCC is seeking to increase participation in the rural health care support program, which is capped at \$400 million annually. Demand for Funding Year 2001 averaged \$14 million, or only 3.5% of the possible discounts.

The *Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking* adopted today seeks to strengthen telehealth networks across the nation, improve the quality of public health care services in rural America, and advance national security and public safety benefits by:

1. Expanding Eligible Health Care Providers

- Dedicated emergency departments of rural for-profit hospitals will become eligible to receive prorated support.
- Non-profit entities that function as health care providers on a part-time basis will be eligible to receive prorated support.

2. Providing Discounted Support for Internet Access

- Rural health care providers will be eligible for discounts of twenty-five percent of the monthly cost of Internet access.

3. Modifying Calculation of Discounted Services for more Flexibility

- Rural health care providers can now compare the urban and rural rates for functionally similar services as viewed from the perspective of the end user.
- The FCC expands the maximum allowable distance for distance-based charges to equal the distance from the rural health care provider to the city with the largest

population in the state, as opposed to the nearest city in the state with a population of 50,000 or more.

- The FCC revises its policy to allow rural health care providers to receive discounts for satellite services even where alternative terrestrial-based services may be available, capping such discounts at the amount providers would have received if they purchased functionally similar terrestrial-based alternatives.

The rural health care support program was first implemented in 1997 in response to the direction of Congress in section 254 of the Telecommunication Act of 1996.

-FCC-

Docket No.: WC 02-60

Action by the Commission November 13, 2003, by Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking (FCC 03-288). Chairman Powell, Commissioners Abernathy, Copps, Martin, and Adelstein, with Chairman Powell issuing a separate statement and Commissioners Abernathy, Copps, and Adelstein issuing separate statements.

Wireline Competition Bureau Staff Contacts: Regina Brown and Shannon Lipp at (202) 418-7400.

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