



## HCF Program Training

# Application Process



## Important Caveat

This training is just a general overview and starting point for applicants

- Every applicant's situation is different
- The training does not cover every program requirement
- The training does not cover requirements for service providers and consultants

It is essential to read the following documents carefully as you proceed through the planning and application process:

- Healthcare Connect Fund Order (FCC 12-150), located at <http://www.fcc.gov/encyclopedia/rural-health-care>,
- The Rural Health Care Program rules, 47 C.F.R. §54.600-680, located at <http://www.ecfr.gov>, and
- The Healthcare Connect Fund Program forms and instructions (FCC Forms 460-463), located at <http://www.usac.org/rhc/healthcare-connect/tools/forms/default.aspx>.

Consult the FCC and USAC websites for additional resources.

## Agenda

1. Overview of Application Process
2. Step 1: Before You Apply
3. Step 2: Determine Eligibility
4. Step 3: Prepare for Competitive Bidding
5. Step 4: Request Services
6. Step 5: Evaluate Bids and Select Service Provider
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9. Training

## Application Process

HCF Order, Section VI

### Four FCC Forms:

- FCC Form 460 – Registering and Determining Eligibility
- FCC Form 461 – Requesting Services
- FCC Form 462 – Requesting Funding Commitment
- FCC Form 463 – Submitting Invoice

### Four Forms for Health Care Providers :

1. FCC Form 460: Use this form to register and obtain an eligibility determination.
  - USAC then notifies the health care provider (HCP) of their eligibility determination.
2. FCC Form 461: Use this form to submit a request for services.
  - Receive bids on services.
  - The HCP or consortium selects a service provider and signs a contract to receive services.

### Four Forms for Health Care Providers (cont'd)

3. FCC Form 462: Request a funding commitment.
  - USAC will send a Funding Commitment Letter.
4. FCC Form 463: Submit an invoice.
  - The service provider and the HCP certify its accuracy.
  - The HCP submits the contribution to the service provider.
  - The service provider receives the payment.

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## **Step 1: Before You Apply**

- Decide whether to apply as an individual HCP or as a consortium.
- Get familiar with the application process.
- Submit third-party authorizations, if you are using a consultant or if you are a member of a consortium.



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## Step 2: Determine Eligibility

47 C.F.R. Section 54.600

### 1. Eligible Status

- Nonprofit
- OR
- Public



## Step 2: Determine Eligibility

### 2. Eligible Organization Type

- Not-for-profit hospitals
- Rural health clinics
- Community mental health centers
- Local health departments or agencies
- Post-secondary educational institutions offering health care instruction, teaching hospitals, and medical schools
- Community health centers or health centers providing health care to migrants
- Dedicated emergency departments of rural for-profit hospitals
- Part-time eligible entities
- Consortia of the above entities



## Step 2: Determine Eligibility

47 C.F.R. Section 54.637

### Off-site Data Centers and Administrative Offices

- Connections and network equipment associated with off-site data centers or administrative offices used by eligible HCPs are eligible for support.
- However, off-site administrative offices and off-site data centers themselves are not eligible health care providers.



## Step 2: Determine Eligibility

### 3. Eligible Location

- Individual HCP applicants must be located in an FCC-approved rural location to be considered rural.
- USAC rural look-up tool located on the USAC website:  
[www.usac.org/rhc/telecommunications/tools/Rural/search/search.asp](http://www.usac.org/rhc/telecommunications/tools/Rural/search/search.asp)



## Step 2: Determine Eligibility

HCF Order, Section V

### Eligible Services and Equipment

	INDIVIDUAL Applicants	CONSORTIUM Applicants
<b>Eligible Services</b>	✓	✓
<b>Reasonable &amp; Customary Installation Charges</b> (≤\$5,000 undiscounted cost)	✓	✓
<b>Lit Fiber Lease</b>	✓	✓
<b>Dark Fiber</b>		
<ul style="list-style-type: none"> <li>• Recurring charges (lease of fiber and/or lighting equipment, recurring maintenance charges)</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>• Upfront payments for IRUs, leases, equipment</li> </ul>	No	✓
<b>Connections to Research &amp; Education Networks</b>	✓	✓
<b>HCP Connections Between Off-Site Data Centers &amp; Administrative Offices</b>	✓	✓
<b>Upfront Charges for Deployment of New or Upgraded Facilities</b>	No	✓
<b>HCP-Constructed and Owned Facilities</b>	No	✓
<b>Eligible Equipment</b>		
<ul style="list-style-type: none"> <li>• Equipment necessary to make broadband service functional</li> </ul>	✓	✓
<ul style="list-style-type: none"> <li>• Equipment necessary to manage, control, or maintain broadband service or dedicated health care broadband network</li> </ul>	No	✓

### Eligible Services and Equipment (Individual HCPs)

- Recurring charges for broadband services
- Reasonable and customary installation charges  
≤ \$5,000
- Equipment necessary to make service functional as long as the equipment is used in connection with broadband services funded through the HCF Program
- Connections to research and educational networks
- HCP connections between off-site data centers and administrative offices

### Ineligible Expenses include:

- Administrative expenses,
- Equipment or services not directly associated with broadband services, for example:
  - Medical equipment (hardware and software), such as telemedicine equipment and other general HCP expenses,
  - Expenses associated with general computing, software, applications, and Internet content development, and
- Inside wiring and internal connections.





## Step 2: Determine Eligibility

HCF Order, Section VI.A.2

### What is the FCC Form 460?

#### Eligibility and Registration Form

- An individual applicant must file an FCC Form 460 for itself and a separate FCC Form 460 for any associated off-site administrative office or off-site data center.
- Eligibility must be determined before an FCC Form 461 (Requests for Services) can be reviewed.



## Step 2: Determine Eligibility

HCF Order, Section VI.A.2

### What is on the FCC Form 460?

- Site information
- Contact information
- Eligibility information
- Certifications and signatures



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## Step 3: Prep for Competitive Bidding

HCF Order, Section VI.B.6

### Competitive bidding process exemptions include:

- An annual undiscounted cost less than or equal to \$10,000,
- Purchasing from a government-negotiated Master Services Agreement (MSA),
- MSAs approved under the Pilot Program or HCF Program,
- A multi-year contract deemed evergreen by USAC, or
- Contracts negotiated under the E-rate Program (Schools and Libraries Program).



## Step 3: Prep for Competitive Bidding

HCF Order, Section VI.B.6.d

### What is an evergreen contract?

If USAC has designated a multi-year contract as evergreen, then for the life of the contract, HCPs do not need to annually re-bid the service or post an FCC Form 461 (47 CFR, §54.642(h)(4)).



## Step 3: Prep for Competitive Bidding

HCF Order, Section VI.B.6.d

### What is an evergreen contract? (cont'd)

- A new contract can be designated as evergreen if it meets all of the following criteria:
  - Signed by the HCP or consortium lead entity;
  - Specifies service type, bandwidth, and quantity
  - Specifies term of the contract
  - Specifies cost of services to be provided
  - Includes the physical address or other identifying information of the HCPs purchasing from the contract



## Step 3: Prep for Competitive Bidding

HCF Order, Section VI.B.6.d

### Voluntary Extensions (47 C.F.R. § 54.642(h)(4)(iii))

- Participants may exercise voluntary contract extensions without undergoing additional competitive bidding if:
  - The voluntary extension is memorialized in the evergreen contract,
  - The decision to extend the contract occurs before the participant files its funding request for the funding year when the contract would otherwise expire, and
  - The voluntary extension(s) do not exceed five years in the aggregate.



## Step 3: Prep for Competitive Bidding

HCF Order, Section VI.A.4

### Most Cost-Effective

- All applicants must seek competitive bids for supported services.
- All applicants must certify that they have selected the most cost-effective bid on their requests for funding (unless they qualify for a competitive bidding exemption).

### What does most cost effective mean?

- “[...] The method that costs the least after consideration of the features, quality of transmission, reliability, and other factors that the HCP deems relevant to choosing a method of providing the required health care services.” (47 C.F.R. § 54.642(c)).
- Price must be a primary factor. No single factor may receive a weight that is greater than price, although another factor may receive the same weight as price.

### Evaluation Criteria

- Applicants must certify that they have selected the most cost-effective bid on their request for funding (47 C.F.R. Section 54.603 (b)(4d)).
- Applicants are required to establish evaluation criteria.
  - Cost (price) of service must be a primary factor.
  - No criteria can be weighted higher than cost, but it can be weighted equal to cost.
  - Total weight must equal 100 percent.
  - Criteria should include most important criteria needed to provide healthcare, as determined by the applicant.



## Step 3: Prep for Competitive Bidding

HCF Order, Section VI.A.4

### Sample Evaluation Criteria

- Some HCPs may find the following criteria to be useful in determining the most cost-effective bid:
  - Price
  - Bandwidth
  - Quality of transmission
  - Reliability
  - Prior experience with the service provider
  - Technical support



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### Duplicate Funding Requests

Applicants cannot request support for the same service from the Telecommunications Program and the HCF Program.

### What is the FCC Form 461?

#### The Request for Services Form

- Initiates the competitive bidding process,
- Must be posted on USAC's website for at least 28 days,
- Provides information about requested services and network equipment to enable an effective competitive bidding process, and
- Can be submitted starting 180 days before the beginning of the funding year.



## Step 4: Request Services

HCF Order, Section VI.A.4

### FCC Form 461 (Individual Applicants)

- USAC will post the applicant's request for services on the USAC website.
- The posting includes:
  - The FCC Form 461, and
  - A request for proposals (if applicable).



## Step 4: Request Services

HCF Order, Section VI.B.2

### When is an RFP required?

- An RFP is required when state, Tribal, or local procurement rules and regulations require it.
- Any applicant can also choose to utilize an RFP in conjunction with their competitive bidding process.



### Fair and Open Process

Service providers that intend to bid are prohibited from:

- Preparing, signing, or submitting an applicant's FCC Form 461 and supporting documents;
- Serving as point of contact on behalf of applicants;
- Being involved in setting bid evaluation criteria; and
- Participating in the bid evaluation or service provider selection process (except in their role as a potential service provider).

### Fair and Open Process

**Consultants, other third-party experts, or applicant employees who have an ownership interest, sales commissions arrangement, or other financial stake with respect to a bidding service provider are also prohibited from performing any of the four functions previously outlined on behalf of the applicant.**

### Fair and Open Process

- **All potential bidders must have access to the same information and must be treated in the same manner.**
  - If an applicant modifies anything on any documents posted by USAC, the applicant must notify all potential bidders at the same time using a uniform method.
  - Applicants are required to immediately notify USAC of the modification. USAC will modify the original posting accordingly.
- **All applicants and service providers must comply with any applicable state or local competitive bidding requirements.**

### Declaration of Assistance

- Applicants are required to identify any consultants, service providers, or any other outside experts who aided in the preparation of the FCC Form 461 and supporting documentation.
  - Paid or unpaid
  - FCC Form 461, Block 4

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## Step 5: Evaluate Bids, Select an SP

HCF Order, Section VI.B.4

### Allowable Contract Selection Date

- Applicants must post for services for a minimum of 28 calendar days.
  - Applicants can choose to post for longer than 28 days.
  - USAC will post for the length of time requested by the applicant if longer than 28 days.
- Allowable Contract Selection Date (ACSD) is the first day that the applicant can choose a service provider.

### Evaluation

- Use of scoring matrix with weights assigned to evaluation criteria
- Selection of most cost effective

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## Step 6: Submit Funding Requests

HCF Order, Section VI.C.3

### What is the FCC Form 462?

#### The Funding Request Form

- Provides USAC with information necessary to evaluate an applicant's funding request, and
- Must be submitted before the end of the funding year (June 30).
- Applicants can seek a multi-year funding commitment.
- Applicants can file for multiple services on a single form.



## Step 6: Submit Funding Requests

### What is on the FCC Form 462?

- Competitive bidding information and documentation
- Service provider information
- Funding request information
- Cost allocation documentation (if applicable)



## Step 6: Submit Funding Requests

HCF Order, VI.C.3

### Required Information for Applicants

You will need a copy of:

- The bill (from the current year) for each circuit for which you are seeking support and
- The contract for supported services; if no contract is available, a copy of the bill.



## Step 6: Submit Funding Requests

HCF Order, VI.C.3

### Required Information for Applicants

You will need to:

- Review the FCC Form 462 to ensure you can answer the detailed questions about each expense,
- Be able to identify the source of the 35 percent contribution requirement, and
- Be prepared to upload a copy of the bids received, the contract, bill(s), and other supporting documentation.



## Step 6: Submit Funding Requests

HCF Order, VI.C.3

### Certification Requirements on FCC Form 462

- The person signing the application is authorized to submit the application on behalf of the applicant and has examined the form and all attachments, and to the best of his or her knowledge, information, and belief, all statements of fact contained therein are true.
- Each service provider selected is, to the best of the applicant's knowledge, information and belief, the most cost-effective available, as defined in 47 CFR Section 54.642(c).



## Step 6: Submit Funding Requests

HCF Order, VI.C.3

### Certification Requirements on FCC Form 462

- All HCF Program support will be used only for eligible health care purposes.
- The applicant is not requesting support for the same service from both the Telecommunications Program and the HCF Program.

### Certification Requirements on FCC Form 462

- The applicant satisfies all of the requirements under Section 254 of the Act and applicable Commission rules, and understands that any letter from the administrator that erroneously commits funds for the benefit of the applicant may be subject to rescission.
- The applicant has reviewed all applicable requirements for the program and will comply with those requirements.
- The applicant will maintain complete billing records for the service for five years.

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## Step 7: Prepare and Submit Invoice

HCF Order VI.D

### What is the FCC Form 463?

#### The Invoice and Request for Disbursement Form

- Serves as a request to USAC for disbursement of funding from the HCF Program for services and equipment.
- Filing the FCC Form 463 is a joint process between applicant and service provider.



## Step 7: Prepare and Submit Invoice

HCF Order, Section VI.D

### What is the FCC Form 463?

The Invoice and Request for Disbursement Form may only be submitted after:

- The applicant receives a funding commitment,
- The service provider has installed or started services, network equipment, and facilities, if applicable, or
- The applicant has received a bill from the service provider.



## Step 7: Prepare and Submit Invoice

### What is the FCC Form 463?

The Invoice and Request for Disbursement Form may only be submitted after (cont'd):

- The applicant has submitted its 35 percent contribution to the service provider, and
- The service provider and applicant certify and sign the FCC Form 463.
- The FCC Form 463 must be filed within six months after the end date of the funding commitment.



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## Resources

- Live training
- Webcasts
- Conference calls
- Newsletter
- Help Desk
- Website

### TELECOMMUNICATIONS PROGRAM

The Telecommunications Program (formerly known as the Primary Program) provides discounts for telecommunications and Internet access services for eligible health care providers (HCPs).

Applicants currently participating in the Rural Health Care (RHC) Program can continue to receive support for telecommunications services through the Telecommunications Program, with no changes.

Beginning in January 2014, applicants currently receiving support for Internet access can apply for support for those same services through the new Healthcare Connect Fund (HCF) Program. For those receiving Internet access support, funding will continue through the end of Funding Year 2013, which ends on June 30, 2014. Once funding for Internet access ends, this component of the RHC Program will only provide telecommunications services support and will simply be known as the Telecommunications Program.

### HCF PROGRAM

The Healthcare Connect Fund (HCF) Program is the newest component of the Rural Health Care Program. The HCF Program will provide a 65 percent discount on eligible expenses related to broadband connectivity to both individual rural health care providers (HCPs) and consortia, which can include non-rural HCPs (if the consortium has a majority of rural sites).

For new applicants, the filing window will open late summer 2013, with funding beginning on January 1, 2014. Starting in Funding Year 2014 (July 1, 2014 to June 30, 2015), all applicants will be on the same funding year schedule.

### PILOT PROGRAM

The Pilot Program provides funding for up to 85 percent of eligible costs of the construction or implementation of statewide and/or regional broadband networks. There are 50 active projects involving hundreds of health care providers (HCPs).

While no new funding is available, some projects continue to accept new HCP sites. As funding for Pilot Program projects ends, Pilot Program projects should be applying for additional support if needed under the Healthcare Connect Fund (HCF) Program. For the first funding year of the HCF Program, Funding Year 2013, only current Pilot Program participants are permitted to begin the application process.

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[FCC HCF FAQs \(PDF\)](#)

## RESOURCES & TOOLS

[Applicant Login](#)  
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## GETTING STARTED

[HCF: What I Need to Know](#)     [HCF Highlights \(PDF\)](#)     [HCF Timeline \(PDF\)](#)  
[FCC HCF FAQs \(PDF\)](#)

The Healthcare Connect Fund (HCF) is the newest component of the Rural Health Care (RHC) Program. The HCF will provide a 65 percent discount to both individual rural health care providers (HCPs) and to consortia for eligible expenses related to broadband connectivity, including equipment. Through access to telemedicine and support of electronic health records, networks of HCPs can save costs and expand access to health care. The HCF capitalizes on the benefits of these networks by encouraging the formation of state and regional health care consortia while continuing to allow for individual applicants.

### Get Started

The filing window will open late summer 2013 (for funding starting on January 1, 2014). To prepare, applicants should:

- Read the HCF rules and the [HCF Order](#) (FCC 12-150);
- Consider whether to apply as an individual HCP or as a member of a consortium;
- Review the eligibility criteria and eligible services; and
- Review the new HCF forms and instructions to become familiar with the application process.

### Participation in the Program

Eligible individual applicants must be rural public or nonprofit HCPs. Consortia may be comprised of both rural and non-

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## TRAININGS & OUTREACH

USAC offers a variety of Healthcare Connect Fund (HCF) Program resources for individual health care providers (HCPs), current and prospective consortia, and service providers. All events and resources are offered free of charge.

### Upcoming Events

- Healthcare Connect Fund (HCF) Program Trainings - [Should I attend one or both trainings?](#)
  - [Day 1: for Individual HCPs](#) - September 23, 2013 (Washington, DC)
  - [Day 2: for Consortium Leaders](#) - September 24, 2013 (Washington, DC)

### All Events

### Newsletter

[Subscribe Today!](#)     Keep in touch with the Rural Health Care (RHC) Program through our monthly update email, the HCF Bulletin, and receive notices about new resources and latest news.

### Handouts & Reference

Resources are available to help HCPs and service providers participate successfully in the HCF Program.

### Handouts

- [HCF Program Highlights](#)
- [Getting Started in the HCF Program](#)
- [Three Components of the RHC Program](#)
- [Compare the RHC Program Components](#)