

## Rural Health Care Program

# Equipment in the HCF Program

There are two basic sections of the rules guiding eligibility of equipment<sup>1</sup>:

**Part A:** Individual and consortium applicants may receive support for network equipment necessary to make functional an eligible service that is supported under the Healthcare Connect Fund (HCF) Program.

**Part B:** Consortium applicants may also receive support for network equipment necessary to manage, control, or maintain an eligible service or a dedicated health care broadband network. Support for network equipment is not available for networks that are not dedicated to health care.

Eligible Equipment	Individual	Consortia
Router/switch directly connected to service provider or terminating equipment	Yes	Yes
Computers including servers that are used <i>exclusively</i> for network management	No	Yes
Software used for network management, maintenance or other network operations	No	Yes
Cost of installing network equipment	Yes	Yes
Equipment that is a necessary part of HCP-owned network facilities	No	Yes

## Key Points

- Equipment that “makes functional an eligible service” must be submitted with an explanation of the circuit that is supported under HCF (NOT Telecom or RHC Pilot Program). Please reference the FRN(s) that includes the supported circuit when submitting the FCC Form 462.
- Submit each piece of equipment requested using the HCP number for the location of where the equipment will reside.
  - Example: There is an eligible HCP at each end of a physical circuit that is supported in the HCF Program:
  - If both HCPs are requesting funding for routers that terminate a service filed as members of a consortium, each HCP would be represented on a line item for each of the routers on the same FCC Form 462. You should NOT file both routers under one HCP.
  - For individual applicants, the router that resides on the filing HCPs side of the connection is the only router eligible for funding.
- If there are multiple components separated on an invoice or price quote, please submit a “per unit” bundle e.g. how many modules, transceivers, secondary power cords, etc. constitute a router or a switch. A single power cord is not eligible for funding unless it is part of a router/switch bundle.
  - Note: You must include all of the components of each part of a bundle to determine eligibility. You must provide an explanation of what constitutes a unit with your supporting documentation.
- Use a separate line item for contracts or warranties associated with the piece of equipment.
- All consortia requesting equipment that “manages, maintains or controls” a network must provide an explanation of what that piece of equipment does for the network and precisely where it resides. Do this using a summary cover letter in your supporting documentation.
- The HCF Program does not fund “Inside wiring/internal connections.” All equipment that falls into the category of Part B must manage, maintain or control an “external” network and not function to deliver service inside of a building or to workstations, computers or phones. This includes wireless networks inside of buildings or campuses.
- Network expenses and equipment are only eligible for funding for consortia applicants. This includes all expenses defined by Part B above.

<sup>1</sup> § 54.635 Eligible equipment. HCF Order/ § 54.613 Eligible equipment in Report and Order 19-78

- **Reminder:** Upfront costs<sup>2</sup> rules applies to all one-time costs that exceed \$5,000 and are only eligible for funding for consortia applicants.
- Equipment must be installed in the same year in which funding is requested and approved.
- For consortia applicants: Be sure to include all HCP member sites on the Form 461 and RFP used to bid for equipment. If a site is not listed on the Form 461, you will not be able to select it on the Form 462 as it wasn't part of the competitive bidding process.

## Ineligible Expenses

Expenses that are not eligible for support under the HCF Program include costs associated with general computing, software, applications/internet content development, costs associated with medical equipment both hardware and software, inside wiring/connections and administrative fees<sup>3</sup>.

Ineligible expenses include:

- Equipment or services not directly associated with eligible services.
- Computers including servers unless used *exclusively* for network management, maintenance or other network operations (these expenses cannot be cost-allocated)
- End-user wireless devices – (smartphones and tablets)
- Software unless used for network management, maintenance or other network operations
- Software development
- Helpdesk equipment or software
- Web server hosting and web site development
- Audio-visual web conferencing equipment or services
- Continuous power supply (UPS)
- Clinical/medical equipment and telemedicine equipment, applications and software
- Training for use of telemedicine equipment
- Electronic medical records systems, management and other expenses.
- Administrative fees/expenses

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<sup>2</sup> § 54.638 Upfront payments

<sup>3</sup> § 54.639 Ineligible expenses in HCF Order/ § 54.617 Ineligible expenses in Report and Order 19-78