February 20, 2023

Latest News


On January 26, 2023, the Federal Communications Commission (FCC) released an Order on Reconsideration, Second Report and Order, Order, and Second Further Notice of Proposed Rulemaking strengthening the procedures for the Rural Health Care (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 Telecommunications (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 Funding Year (FY) 2023.
- 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 2025, 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 higher bandwidth service that is otherwise similar to the requested service to justify a rural rate.
  - 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

- 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 Healthcare Connect Fund (HCF) Program
  - 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.

To read the document, click here.

Funding Year (FY) 2023 Filing Window Opened December 1, 2022!
The FY2023 filing window takes place from December 1, 2022 to April 3, 2023. This means that you can submit your funding requests (FCC Forms 462 or 466) as early as December 1, 2022, and no later than 11:59 p.m. ET April 3, 2023. We highly encourage you to submit your funding requests as early as possible in the filing window. Learn more about filing windows.

The following resources have been posted to the USAC website to assist applicants who are submitting the FCC Form 462 for the HCF Program through RHC Connect:

- Welcome to RHC Connect
- FCC Form 462 User Guide

Use the following webpage as a resource to submit the FCC form 466 for the Telecom Program in My Portal:

- Step 4: Submit Funding Request

Upcoming Office Hours
Please join the RHC Outreach team for the following webinars:

- HCF Office Hours – February 8, 2023 at 2 p.m. ET – Register
- Telecom Office Hours – February 15, 2023 at 2 p.m. ET – Register

Submit FY2023 Requests for Services Now
RHC program applicants can submit FCC Forms 461 and Forms 465 to initiate competitive bidding for FY2023. Requests for services must be posted to USAC’s website by March 2, 2023. View the FY2023 Program Calendar.

HCF applicants must submit FCC Forms 461 for FY2023 through RHC Connect, the new online application platform. Telecom applicants will continue to use My Portal to submit FCC Forms 465. Recommended dates for submitting your FCC Forms 461 and 465 to USAC to complete competitive bidding are listed below.

The following resources have been posted to the USAC website to assist applicants who are submitting the FCC Form 461 for the HCF Program:

- RHC Connect – FCC Form 461 User Guide
- Welcome to RHC Connect – FCC Form 461 Webpage
- RHC Connect – FCC Form 463 User Guide

Important Dates and Deadlines
The following are recommended dates to submit the FCC Forms 461 and 465 with enough time to file funding requests before the end of the Funding Year 2023 filing window.

<table>
<thead>
<tr>
<th>HCF and Telecom Program Forms</th>
<th>Last Day to Submit</th>
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<tbody>
<tr>
<td>FCC Form 461 and 465 - Request for Services</td>
<td>February 6, 2023 – Recommended Date (with a Request for Proposal (RFP))</td>
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<tr>
<td>FCC Form 461 and 465 - Request for Services</td>
<td>February 13, 2023 - Recommended Date (without an RFP)</td>
</tr>
<tr>
<td>FCC Form 462 and 466 - Funding Request</td>
<td>April 3, 2023 - Deadline to Submit*</td>
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Please note that the FCC Forms 460, 461 and 465 submission dates are not mandatory deadlines per the program rules, but rather recommended key dates to ensure that the FCC Forms 461 and 465 are posted to USAC’s website early enough for a 28-day competitive bidding period before the deadline to submit FCC Forms 462 and 466. If FCC Forms 461 and 465 are submitted with a RFP, allow at least an additional 10 days for review.

New! Enhanced Tool for HCF and Telecom Program Request for Services is Available on the USAC Website!
An enhanced Search Posted Services tool is now available. This tool is a streamlined version of the Rural Health Care
Posted Services (FCC Forms 461 and 465) data set, making it easier to search for posted services and download documents. This tool, and the underlying data set, have replaced the HCF Search Posted Services tool for FY2023 and forward. The data set contains data from the FCC Forms 461 and 465, i.e., services requested for current and past funding years. The open data portal allows you to filter, sort, and visualize the data in many different ways. There are hyperlinks in columns where you can download the PDF version of the FCC Form 461, Request for Proposals (RFP), and any other additional documentation submitted with the FCC Form 461.

For Connected Care Pilot Program (CCPP) data, please continue to use the original Search Posted Services tool to search for publicly posted requests for services.

RHC Connect Updates

The FCC Form 463 is now available in RHC Connect for FY2022 funding commitments. The platform change affects only HCF Program participants. HCF Program applicants submitting an FCC Form 460 or FCC Form 463 for funding years prior to FY2022 will continue to do so in My Portal. Telecom Program and the CCPP applications will not be affected. To learn more, please visit the Welcome to RHC Connect – FCC Form 463 webpage.

New for Service Providers!
For FY2022, 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 new 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.

Funding Reviews Status Update
As of January 27, 2023:

- FY2022 HCF – 94 percent of FCC Forms 462 are committed (Approved, Denied or Withdrawn).
- FY2022 Telecom – 99 percent of FCC Forms 466 are committed (Approved, Denied or Withdrawn).

FCC Waives Certain RHC Program Rules in Response to Hurricane Ian
On October 4, 2022, the FCC released order DA 22-1063, waiving certain RHC program rules and deadlines to assist participants and providers located in areas affected by Hurricane Ian. This Order applies to healthcare providers and service providers located in the areas affected by Hurricane Ian which struck the State of Florida on September 28, 2022, and the States of North Carolina and South Carolina on September 29, 2022. This Order takes the following actions:

- Grants a 60-day extension to the deadline for appeals and requests for waiver for all requests from September 18, 2022 through March 3, 2023;
- Waives the 14-day Information Request deadline for Information Requests related to funding requests, appeals and waivers, invoices, audits and other documentation and applies to all funding years for all Information Requests issued on or after September 4, 2022 (affected health care providers and service providers have until March 3, 2023 to respond);
- Waives the invoicing deadline for FY2021 funding requests and grants an automatic 120-day extension; and
- Waives the September 30, 2022 deadline for HCF program annual reports (HCF program participants have until March 3, 2023 to submit annual reports).

Impacted program participants will not be penalized for failure to retain records destroyed by Hurricane Ian. For more information, read FCC Order DA 22-1063.

Important Reminders

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 CCPP.

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 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 Consortium Rurality Compliance Tip Sheet.

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.

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 assigned rurality tier.

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”). This request will assist with the collection of any missing documentation, address deficiencies, or ask clarifying questions about the FCC form.

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 respond to the Information Request by email.
- 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 FY2022 FCC Forms 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 respond to an Information Request by email.

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 the information contained therein 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 all approved funds will not be used, a request to decrease funding may be submitted by sending an email to RHC-Invoicing@usac.org. The HCP name and number, the affected FRN and the amount reduced in the commitment must be included. USAC will complete a partial de-commitment for the FRN in that amount.
- In the Telecom Program, the approved FRN service dates can be revised prior to invoicing using the FCC Form 467.
- If any additional changes are required after submitting the FCC Form 467, an FCC Form 467 can be resubmitted prior to invoicing.
- If funds within an FRN must be re-allocated, a site and service substitution must be submitted. Learn more about site and service substitutions.
If no funds will be used in the approved or disbursed funding commitment, the disbursed funds must be returned 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, and 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 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, and subsidiaries in FY2022, you cannot invoice for these funds. Instead, you should immediately request a service substitution prior to invoicing in order to ensure complete program compliance.

FY2023 program participants: As you proceed with competitive bidding, please ensure you are not requesting funding for services or equipment from any company on the Covered List, or any of their parents, affiliates, and 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!
Due to the COVID-19 pandemic, RHC will not be on the road during calendar year 2023. In prior years, USAC has gone to conferences and visited sites to connect with program participants to see first-hand how HCPs benefit from the RHC programs. RHC would like to continue to learn more about the people and communities who benefit from RHC program support by holding 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.