



FCC's Rural Health Care Program

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Collaborative for E-Health Conference*

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*Prepared by Commission Staff for presentation purposes only.
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Rural Health Care Program

- Part of the FCC's Universal Service Fund.
- Supports health care providers in rural communities.

Supported Services:

- Telecommunications: Rural/Urban rate differential for telecommunications services.
- Internet Access: 25% of Internet access cost.
- Pilot Program – Three year program, supports broadband deployment for healthcare networks.

Supported Services (continued)

- One Time Charges or Installation Charges --
 - **For telecommunications services:**
 - Yes, but only if higher than urban charges.
 - **For Internet Services:**
 - Yes, but only 25% of cost.
- Infrastructure Development Costs –
 - **Not covered, except under the Pilot Program.**

Program Procedures

- USAC is the Program Administrator.
- Health Care Provider files FCC Form 465 (Request for Services).
- USAC confirms health care provider's eligibility for support, and posts requests for services.
- Telecommunications and Internet access service providers submit bids in response to Form 465.
- Bid solicitation period is a minimum of 28 days.
- Health care provider chooses the most cost effective vendor.

Program Procedures (continued)

- *“Most Cost Effective Vendor”* –
 - Least cost after consideration of features, quality of transmission, reliability, and other relevant factors.
- *After vendor is selected ...*
- Health care provider files either:
 - Form 466** Funding Request Telecommunications Services
 - Form 466-A** Funding Request for Internet Services.

After Form 466 or 466-A is submitted ...

- USAC reviews the Form for accuracy, approves, and issues a Funding Commitment Letter (FCL).
- FCL is sent to Health Care Provider and to the selected telecommunications/ internet service vendor.
- USAC sends a support schedule indicating approved monthly support amount.
- On monthly bill, vendor credits the health care provider for the corresponding amount shown in the USAC support schedule.
- Vendor bills USAC for the amount shown in the USAC support schedule.

What Entities are Eligible?

- Only public and nonprofit health care providers are eligible.
- Except for the Pilot Program, only rural health care providers are eligible.
- *Health Care Provider means:*
 - Teaching Hospitals and Medical Schools
 - Community Health Centers
 - Local Health Departments
 - Community Mental Health Centers
 - Hospitals
 - Rural Health Care Clinics

Definition of Rural:

- Generally, an area with population < 25,000
- USAC Website to determine eligibility:

www.rhc.universalservice.org

Rural Health Care Search:

- » List of Eligible Rural Areas
- » Urban Rate
- » Search Posted Services

Funding Limits:

Annual Funding Cap: \$400 Million

Funding Amounts: FY 07--\$56 Million; FY 08--\$73 Million

Rural Health Care Pilot Program

- Three Year Program.
- Commenced in Funding Year 2007. Ends in Funding Year 2009.
- 3 years to obtain funding commitments, 5 years to invoice.
- Funds 85% of eligible costs.
- Selected participants are limited to amounts approved in project applications.
- 62 projects. Application period closed in 2007.

Pilot Program vs. Regular Health Care Program

- *Supports Infrastructure Costs?*
 - Regular Program: No
 - Pilot Program: Yes
- *Supports Urban Health Care Providers?*
 - Regular Program: No
 - Pilot Program: Yes, as part of a network with at least a de minimis number of rural health care providers

Pilot Program Status

- 21 Projects have received some funding
- 21 Projects have posted requests for bids, but have not selected a vendor
- 20 Projects have not posted any requests for bids
- Deadline is June 30, 2010, subject to FCC pending consideration of a one year extension request

What Is the FCC Doing?

- **National Broadband Plan**
 - *FCC Issued Public Notice seeking comments on Health Care Delivery Elements of National Broadband Plan (NPB Public Notice #17) (November 12, 2009)*
- **Modifications to the Program, based on lessons learned**
 - *Pilot Program order provides:*
 - *The pilot program will lay the foundation for a future rulemaking proceeding Upon completion of the pilot program, we will issue a report detailing the results of the program and the status of the health care mechanism generally, and recommend any changes that are needed to improve the programs.*

For More Information

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- ***USAC Webpage:*** www.rhc.universalservice.org
- ***Pilot Program Webpage:*** www.fcc.gov/cgb/rural/rhcp.html