



Healthcare Connect Fund

Consortia 101

Agenda

1. What is a Consortium?
2. What is a Consortium Leader?
3. What is a Project Coordinator?
4. The Benefits of a Consortium
5. The Application Process
6. Competitive Bidding and Competitive Bidding Exemptions
7. Evergreen Contracts
8. Post-Commitment Activity
9. What is Supported?

- In the Healthcare Connect Fund, 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 as a single entity.
- May include rural and non-rural HCPs
- Non-rural HCPs may receive support if they are part of a consortium that is majority rural.
- Eligible and ineligible HCPs may participate.
 - Ineligible entities cannot receive support and must pay their fair share (HCF Order, paras 178-184).

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 else can be a Consortium Leader?
 - Eligible HCP participating in the Consortium
 - Ineligible state organization
 - Public sector (government) entity, Including Tribal governments
 - Non-profit entity

Ineligible Entities can serve as Consortium Leader but are prohibited from receiving support from the HCF

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

Responsibilities

- Submission of program forms and required document 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

- Serves as the point of contact with the Commission 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 Commission and USAC inquiries on behalf of the consortium members throughout the application, funding, invoicing, and post-invoicing period

- 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

- Enhanced exchange of electronic health records and coordination of patient care
- Remote training of medical personnel
- Improved quality and lower cost of health care

Consortium Application Process (Usual Steps)

- Assess technical requirements
- Organize consortium and design network
- Obtain and submit letters of agency and network plan
- Certify eligibility of HCP sites (FCC Form 460)
- Submit request for services for competitive bidding (FCC Form 461 and accompanying documentation)
 - Unless exempt from this requirement
- Review bids received, choose most cost effective service provider, and negotiate contract with selected vendor(s)

Consortium Application Process (cont'd)

- Submit request for funding (FCC Form 462 and accompanying documentation)
- Begin receiving services
- Receive and review vendor invoice and pay HCP portion (35 percent)
- Submit USAC invoice to initiate disbursement of 65 percent to vendor (FCC Form 463)

- All applicants must seek competitive bids for supported services and select the most cost effective provider (unless an exemption applies).

- What does “most cost effective” mean?
 - Defined as “The method that costs the least after consideration of the features, quality of transmission, reliability, and other factors that the health care provider deems relevant to choosing a method of providing the required health care services.” (Rule 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.

Exemptions to Competitive Bidding Process

- Annual undiscounted cost less than or equal to \$10,000 (unlikely for consortium applicants)
- Purchasing from government-negotiated Master Services Agreement (MSA)
- MSAs approved under the Pilot Program or Healthcare Connect Fund
- A multi-year contract deemed evergreen by USAC
- Contracts negotiated under E-rate (Schools and Libraries program)

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. (Rule 54.642(h)(4))

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 the service type, bandwidth and quantity;
 - Specifies the term of the contract;
 - Specifies the cost of services to be provided; and,
 - Includes the physical location or other identifying information of the health care provider sites.

Voluntary Extensions of Evergreen Contracts

- Rule 54.642(h)(4)(iii)
- Participants may exercise voluntary contract extensions without undergoing new 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 (5) years in the aggregate.

Contract Modifications

- An eligible HCP may seek to modify a contract without undertaking the competitive bidding process if the proposed modification is not a “cardinal change.”
- HCPs must file revised commitment requests within 30 days of the modification.
- Examples of contract modifications may include:
 - Consortium applicants requesting to add new HCPs to an existing Master Services Agreement, if contemplated in the RFP
 - Consortium applicants requesting to modify bandwidth speed of member HCPs, if contemplated in the RFP

Site and Service Substitutions

- Consortia may make site and service substitutions if:
 - Substitution is provided for in the contract, within the change clause, or constitutes a minor modification;
 - The site is an eligible HCP and the service is eligible;
 - The substitution does not violate any contract provision or state or local procurement laws; and,
 - The requested change is within the scope of the controlling request for services, including any RFP.

Eligible Services and Equipment

- Broadband services
- Reasonable and customary install (<\$5,000 undiscounted)
- 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 (con't)

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

Conclusion

Broadband-enabled telehealth allows for:

- Doing all the good that we can,
- For all the people we can,
- For as long as we can.

Thank You

More Information on the Healthcare Connect Fund

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 Homepage (Updated on a regular basis)

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

FCC's Rural Health Care Home Page

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

Subscribe to the Healthcare Connect Fund Bulletin (Updated every two weeks)

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

Healthcare Connect Fund - Frequently Asked Questions

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

Healthcare Connect Fund Questions or Assistance

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