



Universal Service
Administrative Co.

Rural Health Care

August 2023 RHC Monthly Newsletter

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Latest News

FCC Announces Availability of Unused Funds to Fully Fund Rural Health Care Program Demand for FY2023

On May 24, 2023, the FCC Wireline Competition Bureau directed USAC to carry forward up to \$211.50 million in unused funds from prior funding years to the extent necessary to satisfy Funding Year (FY) 2023 demand for the Rural Health Care (RHC) program. Because of this, all eligible RHC program funding requests filed during the FY2023 application filing window can now be fully funded without prioritization. Please read the [Public Notice](#) for more information.

New! FY2022 HCF Participant Annual Report Due September 30, 2023

Per FCC Order 19-78, all Healthcare Connect Fund (HCF) participants receiving RHC program funding are required to submit an annual report to USAC using the provided [Excel template](#) to supplement information collected in RHC Program application forms. The reports for funding year 2022 (July 1, 2022 - June 30, 2023) are due September 30, 2023. In prior years, only consortia participants were required to submit an annual report to USAC. Beginning last year, all HCF participants must file a report. **This means any Health Care Provider (HCP) who received funding in FY2022 in the HCF Program is required to submit the annual an report by September 30, 2023.**

Who is Required to Submit the Annual Report? All HCF Program participants, both individual and consortia, must submit an annual report for each funding year in which they received HCF Program support and for the life of a supported facility or service for which the program participant received large upfront payments. Email the completed report to RHC-Outreach@usac.org by September 30, 2023.

For instructions on how to complete and submit the FY2022 Annual Report, please visit our [website](#).

Funding Request Reviews Starting Earlier Than Ever

In our continuing efforts to deliver funding decisions as soon as possible, RHC began funding request reviews before the funding request window closed. Information Requests will be issued in cases where funding requests are incomplete. Per program rules, applicants have 14 days to respond to Information Requests. Please be sure to reply by the deadline listed on the Information Request. **The first FY2023 funding commitments were issued on June 1, 2023, four weeks after the close of the filing window.**

New! FY2024 Competitive Bidding

Beginning on July 1, 2023, applicants can start the competitive bidding process for FY2024. For the HCF Program, the FCC Form 461 (Request for Services Form), along with any other competitive bidding documents such as a Request for Proposal (RFP), may be submitted in RHC Connect. For the Telecommunications (Telecom) Program, the FCC Form 465 (Request for Services Form) may be submitted in My Portal.

Rural Health Care Program: **Funding Year 2024**



Please use the following resources to submit these forms:

HCF Program:

- [Develop Bid Evaluation Criteria & Select Services](#) webpage
- [Welcome to RHC Connect – FCC Form 461](#) webpage
- [Competitive Bidding Exemptions](#) webpage
- [RHC Connect FCC Form 461 User Guide](#)

Telecom Program:

- [Prepare for Competitive Bidding and Request for Service](#)– webpage
- [Competitive Bidding Exemptions](#) webpage

Please join the RHC outreach team for the following webinars:

- Telecom Request for Services: August 16, 2023, 2 p.m. – 3 p.m. ET - [Register](#)
- FY2022 Invoicing Best Practices: September 6, 2023, 2 p.m. – 3 p.m. ET - [Register](#)
- FY2023 Update Webinar: September 20, 2023, 2 p.m. – 3 p.m. ET - [Register](#)

FY2024 Filing Window Dates Announced

The FY2024 funding request filing window will open on December 1, 2023, and close on April 1, 2024. As a reminder, applicants can start submitting their FCC Forms 461 and 465 to request services and begin the competitive bidding process on July 1, 2023. View the [FY2024 Program Calendar](#).

FCC Releases Order on Reconsideration, Second Report and Order, Order, and Second Further Notice of Proposed Rulemaking: Strengthening Rural Health Care Program Procedures

On January 26, 2023, the FCC released FCC 23-6, an Order on Reconsideration, Second Report and Order, Order, and Second Further Notice of Proposed Rulemaking strengthening the procedures for the RHC program. These actions resolve petitions for reconsideration on issues from FCC Report and Order 19-78, adopt proposals from the February 2022 Further Notice of Proposed Rulemaking, and propose and seek comment on further reforms to RHC program rules. These actions include:

Rule Changes

Rates determination in the Telecom Program

- The Order on Reconsideration eliminates rules requiring use of the Rates Database to determine urban and rural rates.
- The waivers allowing the use of previously approved rates for all urban and rural rates will remain in place for FY2023.
- Beginning in FY2024, rules requiring rural rates to be calculated using Methods 1 through 3 and the pre-Rates Database calculation method for urban rates will be reinstated with the following minor changes:
 - For FY2024 and FY2025, service providers will be permitted to use previously approved rates for rural rates that would otherwise be calculated under Method 3.
 - If there are no comparable rural rates within 30 percent of the speed of the requested service, service providers may use the rate for a service that is otherwise similar to the requested service if the requested service has a higher bandwidth than that service.
 - Similarly, if there are no comparable urban rates within 30 percent of the speed of the requested service, health care providers may use the rate for a higher bandwidth service that is otherwise similar to the requested service to justify an urban rate.
 - The Order on Reconsideration affirms the decisions in FCC 19-78 that a non-telecommunications service that is functionally similar to a service requested in the Telecom Program should be considered similar to it when calculating rates and that services with advertised speeds 30 percent above or below the speed of the requested service be considered functionally similar to the requested service.

Invoicing in the Telecom Program:

- Effective for FY2024, the Second Report and Order eliminates the use of the Health Care Provider Support Schedule (HSS) and moves invoice submission until after services have been provided.

Internal cap on upfront costs and multi-year commitments in the HCF Program:

- Effective for FY2023, the Second Report and Order limits the application of the internal cap on upfront costs and multi-year commitments in the HCF Program to when the total support available for the funding year is exceeded.
- When the internal cap applies, funding requests for upfront costs and the first year of multi-year commitments will be prioritized over the second and third year of multi-year commitments.

Potential Future Rule Changes

The Second Further Notice of Proposed Rulemaking proposes:

- Adjustments to the methods used to determine rural rates using the service provider's own rates or competitor's rates, a new process for determining cost-based rural rates, and changes to the process for determining urban rates.
- Allowing a conditional approval of eligibility to allow entities that will soon become eligible to participate in the RHC program to begin competitive bidding and file a Request for Services.
- Moving the Service Provider Identification Number (SPIN) change deadline to align with the invoice deadline.

The Second Further Notice of Proposed Rulemaking seeks comment on:

- Reinstating the cap on satellite services in the Telecom Program.
- Funding in the HCF Program for equipment used for Telecom Program supported connections.
- Whether there should be a process for changing the dates of evergreen contracts after a funding commitment is issued.
- Revisions to data collected in the Telecom Program.

Other Action Taken

- The Order on Reconsideration maintains rurality tiers for prioritization and affirms the existence of the internal cap and a prioritization system when demand exceeds available funding.
- The Order dismisses as moot Applications for Review of the Bureau's guidance to USAC regarding the Rates Database.

Read the [Order on Reconsideration, Second Report and Order, Order, and Second Further Notice of Proposed Rulemaking](#).

Important Reminders

Invoicing Deadline

Per [FCC Report and Order 19-78](#), the invoicing deadline is four months (120 days) from the later of the service delivery deadline, the date of a revised FCL approving a post-commitment request, or a successful appeal of a previously denied or reduced funding request. This invoicing deadline applies to both RHC programs.

The Order also adopted a rule, effective FY2021, permitting a single 120-day extension of the invoicing deadline if the HCP is unable to meet the invoicing deadline for any reason. The request for an extension must be submitted prior to the original invoicing deadline. The invoicing deadline for single year FY2022 commitments is October 28, 2023.

Please use the RHC [Invoicing Deadline Tool](#) on the Open Data platform of the USAC website to look up the invoicing deadline for specific FRNs.

Invoicing Best Practices

Please keep in mind that once you receive an approved funding commitment, you should follow the necessary steps to invoice prior to your invoicing deadline(s). Please be sure to respond to any invoicing Information Requests by the 14-calendar-day deadline listed in the email. For more information, please see the [HCF invoice page](#) and [Telecom invoice page](#).

As a reminder: When a service provider does not certify an invoice, USAC sends an Information Request to remind it to do so. USAC has no role or involvement in disputes between health care providers and service providers. Health care providers should work with their service providers to resolve any issues.

Duplicate Funding Prohibited

Please remember: FCC rules prohibit duplicate funding for the same service, for the same locations, during the same period, from more than one FCC program. This includes the RHC programs (HCF and Telecom), the COVID-19 Telehealth Program, and the Connected Care Pilot Program.

Consortium Rurality Percentage

All current and new HCF Program consortia must be "majority rural." [FCC Report and Order 19-78](#) eliminated the three-year grace period for consortia to become majority rural. "Majority rural" means that more than 50 percent of participating health care providers (HCPs) in a consortium must be rural. For example, if a consortium has five participating HCPs, at least three of those HCPs must be in a rural area for the consortium to be deemed "majority

rural.” Funding requests filed by consortia that are not in compliance with this rule will be denied.

Download the [Consortia Rurality Compliance Tip Sheet](#).

Online Tools

Invoicing Deadlines

The [Invoicing Deadline tool](#) replaces the Invoicing Deadline spreadsheet. The tool allows service providers and health care providers to look up the deadline to submit invoices for funding commitments. The tool allows users to avoid having to set up specific Excel configurations to find their deadlines.

Note: The tool does not contain any additional information such as form submissions, payment status, or funds remaining. Contact the [RHC Customer Service Center](#) for questions about those topics. The Invoicing Deadline tool and all other RHC tools can be found on the [Tools webpage](#).

Eligible Rural Areas Search Tool

The Eligible Rural Areas Search tool has been removed from the [Tools webpage](#) and the HCF and Telecom eligibility webpages. HCP rurality and priority tiers can be searched using the [Rurality Tier Search Tool](#). For more information about how to use this tool, please use the [How to Use the Rurality Tier Search Tool tip sheet](#) on the USAC website.

Note: This tool is for information purposes only. Rurality tiers are formally assigned during the review and approval of the FCC Form 460 in the HCF Program and FCC Form 465 in the Telecom Program. Applicants should check approved forms for their assigned rurality tier.

RHC Connect Updates

Submit Your Post-Commitment Change Requests in RHC Connect

The following post-commitment change requests are now available in RHC Connect for HCF Program applicants:

- SPIN changes (corrective and operational)
- Site and service substitutions
- Service delivery deadline extensions for non-recurring charges
- Invoice filing deadline extensions

A webpage for [Post-Commitment Actions](#) is published on the USAC website as well as specific webpages for [SPIN Changes](#) and [Site and Service Substitutions](#). A step-by-step [Post-Commitments Change Request](#) user guide is available to help you submit these requests correctly.

The FCC Form 463 Is Available in RHC Connect for FY2022 and FY2023 Funding Commitments. The platform change only affects HCF Program participants. HCF Program applicants submitting FCC Forms 460 or 463 for funding years prior to FY2022 will continue to do so in My Portal. Telecom Program and Connected Care Pilot Program (CCPP) applications will not be affected. To learn more, please visit the [Welcome to RHC Connect – FCC Form 463](#) webpage.

RHC Connect for Service Providers

For FY2022 and forward, the FCC Form 463 will be submitted in RHC Connect. As you submit the FCC Form 463, please keep in mind that the General Contact on the FCC Form 498 is the only user for the company who can create additional logins for other users in that company.

If you have trouble accessing RHC Connect, it may be a result of outdated information on the FCC Form 498 (Service Provider and Billed Entity Identification Number and General Contact Information Form). To correct the issue, please update your FCC Form 498 as soon as possible. For more information, please visit the [Manage Your 498 ID](#) webpage on the USAC website.

A [user guide for the FCC Form 463](#) specifically for service providers is now available on the [Step 5: Invoice USAC](#) webpage in the RHC service provider section of the USAC website.

News You Can Use

What To Do When You Receive an Information Request

As part of their review of any eligibility, requests for services, funding requests, and invoicing forms, RHC reviewers will contact all account holders (the primary and all secondary and tertiary account holders associated with the HCP) with a request for additional information (“Information Request”). The goal of an information Request is to collect missing documentation, address deficiencies, or gather general information required to address questions brought by FCC form reviewers.

In our continuing efforts to deliver funding decisions as soon as possible, RHC began funding request reviews before the funding request window closes. This means that you may receive an Information Request before May 1, 2023. No final decisions will be made prior to the close of the filing window.

Information Request Tips for the Telecom Program

- HCPs can receive Telecom Program Information Requests through My Portal or by email.
 - For Information Requests received through My Portal, HCPs should respond through My Portal only.
 - For Information Requests received by email, HCPs should “Reply All” to the email message.
- Use only Chrome or Firefox Internet browsers when using My Portal.

- When uploading a document as a response, the file must be limited to 10MB and its file name should not contain any special characters, only letters and numbers.

Information Request Tips for the HCF Program

- For FY2023 FCC Form 462, an auto-generated email will be sent directing HCPs to RHC Connect to respond. HCPs should respond through RHC Connect only. Please use the [Information Request Tip Sheet](#) to help you navigate Information Requests sent through RHC Connect.
- HCPs that receive HCF Program Information Requests through email should “Reply All” to the email message.

Changes to a Commitment After Funding Has Been Approved

When a Funding Commitment Letter (FCL) is received, it is the responsibility of the applicant to confirm that all information is accurate. Applicants must contact USAC to request changes to an HCP site or service for any of the circumstances listed:

- If the site address changes or the primary account holder no longer works for the HCP, an FCC Form 460 revision (for HCF) or a new FCC Form 465 (for Telecom) must be submitted within 30 days of the change. The 30-day requirement applies at all points during the funding lifecycle, including all post-commitment activities.
- If not all approved funds will be used, you may submit a request to decrease funding by sending an email to RHC-Invoicing@usac.org. The request must include the HCP name and number, the affected FRN, and the amount reduced in the commitment. USAC will complete a partial de-commitment for the FRN in that amount.
 - In the Telecom Program, you can revise the approved FRN service dates prior to invoicing using the FCC Form 467.
 - If any additional changes are required, you can resubmit an FCC Form 467 prior to invoicing.
- If funds within an FRN must be re-allocated, you must submit a site and service substitution. Learn more about [site and service substitutions](#).
- If no funds will be used in the approved or disbursed funding commitment, you must return the disbursed funds to USAC. Learn more about voluntary return of funds by visiting the [Returning Program Funding](#) webpage.

Update to Supply Chain Covered Companies List

In 2019, the FCC released the Supply Chain First Report and Order adopting a rule which prohibits the use of Universal Service Fund (USF) support to purchase, obtain, maintain, improve, modify, operate, manage, or otherwise support equipment or services produced or provided by companies found to pose a national security threat to the integrity of communications networks or the communications supply chain.

On September 20, 2022, the FCC added equipment and services from two entities – Pacific Network Corp. and its wholly-owned subsidiary ComNet (USA) LLC and China Unicom (Americas) Operations Limited – to its [Covered List](#) of communications equipment and services that have been deemed a threat to national security. In short, recipients of USF support may not use USF money to buy new equipment or to support or maintain equipment already in inventory from these companies, their parents, affiliates, and subsidiaries.

Certifications Requirements for National Supply Chain

As a reminder, when service providers log in to My Portal, two new supply chain certifications included in the FCC Form 463 and Telecom Program invoice will be displayed.

The first certification affirms compliance with the Code of Federal Regulations (CFR) Title 47, [Section 54.9](#), prohibition on USF support to purchase, obtain, maintain, improve, modify, operate, manage, or otherwise support equipment or services produced or provided by the covered companies deemed to pose a national security threat to the integrity of the communications network or communications supply chain. As of September 20, 2022, Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, Dahua Technology Company, AO Kaspersky Lab, China Mobile International USA Inc., China Telecom (Americas) Corp, Pacific Network Corp and its wholly owned subsidiary ComNet(USA) LLC, China Unicom (Americas) Operations Limited and their affiliates and subsidiaries are the 10 companies that have been officially designated as such threats by the FCC and placed on the Covered List.

The second certification affirms compliance with CFR 47 [Section 54.10](#), which prohibits the use of any federal subsidies on any communications equipment and services on the [Covered List](#).

- **FY2022 and FY2023 program participants:** If you requested services or equipment provided or that contain components of products produced by any company on the [Covered List](#) or any of their parents, affiliates, or subsidiaries in FY2022 or FY2023, you cannot invoice for these funds. Instead, you should immediately request a service substitution prior to invoicing in order to ensure complete program compliance.
- **FY2024 program participants:** As you proceed with competitive bidding for FY2024, please ensure you are not requesting funding for services or equipment from any company on the [Covered List](#), or any of their parents, affiliates, or subsidiaries.

USAC updated the [Supply Chain](#) webpages to include three new subpages: [COVID-19 Broadband Programs](#), [Audits](#), and [FAQs](#).

Let's Plan a Virtual Site Visit or an In-Person Visit!

During the COVID-19 pandemic, RHC suspended travel to conferences and sites. In calendar year 2023, RHC has resumed travel to conferences and in-person site visits. We would like to continue to learn more about the people and communities who benefit from RHC program support. If we can't visit in person, we can schedule a virtual event. This is a great opportunity to introduce RHC staff to participating HCPs and to deepen the relationship between RHC staff and applicants.

If you are planning a trip to Washington, DC and you would like to meet RHC staff, please reach out so that we can plan accordingly. If you are interested in having your HCP or consortia featured in an upcoming virtual site visit or if you would like to plan a visit, please send a request to Blythe.Albert@usac.org.

Need Help? Contact Us!

For questions about the Rural Health Care program, contact RHC-Assist@usac.org or the Customer Service Center at (800) 453-1546 from 8 a.m. - 8 p.m. ET Monday through Friday for assistance. Use the [Customer Service Center Tip Sheet](#) to learn about what the RHC Customer Service Center can and cannot help you with.