



The FCC's Healthcare Connect Fund



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Key Features of New Healthcare Connect Fund

- Support for broadband connectivity and broadband networks for eligible health care providers (HCPs)
- Both consortium and individual HCPs may apply
- 35% HCP contribution required
- Funding begins January 1, 2014 (July 1, 2013, for existing Pilot projects)

Key Features of New Healthcare Connect Fund (cont'd)

- Covers both broadband services and HCP-owned infrastructure
- Non-rural HCPs can participate if in majority-rural consortia
- Multi-year funding commitments available to consortia
- Connections to off-site administrative offices and data centers covered

Current FCC Rural Health Care Programs

- Telecommunications Program
 - Funds urban/rural rate difference for telecommunications services for rural HCPs
 - Remains in place after Healthcare Connect Fund is implemented
- Internet Access Program
 - Provides 25 percent discount on Internet access services for rural HCPs
 - Ends June 30, 2014, as participants transition to Healthcare Connect Fund
- Pilot Program
 - Supports 50 state-wide and regional broadband HCP networks
 - Participants transition to Healthcare Connect Fund as Pilot funds are exhausted

Goals of Healthcare Connect Fund

- Increase access to broadband for HCPs, especially those serving rural areas
- Foster development and deployment of broadband health care networks
- Maximize cost-effectiveness of the program

Benefits of Consortium Approach

- 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

Who is eligible to participate?

- To be eligible, an HCP must be public or not-for-profit and belong to one of these statutory categories: hospitals, rural health clinics, community health centers, health centers serving migrants, community mental health centers, local health departments or agencies, post-secondary educational institutions/teaching hospitals/medical schools, or a consortia of the above. 47 U.S.C. § 254(h)(7)(B)
- Non-rural HCPs may participate in Healthcare Connect Fund if they belong to a consortium that has a majority rural HCPs
- The largest HCPs (400 + patient beds) are eligible, but support is capped if non-rural.

What is supported?

- For all applicants:
 - Broadband services
 - Reasonable and customary installation charges
 - Equipment necessary to make service functional
 - Connections to off-site administrative offices and data centers
 - Connections to research & education networks

What is supported? (cont'd)

- Consortium applicants also may receive support for:
 - Equipment necessary for network
 - Upfront charges for deployment of new or upgraded facilities, including dark fiber
 - HCP constructed and owned facilities, if shown to be most cost-effective option

Application Process – Usual Steps

- Assess technical requirements
- Organize consortium and design network (consortia)
- Obtain and submit letters of agency and network plan (consortia)
- Submit request for services (or RFP) for competitive bidding (unless exempt from competitive bidding)
- Review bids and select most cost-effective bid
- Submit request for funding commitment
- Begin receiving services
- Receive vendor invoice and pay HCP portion (35 %)
- Submit invoice for payment by Administrator to vendor

Competitive Bidding Exemptions

- Annual undiscounted cost of \$10,000 or less
- Government Master Services Agreements (MSAs)
- MSAs approved under Pilot Program or Healthcare Connect Fund
- Evergreen contracts
- Contracts negotiated under E-rate
- No exemption for Internet2 or National LambdaRail

Timeline

- Pilot Projects

- Funding available beginning July 1, 2013, for existing Pilot projects
- Projects may obtain funding for HCP sites as they exhaust Pilot funds
- May add new sites to existing Pilot networks

- New individual and consortium applicants

- Funding available beginning January 1, 2014
- Competitive bidding process may begin late summer 2013

Skilled Nursing Facilities Pilot Program

- Purpose is to test how to support broadband connections for skilled nursing facilities
- 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 pilot program
- Participants will be required to collect data and submit reports

Funding Caps

- Cap on total funding for FCC Rural Health Care Programs, including Healthcare Connect Fund and Skilled Nursing Facilities Pilot, is \$400 million annually
- Cap for upfront payments in Healthcare Connect Fund is \$150 million annually

Program Administration

- Details of program and rules are set forth in FCC's Order released December 21, 2012
- The Universal Service Administrative Company (USAC) administers the Healthcare Connect Fund and other FCC rural health care programs, and processes applications
- USAC's website will have forms and other materials to assist applicants going forward (www.usac.org/rhc)
- USAC will conduct training sessions for prospective applicants

Questions?

- For more information:
 - Healthcare Connect Fund order, at www.fcc.gov/document/fcc-releases-healthcare-connect-order
 - FCC website, www.fcc.gov/health
 - USAC website, www.usac.org/rhc

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