



4800 W 57<sup>th</sup> Street  
PO Box 5038  
Sioux Falls, SD 57117-5038

605-362-3100 phone  
605-323-3400 TTY  
www.good-sam.com

September 23, 2014

The Honorable Bill Nelson  
Chairman  
Senate Committee on Aging  
U.S. Senate  
Washington, DC 20510

The Honorable Susan M. Collins  
Ranking Member  
Senate Committee on Aging  
U.S. Senate  
Washington, DC 20510

***Re: Comments Submitted to the Senate Committee on Aging Roundtable entitled, "Harnessing the Power of Telehealth: Promises and Challenges" held on September 17, 2014.***

Dear Chairman Nelson and Ranking Member Collins:

Thank you for the opportunity to provide the following comments on behalf of The Evangelical Lutheran Good Samaritan Society (the "Society") in connection with the recently held Roundtable entitled, "Harnessing the Power of Telehealth: Promises and Challenges."

As the Committee explores the ways in which telehealth and telemedicine will be applied in the care of our nation's aging, we would like to share our views and experience in this area. The Society strongly believes in the importance of recognizing rural, not-for-profit skilled

nursing facilities (“SNFs”) as a critical part of the healthcare spectrum. Further, the Society believes that it is critically important for providers providing long-term care in SNFs to utilize and advance the use of new technologies to better deliver healthcare services to their patients and – like other providers in the healthcare continuum – have access to affordable broadband connectivity.

Unfortunately, we have seen SNF’s overlooked in terms of resources available for access to affordable broadband services in a number of federal policies. For example, it is the Society’s position that rural, not-for-profit skilled nursing facilities should explicitly be defined as Health Care Providers under 47 U.S.C. Sec. 254(h)(7)(b) and therefore eligible to participate in the FCC’s Health Care Connect program as a primary applications, due to the critical telecommunications needs of these rural healthcare facilities.

### **Background on Evangelical Lutheran Good Samaritan Society (the “Society”)**

Headquartered in South Dakota, the Society is the largest not-for-profit provider of long term care and related services in the nation; operating more than 240 facilities in 24 states, and caring daily for the daily needs of more than 27,000 people nationwide. The Society provides skilled nursing care, assisted living, housing with services, senior affordable housing (HUD), specialty care units such as Alzheimer’s care, Home and Community Based Services, and adult day care services. For nearly a century, operations in rural populated states like South Dakota, North

Dakota, Iowa, Kansas, Nebraska and Minnesota have enabled the Society to develop an expertise in providing care in rural settings.

The Society currently operates 168 SNFs, of which 122 (73%) are in the Universal Service Administrative Company (USAC)-defined rural areas. These SNFs play a critically important role in the delivery of care in rural and frontier areas of our country, and are significant and growing pioneers in telehealth services.

### **The Society as an Innovator**

The Society has been forward-thinking in the comprehensive provision of care for seniors, and has invested significantly in developing innovative services and technologies designed to improve the quality of care and lower the overall costs of care. For example:

- The Society has developed, implemented and is advancing eLongTermCare telehealth technology designed to connect patients in rural skilled nursing facilities to hospitals and their doctors without having to physically transport patients on a regular basis.
- The Society has also developed and is advancing the LivingWell@Home (LW@H) program, which offers a suite of technologies designed to help seniors live more independently and remain longer in the place they choose to call home. Use of this patient remote-sensing technology suite began in the Society's assisted living and home care communities in July 2012. The LW@H program is designed to enhance care and service delivery through the use of sensor technology, telehealth and a

central data monitoring system, all developed and managed by the Society.

- The Society has undertaken a pilot project that deploys tablet-style computers to patients in some of its facilities and provided training that enabled seniors to “connect” to family, caregivers, and doctors online. The intent of this program is to demonstrate how Internet usage by seniors can decrease depression and isolationism – a chronic problem among the elderly of this country that often leads to collateral physical and emotional healthcare concerns – and increase communication between senior patients, their family members and their communities.
- The Society has implemented an electronic point-of-care documentation system in many of its facilities, and has deployed electronic billing systems built to interact with payers and insurance providers.
- The Society is continuously working to improve its ability to utilize remote sensing technologies using telehealth technology in independent senior housing settings to transmit and convey clinical information to doctors and clinics, thereby producing more timely, convenient, cost effective and better quality outcomes for its patients.

Access to broadband connectivity at robust speeds and affordable prices is essential in the provision of the Society’s wide range of services. If the Society is to continue to develop innovative technologies designed to lower costs and improve care for seniors in its long term care facilities like SNFs – particularly those in rural or frontier

areas – focus must be given to the SNFs ability to obtain robust and affordable broadband connectivity.

### **Skilled Nursing Facilities Need Robust and Affordable Broadband Connectivity to Provide Vital Services to Senior Citizens in Rural America**

SNFs need access to advanced broadband connectivity in order to provide necessary healthcare related services to seniors. It is important to make clear that the need for broadband technology, telehealth and other advanced technologies are no different for a skilled nursing facility than those of an acute care setting (i.e. a hospital or urgent care clinic). The FCC itself recognized that “There is evidence that skilled nursing facilities are particularly well-suited to improve patient outcomes through greater use of broadband.” (Report and Order in WC Docket No. 02-06, *In the Matter of Rural Health Care Support Mechanism*, Released December 12, 2012, FCC No. 12-150.) Yet, because SNFs fall somewhere between not-for-profit hospitals (47 U.S.C. Sec. 254(h)(7)(b)(v)) and rural health care clinics (47 U.S.C. Sec. 254(h)(7)(b)(vi)), SNFs lack access to the federal financial assistance that acute care settings and other healthcare providers have enjoyed, in part through the various programs under the federal Universal Service Fund (USF) program.

In spite of these obstacles – and without access to USF funding – the Society has advanced Electronic Medical Records (EMRs), telehealth and other technologies into its care system that allows facilities to connect with its brethren in the acute healthcare community. We do

this for a simply, yet profound, reason: we believe it is critical and essential to work with providers of acute care services as we care for our elderly populations.

We believe these efforts are critical because in many rural communities, a skilled nursing facility is often the only healthcare provider available for 100 or more miles. With telehealth capabilities, for example, the Society can extend ambulatory and emergency health care services into rural communities.

However, advancing the Society's technology capabilities is becoming more and more difficult as the healthcare environment evolves in more complicated directions, and SNF providers operate with slim and progressively decreasing operating margins. The cost of broadband connectivity is extraordinary in rural areas, and often the robust speeds necessary to advance the most state-of-the-art health technology services are out of reach to SNFs due to cost and availability. For example, in the 168 SNFs operated by the Society, the breakdown of the bandwidth currently installed is as follows:

- 98 sites have single T1 circuits which is 1.5Mb
- 52 sites have two T1 circuits which is 3.0Mb
- 16 sites have three T1 circuits which is 4.5Mb
- 2 sites have 5Mb ethernet circuits

The local access – which is the largest portion of the Society's monthly technology costs – is based on mileage and therefore tends to be more expensive for the rural sites. The average access cost for rural locations

is \$497 for each T1 circuit installed, compared with \$256 for urban sites. Therefore, rural sites cost \$240 more per month than urban locations. Obtaining more robust broadband connectivity (which is greatly needed) would result in an even greater price disparity between rural and urban prices.

Furthermore, it is important to note that upgrading circuits at the SNFs is an ongoing and constant concern and effort, which puts even further financial pressure on the rural sites. Indeed, SNFs require affordable, sustainable access to broadband if they are to continue to advance the use of technologies for other related and critical functions, such as remote training initiatives, maintenance and dissemination of electronic medical files, further the integration with online pharmacies, and enable rural healthcare providers and caregivers to obtain continuing education.

## **Conclusion**

Enabling SNFs to obtain robust and affordable broadband connectivity is critical. It will not only help lower overall healthcare costs; but also enhance the well-being of seniors by improving care, reducing hospital visits, and helping to keep them connected to their professional and family caregivers. Beyond the critical healthcare benefits described above, broadband access enhances the quality of life for seniors by enabling increased social interactions, limiting isolation concerns (particularly in rural areas), and providing economic benefits and access to healthcare-related services and information.

As the Committee continues its dialogue on modernizing the laws

governing the technology sector and examines the universal service policy, the Society believes that it is vital that the critical needs of the rural, not-for-profit, long term care skilled nursing sector are included in these discussions. More specifically, the Society urges the Committee to specifically include rural, not-for-profit SNF and senior care providers as eligible Health Care Providers under Section 254 (h)(7)(B) of the Communications Act's universal service provisions, thereby providing access to this important part of the healthcare continuum access to this vital rural healthcare program.

The Society is a member of the American Health Care Association (AHCA), the nation's largest association of long term and post-acute care providers. AHCA advocates for quality care and services for frail, elderly, and disabled Americans. The Association's members provide essential care to approximately one million individuals in more than 12,000 not-for-profit and for profit member facilities. AHCA supports the comments outlined in this letter and the need to include SNFs and senior care providers as eligible Health Care Providers under Section 254 (h)(7)(B) of the Communications Act's universal service provisions.

For further information, please contact Dan Holdhusen, at [dholdhus@good-sam.com](mailto:dholdhus@good-sam.com)