

SERVICE DATE Jun 01, 2018
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PUBLIC SERVICE COMMISSION OF WISCONSIN

Fiscal Years 2018/2019 Telemedicine Grants

5-TF-2018

ORDER

This is the Order approving the award of \$934,727.48 in grants for the Medical Telecommunications Equipment Grant (Telemedicine Grant) Program for Fiscal Years (FY) 2018 and 2019. The purpose of the Telemedicine Grant Program is to encourage the use of telecommunications equipment and services to promote technologically advanced medical services, to directly or indirectly enhance access to medical care in rural or underserved areas of the state, and to directly or indirectly enhance access to medical care by underserved populations or persons with disabilities.

The Telemedicine Grant Program is authorized by Wis. Stat. § 196.218(4u) and Wis. Admin. Code § PSC 160.115. Under this authority, the Commission may spend up to \$500,000 annually for Telemedicine Grants. Beginning in FY 2008, the Commission has combined the consideration and approval of the Telemedicine Grant requests, for a two-year period, into a single evaluation. The Commission will again combine the funds available to the Telemedicine Grant Program for two fiscal years, FY 2018 and 2019, into a single proceeding. When combined, the total amount available for awards over the two-year period is \$1,000,000.

Telemedicine Grant Applications for FY 2018/2019

Applications for the FY 2018/2019 Telemedicine grant cycle were due at the Commission on March 15, 2018. The Commission received 20 applications that together requested a total of \$1,051,471.48 in grants. The applications proposed to purchase a variety of

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medical telecommunications equipment, including telemedicine carts, video conference equipment, telecommunications systems, tablet computers, home health monitoring units, and digital imaging devices.

The applications were first reviewed by a screening panel consisting of Angie Dickison, Peter Jahn, Jaron McCallum, and Dennis Klaila of the Commission staff. A summary of the applications, panel evaluation and recommendation may be found in a Commission memorandum dated May 1, 2018. ([PSC REF#: 342598.](#))

The Commission discussed this matter at its open meeting of May 10, 2018.

Conclusions of Law

1. The Commission has jurisdiction under Wis. Stat. §§ 196.02(1), 196.218(4u), 196.395, and other provisions of Wis. Stat. ch.196, to make the determinations in this Order, and to act or refrain from acting relative to the administration of the Medical Telecommunications Equipment Grant Program under Wis. Stat. § 196.218(4u).

2. The Commission has authority in Wis. Stat. §§ 196.02(1) and 196.395 to impose the conditions on disbursement of grant funds set forth in this Order as necessary and convenient to its award authority in Wis. Stat. § 196.218(4u) in order to evaluate the progress, completion, and results of the grant awards approved in this Order.

Opinion

All 20 grant applications were timely filed and meet the definition of an eligible non-profit medical clinic in Wis. Admin. Code § PSC 160.115(1).

The criteria for evaluating the relative merit of each grant application is set forth in Wis. Admin. Code § PSC 160.115(6), and includes consideration of the following factors:

Does the application address the goals of the program? The Commission may award grant funding to an eligible clinic or public health agency, for the purchase of telecommunications equipment that serves one or more of the following purposes:

- (a) To promote technologically advanced medical services.
- (b) To directly or indirectly enhance access to medical care in rural or underserved areas of the state, or both.
- (c) To directly or indirectly enhance access to medical care by underserved populations or persons with disabilities in the state, or both.

Is there reason to doubt that the applicant can contribute the pledged matching funds? If the Commission finds reason to believe an applicant will be unable to fund its portion of the grant project, the Commission may reduce or otherwise restructure the award to create a financially viable grant project.

Has the applicant taken steps to secure the equipment at reasonable prices? The Commission may reduce a grant award if it finds the proposed prices or vendor price quotes are excessive or the grant project could be effective with fewer units or locations.

Apart from the evaluation of the merits of an application, the Commission may apply the following factors to adjust the rank of an application, relative to the others under consideration:

Multiple applications. If a clinic system or parent entity submits multiple applications, the Commission may fund other applications first before funding additional locations or applications from the same clinic system or parent entity. (Wis. Admin. Code § PSC 160.115(6)(b).)

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First-time applicants. The Commission may give preference to first time applications. (Wis. Admin. Code § PSC 160.115(6)(c).)

Matching funds. The Commission may take matching funds into account in its evaluation of the relative merits of the grant applications. (Application instructions.)

Grant Awards

Upon review of the applications submitted and consideration of the screening panel's evaluation, the Commission awards grants to 17 of the 20 grant applicants in the amounts set forth in Attachment 1.

The Commission denies a grant award to three grant applicants: Bay Area Medical Center, Door County Medical Center Foundation, and Kenosha Community Health Center, Inc. In each case, the Commission denies the grant application because it finds that the successful grant applications better addressed the goals of the Telemedicine Grant program set forth in Wis. Admin. Code § PSC 160.115(2).

Conditions Applicable to the Disbursement of Grant Award Funds

In the recent broadband grant proceeding in docket 5-BF-2018, the Commission adopted a proposal by Commission staff to revise the terms and conditions applicable to the disbursement of grant awards. Commission staff recommended the same proposal in the current docket. Under this proposal, each grant award is conditioned upon the recipient accepting certain terms and conditions. These terms and conditions would be the same or similar to terms and conditions for use in other grant programs at the Commission. The proposal would also require that each grant recipient file a final project report using the report format provided by Commission staff. The Commission agrees with Commission staff's recommendation in this proceeding as well.

This proposal is not a significant change in the Telemedicine Grant program. The Commission has always requested copies of invoices and similar supporting items to validate payment requests, and has requested a final report to document the completion of the project. Commission staff proposed to use the same forms that it has used in the past for requests for reimbursement and submission of a final report.

The Commission concludes there should be a consistent and enforceable standard or format for submitting requests, and clear direction regarding content and supporting documentation. As a condition of each grant award, the Commission finds it is reasonable to require grant recipients in this proceeding to agree to abide by standard terms and conditions developed by Commission staff. It is also reasonable to require that each grant recipient submit a summary project report after the telecommunications equipment has been purchased and installed, using an appropriate form and format that Commission staff will provide for this purpose. The Commission concludes that these requirements provide uniformity with other grant programs at the Commission and facilitate better fiscal-related management of the grant programs. The requirements provide for verification for the purposes of fund disbursement. As such, the Commission finds that these requirements are prudent for the use of grant funds.

Order

1. The grant applications listed in Attachment 1 are approved in the award amounts stated therein. If an approved grant applicant has offered to contribute matching funds toward the total cost of the grant project, that offer of matching funds is accepted in full and incorporated into the grant award.

2. These grant awards are made conditionally. Each grant applicant receiving a grant award must agree to abide by standard terms and conditions governing the administration of the grant project, including the reporting requirements and other conditions set forth in this Order and developed by Commission staff. In the event that a grant recipient does not agree on the administration of the grant project, including the reporting requirements, other conditions set forth in this Order, and the terms and conditions developed by Commission staff, the grant award shall be deemed rescinded, and the funds for that grant award shall be reallocated to other grant applications or returned to the Universal Service Fund reserve.

3. Each approved grant applicant shall use grant funds for the purchase of equipment and services, specifically identified in the budget summary of its grant application. A grant applicant with an approved grant award may request to substitute an equipment item selected from a competing equipment vendor or manufacturer, in lieu of the equipment item specified in the budget summary of its grant application.

4. The grant awards approved herein shall expire, without notice or further process, on March 31, 2020, unless extended by subsequent order of the Commission. Any unused balance in an expired grant award shall be returned to the Universal Service Fund reserve.

5. The grant applications of Bay Area Medical Center, Door County Medical Center Foundation, and Kenosha Community Health Center, Inc. are denied without prejudice.

6. Approved grant applicants may request an interim or a final grant payment based upon the progress of the grant project. Grant funds will be paid as reimbursement for the purchase of equipment and services specifically identified in the budget summary of the grant application, and upon submission of a paid invoice. A grant payment shall be the lesser of the

purchase price of the equipment less any matching contribution agreed to in the grant award or the remaining balance in the grant award.

7. Approved grant applicants shall submit a summary project report after the telecommunications equipment has been purchased and installed. Commission staff will provide an appropriate form for this purpose.

8. In the event that, after an approved grant project is completed and all expense items identified in the budget summary of the grant application have been paid, there remains a balance of funds in the grant award, the grant applicant may request to apply that balance to the purchase of additional item or items of telecommunications equipment consistent with constraints and objectives of the Medical Telecommunications Equipment Grant program.

9. The Administrator of the Division of Business and Program Management is delegated authority pursuant to Wis. Stat. § 15.02(4) to administer the grant projects approved in this Order.

a. The Administrator is authorized to approve requests to substitute an equipment item selected from a competing equipment vendor or manufacturer in lieu of the equipment item specified in the budget summary of its grant application.

b. The Administrator is authorized to review and approve requests to spend the unspent balance in a grant award for reimbursement of the purchase of medical telecommunications equipment, but not to exceed the amount of the original grant award.

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10. Jurisdiction is retained.

Dated at Madison, Wisconsin, the 1st day of June, 2018.

By the Commission:

A handwritten signature in black ink that reads "Steffany Power Coker". The signature is written in a cursive, flowing style.

Steffany Power Coker
Secretary to the Commission

SPC:DK:CNS:jlt:DL: 01636684

Attachment

Attachment 1

Approved Medical Telecommunications Equipment Grant Awards for FY 2018 and 2019

Applicant	Application Reference	Grant Award Amount
Access Community Health Centers, Inc.	PSC REF#: 339476	\$44,385.00
Aspirus Riverview Hospital & Clinics, Inc.	PSC REF#: 339565	\$26,434.12
Edgerton Hospital Capital Foundation	PSC REF#: 339364	\$100,000.00
HSHS Sacred Heart Hospital	PSC REF#: 339413	\$59,970.00
HSHS St. Clare Memorial Hospital	PSC REF#: 339391	\$50,360.00
HSHS St. Joseph's Hospital	PSC REF#: 339441	\$59,970.00
Hudson Hospital Foundation	PSC REF#: 339492	\$76,700.00
The Lakes Health Center	PSC REF#: 339463	\$98,790.00
Libertas of Marinette	PSC REF#: 339374	\$46,870.00
Memorial Medical Center Foundation	PSC REF#: 339467	\$118,906.00
Mile Bluff Medical Center	PSC REF#: 339402	\$55,800.00
Ministry Health Care, Inc. (Burn camera project)	PSC REF#: 339508	\$43,485.00
Ministry Health Care, Inc. (Kiel Clinic project)	PSC REF#: 339509	\$39,803.00
Ministry Health Care, Inc. (laptop project)	PSC REF#: 339510	\$32,980.00
Ministry Health Care, Inc. (New London Clinic project)	PSC REF#: 339511	\$39,803.00
Scenic Bluffs Community Health Centers	PSC REF#: 339349	\$2,128.36
Unitypoint Health – Meriter Foundation	PSC REF#: 339470	\$38,343.00
TOTAL		\$934,727.48