
Healthcare Connect Fund Overview

Agenda

1. Rural Health Care Program Overview
2. Healthcare Connect Fund Overview
3. Health Care Provider Eligibility
4. Eligible Expenses
5. HCF Application Process
6. Training

Rural Health Care Program

**Telecom/
Internet Access
Program**

**Healthcare
Connect Fund**

Pilot Program

Telecommunications and Internet Access Programs Basics

- The Telecommunications Program funds the difference between the urban and rural rates for telecommunications services.
- The Internet Access Program provides a straight 25 percent discount off the rural rate.
- There are approximately 4,700 health care providers receiving support under the Telecommunications and Internet Access Programs.

Pilot Program Basics

- Established by the FCC to help deploy state or regional dedicated broadband health care networks
- Cost reimbursement program to support the connection of public and non-profit health care providers nationwide to broadband telehealth networks
- 50 Pilot Projects in 38 states, with over 3,800 affiliated health care providers
- Closed to new funding, but Pilot Projects may seek funding under the Healthcare Connect Fund and may add new sites

Healthcare Connect Fund Basics

- Encourages growth or formation of statewide or regional broadband health care networks
- Replaces current RHC Internet Access Program – RHC Telecommunications Program remains in place
- Provides uniform 65 percent subsidy for all supported services and infrastructure
- Both individual HCPs and consortia are eligible to apply
- Supports HCP-owned infrastructure, subject to certain constraints

Program Comparison

Feature	HCF	Pilot Program	Telecom or Internet Access Programs
Discount on telecom services	65 percent	85 percent	Urban-rural difference or mileage based
Discount on Internet services	65 percent	85 percent	25 percent (ends on 6/30/2014)
Connections to off-site administrative offices and data centers	Eligible	<u>Eligible</u> : Off-site data centers; <u>Not Eligible</u> : Off-site admin offices	Not eligible
Customized networks	Eligible	Eligible	Not eligible
Equipment	Eligible	Eligible	Not eligible

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HCF Consortium Approach

- HCF encourages HCPs to work together to preserve and advance the development of health care networks across the country
- Consortium can file a single application on behalf of all members
- Consortia may receive upfront support for:
 - Indefeasible rights of use (IRU), and pre-paid leases (PPL)
 - Equipment necessary for the formation of networks
 - HCP-constructed and -owned infrastructure

Administrative Efficiencies

- All services, equipment, and expenses related to infrastructure and construction are discounted 65 percent
- Eligibility determination separated from competitive bidding process (FCC Form 460)
- Forms and application process are simplified:
 - Request for Services (FCC Form 461)
 - Funding Requests (FCC Form 462)
 - Requests for Disbursements (FCC Form 463)

Greater Contracting Flexibility

Applicants can request:

- Multi-year funding commitments
- Pre-paid leases (consortia only)
- Use of existing Government Master Service Agreements (MSAs) and other competitive bidding exemptions

Network Flexibility

- Last mile, middle mile, backbone services, and leased equipment are eligible for support
- Applicants can request support for solutions specific to their networks.

- Pilot Program Consortia
 - Funding available beginning July 1, 2013, for existing Pilot Program consortia
 - Projects may obtain funding for HCP sites as they exhaust Pilot Program funds
 - May add new sites to existing Pilot Program consortia
- New individual and consortium applicants
 - Funding available beginning January 1, 2014
 - Competitive bidding process may begin late summer 2013

- The entire Rural Health Care Program (Telecommunications, Internet Access, and HCF Programs) is capped at \$400 million annually.
- HCF support for upfront payments and multi-year commitments is capped at \$150 million annually.
- Upfront costs that exceed an average of \$50,000 per HCP site in a consortium must be prorated over a minimum three-year period.

Program Details

- Purpose is to test how to support broadband connections for skilled nursing facilities (SNF)
- SNF Pilot will get underway in 2014
- Funding will be up to \$50 million total over a three-year period
- FCC will solicit input regarding design of the program
- Participants will be required to collect data and submit reports

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1. Eligible Status

- Non-profit

OR

- Public

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

Off-site Data Centers and Administrative Offices

- Connections and network equipment associated with off-site data centers or administrative offices used by eligible health care providers are eligible for support

HOWEVER

- Off-site administrative offices and off-site data centers themselves are not eligible health care providers

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 at <http://usac.org/rhc/telecommunications/tools/Rural/search/search.asp>

Both rural and non-rural HCPs are eligible to participate in HCF consortia.

- Non-rural HCPs may obtain support only if part of a consortium that has a majority rural sites.
- Funding for large non-rural hospitals (400 beds or more) capped at:
 - \$30,000 annually for recurring charges
 - \$70,000 every five years for non-recurring charges
- Ineligible HCPs may be members of a consortium and buy off the consortium contract, but must pay “fair share”

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Eligible Services and Equipment

HCF Order, Section V

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

Network Equipment

- Network equipment necessary to make broadband services functional is eligible for support, as long as the equipment is used in connection with broadband services funded through the HCF.
- For consortia, support is available for equipment necessary to manage, control, or maintain broadband service for dedicated health care broadband networks.

- Administrative expenses are ineligible for support
- Lead entity's administrative costs related to managing a consortium are ineligible for support

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Four Steps for Health Care Providers :

1. Register and obtain eligibility determination (1st FCC Form: 460)
 - USAC notifies the HCP of eligibility determination
2. Submit a request for services (2nd FCC Form: 461)
 - Receive bids on services
 - HCP or consortium selects a vendor/service provider and signs a contract to receive services

Four Steps for Health Care Providers (cont'd)

3. Request a funding commitment (3rd FCC Form: 462)
 - USAC sends Funding Commitment Letter
4. Submit an invoice (4th FCC Form: 463)
 - Vendor/service provider and HCP certify accuracy
 - HCP submits contribution to service provider
 - Vendor/service provider receives payment

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 can be reviewed.

What is the FCC Form 460?

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

What is the FCC Form 461?

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 effective competitive bidding process
- Can be submitted starting 180 days before the beginning of the funding year

Competitive Bidding Exemptions

The following are exempt from competitive bidding:

- Applicants support for \$10,000 of total undiscounted eligible expenses for a single year
- HCPs purchasing services from a government Master Services Agreement (MSA)
- Previously endorsed “Evergreen” contracts
- Contracts negotiated under the E-rate (Schools and Libraries) Program

What is the FCC Form 462?

Funding Request Form

- Provides USAC with information necessary to evaluate an applicant's funding request
- 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

What is the FCC Form 462?

Funding Request Form

- Competitive bidding information and documentation
- Vendor/service provider information
- Funding request information

What is the FCC Form 463?

Invoice and Request for Disbursement Form

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

What is the FCC Form 463?

Invoice and Request for Disbursement Form

May only be submitted after:

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

What is the FCC Form 463?

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
- The vendor/service provider and applicant certify and sign the FCC Form 463
- 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

RURAL HEALTH CARE

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TELECOMMUNICATIONS PROGRAM

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

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. 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

HEALTHCARE CONNECT FUND

The Healthcare Connect Fund (HCF) is the newest component of the Rural Health Care Program. The HCF 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 HCF 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). For the first funding year of the HCF, Funding Year 2013, only current Pilot Program participants are permitted to begin the application process on April 1, 2013, with funding available beginning July 1, 2013, including for new sites.

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[Program Integrity](#)
[Reference Area](#)
[Trainings & Outreach](#)
[FCC HCF FAQs \(PDF\)](#)

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GETTING STARTED

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


[HCF Highlights \(PDF\)](#)

[HCF Timeline \(PDF\)](#)

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

We are in the process of developing a variety of Healthcare Connect Fund (HCF) 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

- [Rural Health Care Program Training at ATA 2013](#) – May 5, 2013 (Austin, TX)


Newsletter

[Subscribe Today!](#)

Keep in touch with the RHC Program through our bi-weekly update email, the HCF Bulletin, and receive notices about new resources and latest news.

Handouts & Reference

Resources are available to help HCPs (individual and consortia) and service providers participate successfully in the HCF.

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

Online Learning Library



[FCC's Healthcare Connect Fund](#)

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