



# **Rural Texas Pediatric Tele-Connectivity Resource Program**

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House Bill 1697**

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**TEXAS**  
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# Executive Summary

Texas Government Code, [Section 541.007](#) directs the Texas Health and Human Services Commission (HHSC) to “report to the governor and members of the legislature regarding the activities of the [pediatric tele-connectivity resource] program and grant recipients, including the results and outcomes of grants awarded under this chapter.” The purpose of the Pediatric Tele-Connectivity Resource Program is to award grants to nonurban healthcare facilities to implement telemedicine services that connect these facilities to pediatric specialists and pediatric subspecialists who provide telemedicine services. HHSC released requests for applications (RFA) for grants for the 2020-21 and 2022-23 biennium. The RFAs and grant awards sought to establish or expand telemedicine services in rural areas of Texas.

This is the third biennial submission of the Pediatric Tele-Connectivity Resource Program for Rural Texas (Pedi Tele-Conn Program or grants program) report. This report includes the following updates and new information since the last submission of the [Rural Texas Pediatric Tele-Connectivity Resource Program December 2020](#) (the 2020 report):

- Outcome of the 2020-21 biennium grants program projects;
- Response to the 2022-23 biennium grants program request for applications (RFA) for funding appropriated for this grants program; and
- Program implementation challenges and lessons learned.

# 1. Introduction

[Section 541.007](#) of Texas Government Code directs HHSC to establish and administer a pediatric telemedicine grants program. The purpose of the grants program is to provide financial assistance to enable eligible, nonurban healthcare facilities to connect with pediatric specialists who provide telemedicine services and to cover related expenses, including necessary equipment.

Nearly three million Texans live in rural areas. Rural areas of Texas often lack available medical professionals and services, resulting in many children, families, and individuals being underserved by the available medical systems. Nearly 70 percent of the primary care Health Professional Shortage Areas (HPSAs) are located in rural areas. At the time of this report, due to the state's large land mass, Texas has the second highest number of HPSA's in the nation, with over 450 geographic areas receiving this designation.<sup>a</sup> Harnessing innovation and finding efficient, patient-centered approaches to deliver high quality healthcare services to underserved rural regions is a critical issue for Texas.

Rural Texas communities have seen declining availability of services connected to hospitals in the last decade. When hospitals close, rural communities lose access to inpatient and emergency care, as well as preventive and specialty services, as local physicians may relocate out of the impacted region. The Texas Organization of Rural & Community Hospitals (TORCH) notes 27 rural hospital closures occurred in 22 Texas rural communities between January 2010 and January 2020.

The closures and declining availability of services emphasizes the importance of increasing telehealth capabilities in rural Texas. This report highlights rural provider responses to the Pedi Tele-Conn Program, initial outcomes, project implementation challenges and lessons learned, and rural provider responses to the subsequent RFA under the 2022-23 biennium appropriations.

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<sup>a</sup> HRSA.gov, <https://data.hrsa.gov/topics/health-workforce/shortage-areas>, October 5, 2022

## 2. Background

Implementation of Section 541.007 began in the 2018-19 biennium. At that time, HHSC did not receive appropriations to implement the program, but the statute permits HHSC to solicit and accept gifts, grants, and donations from public or private sources to use in the implementation of the Pedi Tele-Conn Program. HHSC established a workgroup to assist with the development and implementation of the grants program. Efforts to secure alternative funding were unsuccessful; however, collaboration with stakeholders resulted in establishment of a pilot program until funding (\$5 million) was appropriated during the 86<sup>th</sup> Legislature (Rider 94), Regular Session 2019, for the 2021-22 biennium.

With continued stakeholder collaboration, HHSC developed and released an RFA for the Pediatric Tele-Connectivity Resource Program for Rural Texas, developed and adopted program rules, and continued the pilot project through fall 2020.

The 87th Legislature appropriated \$4 million for continuation of the Pedi Tele-Conn Program in the 2022-23 biennium. HHSC released a new RFA in May 2022.

### Rural Hospitals

While there are varying definitions of “rural hospital” used by different state and federal agencies, for purposes of this report, “rural hospital” is defined using the Texas Medicaid program definition which is:

A hospital located in a county with 60,000 or fewer persons according to the 2010 U.S. Census; or, a hospital designated by Medicare as a Critical Access Hospital (CAH), Sole Community Hospital (SCH), or a Rural Referral Center (RRC) that is not located in a Metropolitan Statistical Area (MSA); or, a hospital that (a) has 100 or fewer beds (b) is designated by Medicare as a CAH, an SCH, or an RRC, and (c) is located in an MSA.<sup>b</sup>

The Pediatric Tele-Connectivity Resource Program for Rural Texas is limited to a “nonurban health care facility” in:

- A county with a population of 50,000 or less;

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<sup>b</sup> 2020-2021 General Appropriations Act, House Bill (H.B.) 1, 86th Legislature, Regular Session, 2019 (Article II, HHSC, Rider 11).

- An area that is not delineated as an urbanized area by the United States Bureau of the Census; or
- Any other area designated as rural by a rule adopted by the Texas Department of Insurance commissioner, subject to Texas Insurance Code, Section [845.003](#).<sup>c</sup>

## Telemedicine and Telehealth

Section 541.007 defines telemedicine services as remote healthcare services delivered by a physician or health care provider under delegation and supervision of a physician. Similarly, telehealth services are defined as remote healthcare services delivered by a non-physician healthcare provider. Telemedicine and telehealth services are a focus of recent legislation aimed at improving access to care, including in rural Texas. The 87th Legislature, Regular Session, 2021, enacted [House Bill \(H.B.\) 4](#) to expand the delivery of and reimbursement for telemedicine and telehealth services, including Rural Health Clinic (RHC) services.

H.B. 4 directs HHSC to expand services eligible to be delivered via telemedicine or telehealth and to implement audio-only benefits for behavioral health (BH) services in any program or for any service, if determined to be clinically appropriate and cost effective. In addition, H.B. 4 authorized implementation of audio-only benefits in any program or service, if determined to be clinically appropriate and cost effective. H.B. 4 builds on [Senate Bill \(S.B.\) 670](#), 86th Legislature, Regular Session, 2019, which authorized the Medicaid managed care organizations (MCOs) to determine which services could be delivered remotely in Medicaid managed care. HHSC expects the implementation of H.B. 4 to increase access to teleservices in Medicaid and other HHSC-administered programs,, including for clients in rural areas.

## Workgroup and Survey

In fall 2016, HHSC convened a stakeholder workgroup to assist with implementation of the Pedi Tele-Conn Program. Lacking initial appropriations, workgroup members proposed a pilot borrowing equipment and specialty provider expertise from the University of Texas Virtual Health Network and Children’s Health System of Texas in Dallas. In tandem with development of the pilot, HHSC surveyed rural hospitals to gather information about telemedicine services use in rural Texas hospitals. The survey identified rural hospital interest in telemedicine use and identified barriers such as costs versus demand, technical and connectivity

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<sup>c</sup> House Bill 1697, 85th Legislature, Regular Session, 2017.

obstacles, and lack of payer reimbursement for telemedicine services. For additional details on both the pilot program and survey, please see the [\*Rural Texas Pediatric Tele-Connectivity Resource Program 2020 Report\*](#).

### 3. Request for Applications

HHSC began developing the Pedi Tele-Conn Program in early fall 2019. [Pedi Tele-Conn Program rules](#) were adopted and became effective in March 2021. The Pedi Tele-Conn Program rules describe use of grant funds, the role of HHSC in administering grant funds, and grant eligibility requirements. The grant funds are used:

1. To purchase equipment necessary for implementing telemedicine medical services;
2. To modernize the facility's information technology infrastructure and secure information technology support to ensure an uninterrupted two-way video signal that is compliant with the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191), as referenced in Texas Government Code, §541.003;
3. To pay a contracted pediatric tele-specialty provider for telemedicine medical services; or
4. To pay for other activities, services, supplies, facilities, resources, and equipment that HHSC determines necessary for the grant recipient to use telemedicine medical services.

The grant funding period was originally designed for approximately ten months (November 1, 2020 through August 31, 2021). In July 2020, HHSC released an RFA with the intention to award grants by early November 2020. The RFA was posted for 30 days and extended for an additional seven days. Applicant turnout was low and stakeholders requested an additional extension. In response, HHSC revised the funding strategy to accommodate a reduced contract period and reposted the RFA in early November 2020, offering interested non-urban healthcare facilities another opportunity to apply.

### 2020-21 Biennium Outcomes

HHSC received a total of four responses to the reposted RFA and issued grant awards for all four applicants. Following HHSC procurement and contracting procedures, contracts were executed between May and June 2021, and expired on August 31, 2021. Grant funding was awarded at 100 percent upon execution of contracts.



## **Navarro Regional Hospital (Corsicana, TX)**

Navarro Regional Hospital (Navarro), which previously served as the pilot site for the Pedi Tele-Conn Program, applied for \$21,711 to purchase one telemedicine cart. Having served as pilot site for this program, Navarro had previously established telemedicine capabilities in some areas of the hospital using pilot equipment on loan, but this capability was not available to the women's services unit.

The equipment was purchased soon after execution of the contract; staff received training on use of the cart and reported working with Children's Medical Center in Dallas to schedule additional educational opportunities for Navarro staff. The newly purchased cart was installed in the nursery section of the women's services unit and the cart's portability enables the team to share the equipment with other areas of the hospital that need to conduct telemedicine consults.

The Navarro team reported respiratory distress, sepsis assessment/rule out, and hypoglycemia as the most common diagnoses for which a pediatric telemedicine service would have been provided. During the contract year, Navarro reported one pediatric telemedicine consult and two phone conversations among providers to discuss possible consults. One pediatric transfer was prevented with the use of the new telemedicine cart. Navarro's pediatric telemedicine program continues to maintain their established relationship with Children's Medical Center providers. This relationship originated during the pilot phase of this program.

## **Brownfield Regional Medical Center (Brownfield, TX)**

Brownfield Regional Medical Center (BRMC) requested \$52,565 to implement a pediatric tele-connectivity program for their service area which includes seven surrounding West Texas counties and Southeastern New Mexico. BRMC has a Level 1 Well Nursery in which care is provided for healthy babies.

Eighty percent of the grant funding was applied to the purchase of two telemedicine carts installed in the hospital's emergency room which is near the hospital's labor and delivery unit that was under construction at the beginning of project implementation. After construction completed, the telemedicine carts were relocated to the labor and delivery unit and have been in use since then. The remaining 20 percent of the funding was earmarked for telemedicine service provider implementation and service fees, staff training, and equipment maintenance. BRMC had initially pursued contracting with a Dallas entity to serve

as its lead distant site<sup>d</sup> provider group but later pursued a contract with University Medical Center (UMC) in Lubbock. UMC is closer to Brownfield, should a patient need to be transferred for advanced care.

The BRMC team experienced delays in implementation due to staff shortages and facility makeshift patient care areas set up to accommodate the influx of COVID-19 patients. BRMC reported successfully using the carts for telemedicine consults since implementing their new telemedicine program. At the time of this report, HHSC is recouping \$10,419 in unexpended funding.

## **Titus Regional Medical Center (Mount Pleasant, TX)**

Titus Regional Medical Center (TRMC) in Mount Pleasant requested \$142,966 to equip their rural hospital labor and delivery unit/nursery and emergency room (ER) with telemedicine capability and establish a school-based telehealth program to offer telehealth care to Titus County school districts in collaboration with school nurses. Another component of their proposal identified tele-specialty care via an outpatient clinic for pediatric cardiology, gastroenterology, stroke, and other specialties of need for this community, negating the need to travel more than two hours for such specialty care. TRMC also planned to contract with a healthcare system in North Texas for the provision of advanced Neonatal Intensive Care Unit (NICU) and supplemental supportive services. Additionally, the proposal included the hiring of a part-time program director to facilitate project implementation and provide continued program management.

During the contract period, TRMC experienced difficulties implementing some components of their proposed project, resulting in overall delays. Titus County had the highest COVID-19 cases per 100,000 people in Northeast Texas with five COVID-19 surges since spring 2020. As an independent rural hospital, TRMC was unable to dedicate the effort needed for this grant program until early 2022. In addition to staff shortages, TRMC also experienced challenges securing telehealth service providers from the Dallas area. The distant site provider group TRMC initially identified did not accept Medicaid patients from all MCOs, and many of the

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<sup>d</sup> CMS defines a distant site as a location from which a provider or specialist is able to either see a patient or consult with their provider in real-time communication by use of interactive audio and video telecommunications system.  
<https://www.cms.gov/newsroom/fact-sheets/medicare-telemedicine-health-care-provider-fact-sheet>

patients at this facility are Medicaid patients. After exhausting negotiation efforts, TRMC pursued other options and eventually selected a new distant site provider.

The school-based telehealth program was not successful due to variations in school technology requiring costly security compatibility. TRMC identified a BH telemedicine program to assist mothers with babies in the NICU after childbirth as an alternate program. The program was piloted at a hospital in Austin and was envisioned as a telemedicine option in rural Texas. Efforts to implement this BH telemedicine component were halted so TRMC shifted their focus to implementation of the project's most critical component, the tele-NICU piece.

Due a short contract term and the difficulties experienced, TRMC was unable to expend any of the grant award for the efforts described above. At the time of this report, HHSC is in the process of recouping \$142,966 in unexpended funding.

## **Lake Granbury Medical Center (Granbury, TX)**

Lake Granbury Medical Center (LGMC) is a 73-bed community hospital serving a three-county area in Northeast Texas. LGMC applied for \$386,034 to expand its pediatric telemedicine program to include use of pediatric teleservices in the ER and women's services department, tele-NICU in the women's services department, and pediatric tele-specialty services in the pediatric and family medicine offices.

Seventy three percent of the grant funding was designated for hiring personnel including fringe benefits, 15 percent for equipment, 11 percent for information technology (IT) implementation and support fees, and one percent for contractual implementation fees with a new telemedicine services provider.

LGMC reported challenges in obtaining contract signatures for distant site agreements, breaking down the project into two phases, and determining how to fund the newly implemented project post-contract. As a result, LGMC shifted focus to implement pediatric telemedicine services in the hospital first, and offering these services via its clinics, secondarily.

During the contract year, LGMC purchased one telemedicine cart using approximately three percent of the funding and secured a contract with a new distant site provider. At the time of this report, HHSC is in the process of recouping \$373,401 in unexpended funding.

## **2022-23 Biennium Grants Program**

The 2022-23 biennium appropriations for continuation of the Pedi Tele-Conn Program were made available in early fiscal year 2022. HHSC posted the new RFA on May 9, 2022, with a closing date of June 20, 2022. HHSC received no applications or inquiries in response to the RFA. At the time of this report, HHSC has not yet determined if the RFA will be reposted. The four previous grant recipients informed HHSC the low interest in reapplying for funding is due to insufficient available staff to implement additional projects and a lack of other related projects for implementation.

## **Challenges and Lessons Learned**

Grantees shared the following challenges and lessons learned from implementation of their projects:

- Involve IT early for trouble shooting should the new system experience technical issues, specifically in the event of a power issue in the hospital.
- Communicate regularly with the telemedicine distant site provider group.
- Ensure multiple team members are available to cover both day and night shifts and expand knowledge of the system/equipment to more than one or two people.
- Prepare for a learning curve on use of the equipment and streamline implementation into daily activities.
- Ensure good communication for all parties involved by providing detailed updates.
- Involve finance departments early in the implementation phase.
- Begin contracting steps with distant site providers as soon as possible to accommodate a lengthy process.

HHSC also experienced challenges and compiled the following lessons learned in developing and implementing the Pedi Tele-Conn Program:

- Ensure sufficient resources for future RFAs. The Pedi Tele-Conn Program experienced limited and delayed resources for project implementation.

- Expand periods for grant spending. Limited project timelines due to procurement and contract requirements greatly reduced project implementation times available to grant recipients.
- Improve communication among HHSC, grant applicants, and distant site provider groups.

## 4. Conclusion

HHSC's Pedi Tele-Conn Program, implemented with 2020-21 biennium funding, was met with some success and several challenges. One grantee fully implemented the project and one grantee partially implemented the project. All grantees established communication with distant site providers or secured a contract. The COVID-19 PHE intensified the need for telemedicine and telehealth services. However, the PHE also hindered the grantees' ability to successfully fulfill the demand for telemedicine and telehealth services. The 2022-23 biennium Pedi Tele-Conn Program RFA received no responses and the posting of an additional RFA is undetermined at the time of this report. Resource constraints around staffing and contract timing posed challenges to HHSC and grantees.

## List of Acronyms

Acronym	Full Name
BH	Behavioral Health
BRMC	Brownfield Regional Medical Center
CAH	Critical Access Hospital
COVID-19	Novel Coronavirus
CHIP	Medicaid and Children’s Health Insurance Program
EMR	Electronic Medical Record
HHSC	Texas Health and Human Services Commission
H.B.	House Bill
HPSA	Health Professional Shortage Area
HTW	Healthy Texas Women
LGRMC	Lake Granbury Regional Medical Center
MCO	Managed Care Organization
MSA	Metropolitan Statistical Area
Navarro	Navarro Regional Hospital
NICU	Neonatal Intensive Care Unit
Pedi Tele-Conn	Pediatric Tele-Connectivity Resource Program for Rural Texas
PHE	Public Health Emergency
RFA	Request for Applications
RHC	Rural Health Clinic
S.B.	Senate Bill
SCH	Sole Community Hospital
TRMC	Titus Regional Medical Center
TORCH	Texas Organization of Rural and Community Hospitals
UTMB	The University of Texas Medical Branch in Galveston