

## Funding Limitations in the HCF Program

When submitting the FCC Form 462 for the Healthcare Connect Fund (HCF) Program, applicants are limited in the amount of funding they can receive due to the following rules:

### *\$10,000 or Less in Undiscounted Costs (Competitive Bidding Exemption)<sup>1</sup>*

- An applicant that seeks support for \$10,000 or less of their total undiscounted eligible expenses for a single funding year is exempt from competitive bidding requirements under this section, if the term of the contract is one year or less.
- Do not submit funding requests that exceed in aggregate \$10,000 in undiscounted costs in a given funding year for a single HCP.
- For a consortium, the \$10,000 limit applies to all funding requests submitted for the consortium in a given funding year.
- Should an applicant submit an FCC Form 462 using this competitive bidding exemption (or multiple FCC Forms 462 under the exemption) and the funding request or combination of funding requests exceed \$10,000, USAC will truncate or deny funding on a rolling basis as applications are reviewed once this cap has been reached.

### *Large Non-Rural Hospitals<sup>2</sup>*

- Each eligible non-rural public or non-profit hospital site with 400 or more licensed patient beds may receive no more than \$30,000 per year in HCF Program support for eligible recurring charges, and no more than \$70,000 in HCF Program support every five years for eligible non-recurring charges, exclusive in both cases of costs shared by the network.
- Similar to the \$10,000 exemption, funding for non-rural hospitals will be capped on a rolling basis as applications are reviewed.
- Unless explicitly specified by the applicant, USAC will truncate funding at the FCC Form 462 level and/or line-item level in the order of submission for both the \$30,000 cap annually for recurring costs, and \$70,000 for non-recurring costs over a five-year period.
- The correct information about the number of licensed beds for all non-rural hospitals can be found on the FCC Form 460.

### *Request for Proposal (RFP) Requirement for Consortia<sup>3</sup>*

- An applicant must submit an RFP if it is required to issue an RFP under applicable state, Tribal, or local procurement rules or regulations, or if the applicant is a consortium seeking more than \$100,000 in program support during the funding year, including applications that seek more than \$100,000 in program support for a multi-year commitment.
- While this rule does not explicitly “cap” funding, it does provide parameters around when an applicant must submit an RFP with their FCC Form 461. Consortia applicants who submit an FCC Form 462 without an RFP that exceed the cap, will be capped at \$100,000 in a given funding year.
- Plan accordingly when beginning the competitive bidding process and submit an RFP if you expect to request more than \$100,000 in a given funding year.

---

<sup>1</sup> 47 C.F.R. § 54.642 Competitive bidding requirement and exemptions. (h)(1)

<sup>2</sup> 47 C.F.R. § 54.630 Eligible recipients

<sup>3</sup> 47 C.F.R. § 54.642 Competitive bidding requirement and exemptions. (e)(4)(ii)(2)