

Funding Limitations in the HCF Program

When submitting the FCC Form 462, applicants are limited in the amount of funding they can receive due to the following rules:

\$10,000 or Less Competitive Bidding Exemption (§ 54.642 Competitive bidding requirement and exemptions. (h)(1))

- An applicant that seeks support for \$10,000 or less of total undiscounted eligible expenses for a single year is exempt from the 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 in a given fund year \$10,000 in undiscounted costs for a single HCP.
- For a consortium, the \$10,000 limit applies to all funding requests submitted for the consortium in a given fund year.
- Should an applicant file an FCC Form 462 using this competitive bidding exemption (or multiple FCC Form 462s 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 (§ 54.630 Eligible recipients)

- 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 Healthcare Connect Fund (HCF) Program support for eligible recurring charges and no more than \$70,000 in HCF Program support every 5 years for eligible nonrecurring charges, exclusive in both cases of costs shared by the network.”
- Similar to the \$10,000 exemption, funding for large 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 FRN level and/or line items 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.
- Block 6 Line 49 of the FCC Form 460 must have the correct information about the number of licensed beds for all non-rural hospitals.

Request for Proposal (§ 54.642 Competitive bidding requirement and exemptions. (e)(4)(ii)(2))

- An applicant must submit an RFP (1) if it is required to issue an RFP under applicable state, Tribal, or local procurement rules or regulations; (2) 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.
- Plan accordingly when beginning the competitive bidding process and submit an RFP if you expect to request more than \$100,000 in funding in a given fund year.
- By the time the FCC Form 462 is in review, it’s too late to take corrective action so you would be limited to \$100,000 in aggregate program support per this rule if you do not submit an RFP with your FCC Form 461.