



HCF Program Training

Consortia 101



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. What is a consortium?
2. What is a consortium leader?
3. What is a project coordinator?
4. Potential benefits of a consortium
5. The application process
6. What is supported?

What is a consortium?

HCF Order, Section IV.B

- In the Healthcare Connect Fund Program, a consortium can file a single application on behalf of its members.
- A consortium is two or more health care providers (HCPs) that choose to request support from the Healthcare Connect Fund Program as a single entity.
- Non-rural HCPs may receive support if they are part of a consortium that is a majority rural.
 - A consortium is a majority rural if more than 50 percent of its sites are rural HCPs.

What is a consortium?

HCF Order, Section IV.B

Eligible and ineligible HCPs may participate in a consortium.

- Ineligible entities cannot receive support and must pay their fair share (HCF Order, para. 178-184).
- Costs shared by eligible and ineligible entities must be allocated in a manner that ensures that only eligible entities receive the benefit of the program discounts.

What is a consortium leader?

HCF Order, Section VI.A.1.a

- A consortium leader is the legal entity that will be the lead entity for the consortium.
- The consortium and the consortium leader can be the same entity (if the consortium is a legal entity), but are not required to be.

What is a consortium leader?

HCF Order, Section VI.A.1.a

What else can be a consortium leader?

- Eligible HCP participating in the consortium
- Ineligible state organization
- Public sector (government) entity, including Tribal governments
- Nonprofit entity

Ineligible entities can serve as consortium leader but are prohibited from receiving support from the HCF Program.

What is a consortium leader?

HCF Order, Para 209

Consortium Leader Responsibilities

- Legally and financially responsible for the activities of the consortium
 - If the consortium and participating members want to delineate responsibilities, a written agreement must be submitted to USAC for review
- Designation of a project coordinator responsible for communicating with USAC and the FCC



What is a consortium leader?

HCF Order, Para 209

Consortium Leader Responsibilities

- Submission of program forms and required documents and verification that all information and certifications submitted are true
- Ensuring competitive bidding process is fair and open and otherwise compliant with FCC requirements
- Responsible for invoicing process
- Recordkeeping, site visits, and responding to audits



What is a project coordinator?

HCF Order, Para 206

- Serves as the point of contact with the FCC and USAC for all matters related to the consortium
- Officer, director, or other authorized employee of the consortium leader
 - Responsible for signing all forms submitted for the consortium
- Responsible for responding to FCC and USAC inquiries on behalf of the consortium members throughout the application, funding, invoicing, and post-invoicing period

Centralized Leadership Model

- Decision-making by consortium leadership.
- Master Services Agreement may apply to the entire consortium and may be signed by the consortium/consortium leader.
- The consortium is billed for services and the consortium pays the 35 percent contribution requirement.

De-Centralized Leadership Model

- Decision making by the entities participating in the consortium
- Contracts signed at the stakeholder group and/or HCP level
- Service provider bills the stakeholder group and/or HCP directly
- HCP or stakeholder group is responsible for paying 35 percent contribution requirement to the service provider



Potential Benefits of a Consortium

HCF Order, Section IV.B.I

- Creation and growth of broadband HCP networks
- Lower administrative costs
- Sharing of medical, administrative, and technical expertise
- Lower prices, higher bandwidth, and better quality connections
- Access by rural HCPs to medical specialists at larger HCPs through telemedicine



Potential Benefits of a Consortium

HCF Order, Section IV.B.I

- Enhanced exchange of electronic health records and coordination of patient care and remote training of medical personnel
- Improved quality and lower cost of health care
- Non-rural HCPs may receive support only if they participate in consortia that include a majority (more than 50 percent) of sites that are rural HCPs
 - USAC rural look-up tool located on the USAC website

Consortium Application Process (Usual Steps)

1. Before You Apply

- Assess technical requirements
- Organize consortium
- Design network

2. Before Competitive Bidding

- Obtain and submit letters of agency and network plan
- Certify eligibility of HCP sites (FCC Form 460)

Consortium Application Process (cont'd)

3. Competitive Bidding

- Determine whether claiming exemption from competitive bidding:
 - Annual cost of \$10,000 or less
 - Government Master Service Agreements (MSAs)
 - MSAs approved under Pilot Program or HCF Program
 - Evergreen contracts
 - Contracts negotiated under E-rate Program
- Develop evaluation criteria and documents describing service needs
- Submit FCC Form 461, Request for Services, and supporting documentation, unless exempt

Duplicate Funding Requests

- Applicants cannot request support for the same service from the Telecommunications Program and the Healthcare Connect Fund Program.

Consortium Application Process (cont'd)

4. Evaluate Bids and Select Service Provider

- Leave bidding window open at least 28 days
- Review bids received, select most cost effective service provider, and negotiate contract with selected service provider(s)
- Eligible service providers include any provider of equipment, facilities, or services that are eligible for support under the program

Consortium Application Process (cont'd)

5. Submit Funding Requests and Receive Services

- Submit request for funding, FCC Form 462, and supporting documentation, including evidence of a 35 percent contribution
- Begin receiving services

Consortium Application Process (cont'd)

6. Invoicing and Payment Process

- Receive and review service provider invoice
- Certify accuracy and that HCP has paid its 35 percent contribution
- After service provider certifies accuracy of invoice, submit it to USAC to initiate disbursement of 65 percent to service provider (FCC Form 463)

7. Submit Annual Report

- An annual report is due by September 30 of each year in which a consortium receives funding. The report should encompass consortium activity during the prior funding year. Funding years run from July 1-June 30.

Eligible Services and Equipment (Individual and Consortia)

- Broadband services
- Reasonable and customary install (\leq \$5,000 undiscounted)

Eligible Services and Equipment (Individual and Consortia)

- Connections to research and education networks
- HCP connections to off-site data centers and administrative offices
- Equipment necessary to make broadband service functional

Eligible Services and Equipment (Consortia Only)

- Up-front payments
 - Indefeasible Rights of Use (IRUs)
 - Pre-paid lease(s)
 - Equipment
- Upfront charges for deployment of new or upgraded facilities
- HCP-constructed and owned facilities
- Equipment necessary to manage, control, or maintain broadband service or healthcare broadband network

Ineligible Expenses

- 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, Internet content development
 - Inside wiring and internal connections

- Cap on total funding for Rural Health Care Program, including Healthcare Connect Fund Program, is \$400 million annually
- Cap for upfront payments and multiyear commitments \$150 million annually

Required Certifications

- Similar to those in existing RHC Program
- Certify to compliance with certain program requirements, including the requirements to select the most cost-effective bid and to use program support solely for purposes reasonably related to the provision of health care services or instruction.
- An officer, director, or other authorized employee of the consortium leader must sign the required certifications.



Resources

More Information on the Healthcare Connect Fund Program

Healthcare Connect Fund Order (FCC 12-150)

<http://www.gpo.gov/fdsys/pkg/FR-2013-03-01/pdf/2013-04040.pdf>

USAC's Healthcare Connect Fund Program Home Page (Updated on a regular basis)

<http://www.usac.org/rhc/healthcare-connect/default.aspx>

FCC's Rural Health Care Program Home Page

www.fcc.gov/encyclopedia/rural-health-care

Rural Health Care Pilot Program Evaluation

<http://www.fcc.gov/document/rural-health-care-pilot-program-evaluation-staff-report>

Subscribe to the HCF Bulletin (Updated monthly)

<http://www.usac.org/about/tools/publications/subscription-center.aspx>

Healthcare Connect Fund Program - Frequently Asked Questions

<http://www.fcc.gov/encyclopedia/healthcare-connect-fund-frequently-asked-questions>



For More Information

Healthcare Connect Fund Program Questions or Assistance

Email: rhc-assist@usac.org

Call: (800) 543-1546