

Why GAO Did This Study

Telemedicine offers a way to improve health care access for patients in rural areas. The Federal Communications Commission's (FCC) Rural Health Care Program, established in 1997, provides discounts on rural health care providers' telecommunications and information services (primary program) and funds broadband infrastructure and services (pilot program). GAO was asked to review (1) how FCC has managed the primary program to meet the needs of rural health care providers, and how well the program has addressed those needs; (2) how FCC's design and implementation of the pilot program affected participants; and (3) FCC's performance goals and measures for both the primary program and the pilot program, and how these goals compare with the key characteristics of successful performance goals and measures. GAO reviewed program documents and data, interviewed program staff and relevant stakeholders, and surveyed all 61 pilot program participants with recent participation in the program.

What GAO Recommends

GAO recommends that the FCC Chairman assess rural health care providers' needs, consult with knowledgeable stakeholders, develop performance goals and measures, and develop and execute sound performance evaluation plans. In its comments, FCC did not agree or disagree with the recommendations, but discussed planned and ongoing actions to address them.

View [GAO-11-27](#) or key components. Additional data on participation in the rural health care pilot program is at [GAO-11-25P](#). For more information, contact Mark Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

TELECOMMUNICATIONS

FCC's Performance Management Weaknesses Could Jeopardize Proposed Reforms of the Rural Health Care Program

What GAO Found

FCC has not conducted an assessment of the telecommunications needs of rural health care providers as it has managed the primary Rural Health Care Program, which limits FCC's ability to determine how well the program has addressed those needs. Participation in the primary program has increased, and some rural health care providers report that they are dependent on the support received from the program. For example, a provider in Alaska has used program funds to increase the use of telemedicine, which has reduced patient wait times and travel costs. FCC has been successful in disbursing over 86 percent of all committed funds. However, FCC has disbursed only \$327 million in total over the 12 years of the primary program's operation—less than any single year's \$400 million funding cap. FCC has frequently stated that the primary program is underutilized and has made a number of changes to the program, including the creation of the pilot program. Currently, FCC is proposing to replace portions of the primary program with a new broadband services program. However, without a needs assessment, FCC cannot determine how well the current program is targeting those needs—and whether the program is, in fact, underutilized—or ensure that a new program will target needs any better.

FCC's poor planning and communication during the design and implementation of the pilot program caused delays and difficulties for pilot program participants. FCC did not consult with the program's administrator, other federal agencies, or relevant stakeholders prior to announcing the program, nor did it request public comment on its design. In addition, FCC called for applications to participate in the pilot program before it fully established pilot program requirements. FCC added additional program requirements after the pilot program began, and survey respondents indicated that program guidance was not provided in an effective manner. Despite these difficulties, most participants were positive about the assistance provided by program officials and reported that the benefits they anticipate receiving from the pilot program outweigh the costs of participating. However, the entire program has been delayed and projects have struggled to meet requirements that were not clearly defined at the beginning of the program.

FCC has not developed specific performance goals for the Rural Health Care Program and has developed ineffective performance measures. The performance measures are limited for a number of reasons, the most important of which is that FCC has set no specific performance goals to which to link them. In addition, FCC has not evaluated the performance of the primary Rural Health Care Program and has no evaluation plan for the pilot program. Without reliable performance information, FCC does not have the data that it needs to make critical policy decisions about the overall Rural Health Care Program. If FCC does not correct these deficits in performance management, it may perpetuate the same performance management weaknesses in its stewardship of the new rural health care programs that it has proposed.