

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public)	Application No. NUSF-150
Service Commission, on its own)	
motion, to explore additional funding)	
opportunities in the Telehealth)	
Program.)	

The Nebraska Rural Independent Companies (“RIC”)¹ submit these Comments in response to the Order Opening Docket, Seeking Comment, and Setting Workshop entered by the Nebraska Public Service Commission (the “Commission”) in this matter on December 16, 2025.² In the below Comments following the Introduction, RIC will set forth in italicized text the topic or question in response to which comments are requested in the *Dec. 16 Order* followed by RIC’s responsive comments. RIC appreciates the opportunity to provide these Comments to the Commission.

I. Introduction

A. Federal Rural Health Transformation Program

On December 29, 2025, the Centers for Medicare & Medicaid Services (“CMS”) announced that all 50 states will receive awards under the Rural Health Transformation Program (“RHTP”), a \$50 billion initiative established under the Working Families Tax Cuts legislation (Public Law 119-21) to strengthen and modernize health care in rural communities across the

¹ Consolidated Telephone Company, Consolidated Telco, Inc., Consolidated Telecom, Inc., The Curtis Telephone Company, Great Plains Communications, LLC, Hamilton Telephone Company, Hartington Telecommunications Co., Inc., Hershey Cooperative Telephone Company, Inc., K & M Telephone Company, Inc., The Nebraska Central Telephone Company, Northeast Nebraska Telephone Company, Sodtown Communications, Inc., and Three River Telco.

² *In the Matter of the Commission, on its own motion, to explore additional funding opportunities in the Telehealth Program*, Application No. NUSF-159, Order Opening Docket, Seeking Comment, and Setting Workshop (Dec. 16, 2025) (the “*Dec. 16 Order*”).

country. This federal investment will help states expand access to care in rural communities, strengthen the rural health workforce, modernize rural facilities and technology, and support innovative models that bring high-quality, dependable care closer to the homes of rural Americans.³ Also, on December 29, Governor Pillen issued a press release stating that Nebraska would receive \$218,529,075 from the RHTP in the first year of the 5-year RHTP – the eight highest award in the country.⁴

The Governor's press release further states:

The Nebraska Department of Health and Human Services (DHHS) will build a prevention first, tech-enabled sustainable rural health care system. The project will prevent chronic disease, regionalize care, and advance Make America Healthy Again priorities. To achieve this vision, DHHS will implement seven integrated initiatives to strengthen the State's rural health infrastructure, address workforce gaps, and ensure access to care through consumer-facing technology.⁵

RIC respectfully submits that the announcement of the RHTP and the first-year grant of over \$218 million to Nebraska for the improvement of its rural healthcare system, and the expectation of similar funding levels for the ensuing four years will be transformative to rural healthcare in this State. Further, the availability of these Federal funds dramatically impacts the issues presented by the Commission in this proceeding, and quite likely renders moot the potential expansions of Telehealth funding from the

³ Centers for Medicare & Medicaid Services Press Release, page 1 (Dec. 29, 2025) [CMS Announces \\$50 Billion in Awards to Strengthen Rural Health in All 50 States](https://www.cms.gov/announcements/2025/12/29/announcing-50-billion-in-awards-to-strengthen-rural-health-in-all-50-states) | [HHS.gov](https://www.hhs.gov).

⁴ See, <https://dhhs.ne.gov/Pages/Gov-Pillen-Touts-Huge-Rural-Health-Transformation-Program-Award.aspx>.

⁵ *Id.*

Nebraska Universal Service Fund (“NUSF”) discussed in the *December 16 Order* for at least the next five years.⁶

B. Historical Utilization of Telehealth Grants

In 2021, the Commission approved an annual Telehealth Program budget of \$1.5 million for FY2021.⁷ The Commission reaffirmed this budget amount for FY2022 and subsequent years “unless changed by Commission order.”⁸

In the Commission’s 2025 Report to the Legislature, the Commission reported that as of August 1, 2025, committed funding to the Telehealth Program was \$8,297,143.65.⁹ With \$1.5 million per year budgeted to the Telehealth Program for FY2021 through FY2025, it appears that this committed but unused funding relates to grants as far back as FY 2020 (FY2021-FY2025 @ \$1.5 million/year = \$7.5 million plus FY2020 = \$1 million). According to the 2025 Report to the Legislature, this \$8.3 million of Telehealth committed funding was part of the total NUSF balance of \$85.2 million as of August 1, 2025.¹⁰ The Remittance and Disbursement information

⁶ On January 16, 2026, Governor Pillen met with President Trump at a rural health roundtable discussion regarding the \$50 billion RHTP. Governor Pillen was quoted as stating that the rural transformation program “will allow us to do common sense, pragmatic investments in rural Nebraska, and they will be sustainable.” Omaha World Herald Midlands Section, p. 3 (Jan. 17, 2026).

⁷ *In the Matter of the Nebraska Public Service Commission, on its own motion, seeking to administer the Nebraska Telehealth Program*, Application No. NUSF-57, Progression Order No. 6, Order (Jan. 5, 2021).

⁸ *Id.*, Progression Order No. 7, Order Establishing Filing Window, p. 1 (Mar. 29, 2022).

⁹ Nebraska Public Service Commission 2025 Report to the Legislature (the “2025 Report”), p. 17 (Sept. 30, 2025).

¹⁰ *Id.*, pp. 16-17.

currently posted on the Commission's website indicates that \$0 was distributed for the Telehealth Program during eleven months of 2025 ending November 30.¹¹

RIC believes that proceeding with this docket should be deferred until the results of deployment of hundreds of millions of Federal dollars to improve rural healthcare in Nebraska are known. Further, the lack of utilization of Telehealth Program grant funding over the last six years as outlined above does not support the need to expand the Telehealth Program as suggested in the *December 16 Order*. However, RIC will nevertheless provide comments below in response to the several requests for comments presented by the Commission in its *December 16 Order*.

II. Commission Requests for Comments and RIC's Responses

We seek comment on creating an opportunity to provide Telehealth support by creating a Pilot Program for connectivity from UNMC to other network sites in the State of Nebraska, as well as Telehealth support for the purchase of items that are used for the network such as servers, routers, firewalls, switches and other devices or equipment necessary for the broadband connection. We invite commenters to suggest other ways in which Telehealth Pilot Program funding could be used. We seek comment on what other types of equipment in this project may be eligible for Telehealth Pilot Program support.

RIC's Responses: According to the Commission's 2025 Annual Report to the Legislature:

Nebraska's telehealth program provides supplemental and secondary funding to health care providers or consortia receiving federal support through the HCF [federal Healthcare Connect Fund]. Under the federal HCF, costs are paid at a rate of 65 percent of eligible costs with the remaining 35 percent to be contributed by the health care provider or consortium. The Commission will provide funding toward that portion remaining after federal funding and provide up to a maximum of 25 percent of total eligible costs, with the remaining 10 percent to be paid by the healthcare provider or consortium.¹²

While in year 2025 the Nebraska Rural Telehealth Program (the "Program") received 475 applications totaling \$2.3 million in requested funding, exceeding the \$1.5 million Program

¹¹ See, *NUSF Balance Report - 2025-11 Public.xlsx*.

¹² See, *2025 Report*, p. 23.

budget, it seems to be a very reasonable expectation that federal RHTP support for rural healthcare will not only fill any gap between funding requests and the Program budget, but further may significantly reduce or eliminate applications for Program support.

RIC recommends that any consideration by the Commission of providing Program support for a Pilot Program for connectivity between UNMC and other network sites in the State, or the purchase of equipment for such connectivity, should await a determination as to whether such funding will be provided as a part of the \$218 million of RHTP support for the State in the coming year or as a part of RHTP support in the ensuing four years.

[W]e seek comment on using Telehealth support for connectivity for low income households and daycare facilities in association with the Briggs & Barrett Project or similar projects designed to bring connectivity for critical health monitoring to families. We seek comment on a proposal to support the costs of connectivity for a set period of time where parents of infants are using health monitoring equipment such as those which are used to lower the risk of Sudden Infant Death Syndrome (“SIDS”). (footnotes omitted)

RIC’s Responses: RIC respectfully submits that use of Program support for affordability programs such as the suggested support for the costs of connectivity for health monitoring for families and daycare facilities is not an appropriate function for the Program. The purpose of the NUSF “is to authorize the commission to establish a funding mechanism which *supplements federal universal service support mechanisms* and ensures that all Nebraskans, without regard to their location, have comparable accessibility to telecommunications services at affordable prices.”¹³

Affordability programs such as the federal Affordable Connectivity Program (“ACP”) which ended on June 1, 2024 due to lack of continued Congressional funding, can be very costly. The Commission has no data as to the demand level for a proposed health monitoring

¹³ *Neb. Rev. Stat. § 86-317* (emphasis added).

connectivity program. If a specific budget is set for such a program, will it be spent on a “first come, first served” basis? What will be the outcome when ongoing Program funding to support connectivity costs runs out? Other policy and operational questions regarding implementation of a health monitoring connectivity program will need to be identified and resolved before the Commission would be in a position to implement such a program.

The Legislature’s focus in its creation of the NUSF was to provide *supplementation* of federal universal service support mechanisms such that rural Nebraskans would have *comparable access to telecommunications services at affordable prices*. The possible creation of funding for connectivity to health monitoring for low-income families and daycare providers is inconsistent with these legislative policies since the proposed funding is not supplemental to a federal support mechanism.

We seek comment on how to evaluate Pilot Program applications and gauge effectiveness of support received to advance NUSF goals. If a Pilot Program is established should the Commission open a window for all applications to be filed or accept applications on a rolling basis? How much funding should be allocated for the Telehealth Pilot Program? Should there be a cap on each project or applicant? If so, what should the funding cap be? Are there additional sources of funding that might also be used for similar purposes? We note that the Nebraska Broadband Office has discussed exploring expanded access to healthcare technologies as a potential use of unspent BEAD funding. Is there benefit in coordinating funding from multiple sources? How should the Commission judge the success or continuation of the Pilot Program?

RIC’s Responses: The Commission should either defer or be extremely cautious regarding the implementation of any new Pilot Program, including the connectivity between UNMC and rural network sites discussed above, until the results of deployment of the RHTP grant funds are established. In any event, total annual Program funding should not be increased from its current \$1.5 million per year level. Implementation details such as the amount of the total Program budget to be allocated to pilot projects, creation of a per project funding cap, and the like should be left to the Commission’s determination if and when any specific pilot program receives

Commission approval. Further, the Commission should analyze the reasons for lack of utilization of past Telehealth Program grants before considering implementation of any new Pilot Program.

As discussed above, sources of funding other than from the Telehealth Program must be considered, including but not limited to funding from the RHTP. The possibility of using unspent Nebraska BEAD funding for rural healthcare initiatives should also be considered.

We also seek comment on whether to expand the list of defined categories of health care providers or facilities for which advanced telecommunications service providers may seek support from our Telehealth program.

RIC's Responses: Consistent with the preceding comments, RIC recommends against expansion of the categories of healthcare providers that may seek support from the Program. If such providers propose to receive further government support in the delivery of healthcare services, such support should be requested from federal RHTP grant funding to the State.

[T]he Commission seeks comment on whether to expand the defined categories of eligible health care providers to include for-profit entities. The Commission seeks comment on including rural for-profit clinics, offices and facilities as eligible on the same basis as non-profit and public health care organizations. The Commission also seeks comment on the financial impact of expanding the Telehealth program to include the for-profit entities. If included, how should the provider support be determined? Should the same level of rurality criteria be applied? If not, why not. Should the Commission require that the service be competitively bid, consistent with the requirements in the federal Healthcare Connect Fund Program? What other safeguards should be in place?

RIC's Responses: RIC recommends against expansion of healthcare providers eligible for Program support to include for-profit entities. The Commission does not possess, and is unlikely to possess in the future, financial information regarding for-profit entities sufficient to ascertain whether a need exists for Program support or whether provision of Program support would be duplicative of support received by the for-profit entity from other public or private sources for the same purposes.

Further, the capacity of the NUSF to bear the financial burden of expanding the Program budget to include for-profit healthcare entities requires careful scrutiny. Remittances to the NUSF have been, at best, holding steady in recent years. At the same time, the need for increased disbursements of NUSF support for other NUSF programs such as the High-Cost Program continues to increase.

Since the number of assessable connections in the State to which NUSF surcharges apply has not materially increased, there seems to be little prospect that total remittances available to support all NUSF Programs will increase. Further, the Commission's annual orders setting remittance rates entered since the implementation of per connection NUSF surcharges have not indicated support for increasing current surcharge rates. Simply stated, the NUSF is not in a financial position to expand Telehealth Program funding eligibility to for-profit healthcare entities.

C. Conclusion

As stated above, the Nebraska Rural Independent Companies appreciate the opportunity to provide these Comments in response to the *Dec. 16 Order*. RIC looks forward to continuing its participation in this proceeding.

Dated: January 29, 2026.

Consolidated Telephone Company, Consolidated Telco, Inc., Consolidated Telecom, Inc., The Curtis Telephone Company, Great Plains Communications, LLC., Hamilton Telephone Company, Hartington Telecommunications Co., Inc., Hershey Cooperative Telephone Company, Inc., K & M Telephone Company, Inc., The Nebraska Central Telephone Company, Northeast Nebraska Telephone Company, Sodtown Communications, Inc. and Three River Telco (the "Rural Independent Companies")

By: Paul M. Schudel

Paul M. Schudel, NE Bar No. 13723

pschudel@woodsaitken.com

WOODS AITKEN LLP

301 South 13th Street, Suite 500

Lincoln, Nebraska 68508

Telephone (402) 437-8500

Facsimile (402) 437-8558

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 29th day of January 2026, electronic copies of the foregoing pleading were delivered to the Nebraska Public Service Commission at

psc.nusf@nebraska.gov.

Paul M. Schudel

Paul M. Schudel