

What are the criteria used to determine if a contract qualifies as an evergreen contract?

To be considered evergreen, a contract must:

- Contain two authorized signatures (HCP and SP)
- Be dated (after the Allowable Contract Selection Date – i.e. after the 28 days)
- Specify the service type(s), duration, terms, and cost of service(s)
- Identify (all) HCP location(s) within the contract

After reviewing the contract, USAC will notify applicants whether the contract is endorsed as evergreen, month-to-month, or neither (denial due to rule violation).

How are you using the term "evergreen" related to contracts? Is the contract "evergreen" or is the service listed on FCC Form 466 "evergreen?"

The contract itself is deemed evergreen by USAC, which contemplates the aforementioned terms, not the service type.

I have an evergreen contract that expires mid-way through FY 2011. What do you advise regarding bidding for service after the contract expires?

If you have an evergreen contract that expires mid-year, you need to post FCC Form 465 for services and go through competitive bidding. On Line 29 of FCC Form 465, specify the date that the evergreen contract expires and the dates you are requesting bids should be submitted. Allow plenty of time to review and select a service provider before the contract expires!

If there is only one service provider in the area, does the HCP have to go through the competitive bidding process every fund year?

Yes, unless the contract is deemed evergreen by USAC.

If the vendor doesn't get back to you in the 28 day period, can they be excluded?

HCPs must conduct a good faith effort to accept and review all bids during the evaluation process. Twenty-eight days is only the minimum amount of time to keep competitive bidding open. If, for instance, on day 30 the HCP has not started to review bids and a new bid is received, RHC expects the HCP to include that bid in the evaluation. Conversely, if the HCP has already completed the evaluation process on Day 30 and a new bid is received, it would not necessarily be required to evaluate the new bid. Each HCP's situation is different; we suggest you contact the RHC Help Desk to get clarification if you are unsure.

Are redundant circuits still available for rural Alaska CHCs?

Yes, redundant circuits are considered an eligible service.

How is an HCP notified of an audit?

HCPs selected for an audit will receive a letter that specifies the assessment, the documents requested, instructions for the audit, and contact information for questions about the audit.

Are field audits conducted?

Yes, though not for all audits. Many audits can be completed remotely. If you are selected for an audit, the notification letter will detail the scope of the audit.

What if terrestrial is costs more than satellite?

The FCC is specific about capping the support for satellite services if a less expensive terrestrial option is available (“Discounts for satellite services shall be capped at the amount the rural health care provider would have received if they purchased a functionally similar terrestrial-based alternative”). If a terrestrial option is available that is more expensive than satellite services, and the HCP selects this option, RHC would expect the HCP to thoroughly document its business needs that make the more expensive option necessary for providing health care. As with any proposal review, cost should always be one of the criteria used to evaluate bids.

Is it fair to use the IT labor costs (time, difficulty) as an option in the evaluation matrix for selecting service providers? Sometimes switching service providers can be a lot of work and may be part of the evaluation. Is that relevant to the matrix for USAC purposes?

An HCP should develop evaluation criteria specific to its needs to deliver health care. Criteria such as timeframe, complexity of implementation, etc. could be deemed acceptable (provided that the scoring template articulates the need). Termination and penalty fees, however, may not be considered in the evaluation process.

Are the termination fees to do with ending a contract early, or hooking up the service?

As it pertains to the question above, termination fees are associated with terminating a contract early.

Has FCC Form 466 been modified to include the multiple bids from service providers?

In the event that you receive more than one bid, you must enter “yes” on line 45 of FCC Form 466 and submit each of the bids for review.

You mentioned needing phone logs as documentation - is this for a defined period? Also, do the logs need to be every call received by the agency? Can you provide more details on this?

The FCC requires that all documentation related to the competitive bidding process be retained by HCPs for five years after the end of the fund year in question. Written communication is always preferable for an audit, but in the event the decision to select a service provider was made by phone (for instance, the board of directors holds a conference call to make the decision), at a minimum the HCP should record the date and time of the call, the parties to the call, topic for discussion, and the outcome. Without some record to explain the HCP’s decision, the RHC has no way to ensure the HCP followed the FCC’s rules requiring fair and open competitive bidding.

For more information, contact:

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