

Rural Health Care (RHC) Program

Information for Consortia Applicants

In the Healthcare Connect Fund (HCF) Program, applicants may apply as an individual health care provider (HCP) site or as a member of a consortium. For more information about forming a consortium, please visit the [What is a Consortium?](#) webpage. This tip sheet provides information about the following:

- The differences between filing as an individual HCP site vs. filing as a consortium.
- Expense types that may not be eligible for funding for individual sites but may be eligible for funding for consortia applicants including equipment, “upfront costs,” and participant-constructed and owned network facilities.
- Specific rules for consortia about limitations or caps that may apply.

Description of Difference	Individual	Consortia
One Service Provider per FCC Form 462	Yes	Yes
Multiple services on a single FCC Form 462	Yes	Yes
Multiple HCPs on a single FCC Form 462	No	Yes
Equipment necessary to make functional an eligible service supported under HCF	Yes	Yes
Network equipment – Equipment that manages, maintains, or controls a network	No	Yes
Reasonable and customary installation costs not to exceed \$5,000	Yes	Yes
Upfront costs defined as any one-time cost greater than \$5,000 other than reasonable and customary installation costs	No	Yes
Costs associated with HCP-owned network construction, design, and engineering	No	Yes
Upfront charges for deployment of new or upgraded facilities	No	Yes
Upfront payments for IRUs, leases, or equipment	No	Yes

Equipment¹

Both individual and consortia applicants may receive support for equipment necessary to make functional an eligible service supported under the HCF Program. Consortia applicants may also receive support for network equipment necessary to manage, control, or maintain an eligible service or a dedicated health care broadband network. Equipment is subject to the upfront cost rules (see below) so individual applicants may not request support for equipment that costs more than \$5,000.

For more information about equipment, please use the [Equipment Tip Sheet](#) as a reference.

Upfront Costs²

Upfront costs are defined as all non-recurring costs for services, equipment, or facilities greater than \$5,000 other than reasonable and customary installation costs. The limitations associated with upfront costs are as follows:

- Only consortia applicants are eligible to receive funding for upfront costs.
- Consortia are limited to \$50,000 in support on average per eligible member site annually to be disbursed as a one-time cost.
- If a consortium requests more than \$50,000 in support, the consortium will be required to prorate support for the upfront payment over at least three years and the upfront costs must be part of a multi-year contract.
- Upfront payments associated with services providing a bandwidth of less than 1.5 Mbps (symmetrical) are not eligible for support.

HCP Constructed and Owned Network Facilities³

Subject to the following limitations, consortia applicants may receive support network facilities that will be owned and operated by the consortium or eligible member site within the consortium.

- A Consortium seeking support to construct and own network facilities is required to solicit bids for services provided over third-party networks.
- Construction of HCP-owned facilities must be requested in the same request for services as solicitation for bids for service provider rendered services.
- Requests for proposals (RFP) must include sufficient detail so that cost-effectiveness can be evaluated over the useful life of the facility.
- The consortium or HCP must demonstrate that self-construction is the most cost-effective solution, after conducting a fair and open competitive bidding process per HCF Program rules.⁴

Competitive Bidding Rules

Per HCF Program rules, consortia applicants are required to submit an RFP if:

- An RFP is required under state, Tribal or local procurement rules,
- If a consortium is seeking more than \$100,000 in program support during a funding year or for a multi-year commitment.
- If the consortium is seeking support for an HCP-constructed and owned facility.

For more information about RFPs, visit the [Develop Bid Criteria & Select Services](#) webpage.

Network Plan

As part of the competitive bidding process, consortia applicants are required to submit a network plan when submitting an FCC Form 461. The network plan must include the following:

1. Goals and objectives of the proposed network
2. Strategy for combining the specific needs of health care providers (HCPs) (including providers that serve rural areas) within a state or region.
3. Strategy for leveraging existing technology to adopt the most efficient and cost-effective means of connecting those providers.
4. Description of how the supported network will be used to improve or provide health care delivery.
5. Description of any previous experience in developing and managing health information technology (including telemedicine) programs.
6. A project management plan outlining the project's leadership and management structure, and a work plan, schedule, and budget.

For more information, visit the [Network Plan](#) webpage.

¹ 47 CFR § 54.613 Eligible equipment.

² 47 CFR § 54.616 Upfront payments.

³ 47 CFR § 54.614 Eligible participant-constructed and owned network facilities for consortium applicants.

⁴ 47 CFR § 54.622(g)(1)