



The FCC's Healthcare Connect Fund

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Current FCC Rural Health Care Programs

- Telecommunications Program
 - Funds difference between urban and rural rate for telecommunications services for rural HCPs
 - Remains in place after Healthcare Connect Fund is implemented
- Internet Access Program
 - Provides 25 percent discount on Internet access services for rural HCPs
 - Ends June 30, 2014, as participants transition to Healthcare Connect Fund
- Pilot Program
 - Supports 50 state-wide and regional broadband HCP networks in 38 states
 - Participants transition to Healthcare Connect Fund as Pilot funds are exhausted
 - August 2012 Staff report

Goals of Healthcare Connect Fund

- Increase access to broadband for HCPs, especially those serving rural areas
- Foster development and deployment of broadband health care networks
- Maximize cost-effectiveness of the program
- Commission intends to measure our progress towards these goals

Key Features of Healthcare Connect Fund

- Support for broadband connectivity and broadband networks for eligible health care providers (HCPs)
- Both consortium and individual HCPs may apply
- Covers both broadband services and HCP-owned infrastructure
- 35% HCP contribution required
- Funding begins January 1, 2014 (July 1, 2013, for existing Pilot projects)

Eligible Health Care Providers

- To be eligible, an HCP must be public or not-for-profit and belong to one of these statutory categories (47 U.S.C. section 254(h)(7)(B)):
 - hospitals,
 - rural health clinics,
 - community health centers,
 - health centers serving migrants,
 - community mental health centers,
 - local health departments or agencies,
 - post-secondary educational institutions/teaching hospitals/medical schools, or
 - consortia of the above.
- Non-rural HCPs may participate in Healthcare Connect Fund if they belong to a consortium that has a majority rural HCPs
- The largest HCPs (400 + patient beds) are eligible, but support is capped if non-rural

What is supported?

- For all applicants:
 - Broadband services
 - Reasonable and customary installation charges
 - Equipment necessary to make service functional
 - Connections to off-site administrative offices and data centers
 - Connections to research & education networks
- For consortia applicants only:
 - Equipment necessary for network
 - Upfront charges for deployment of new or upgraded facilities, including dark fiber
 - HCP constructed and owned facilities, if shown to be most cost-effective option

Benefits of the Consortium Approach

- Creation and growth of broadband HCP networks
- Savings and Efficiencies
 - Lower administrative costs
 - Lower prices, higher bandwidth, and better quality connections
- Facilitates the HCP ecosystem
 - Sharing of medical, administrative, and technical expertise
 - Access by rural HCPs to medical specialists at larger HCPs through telemedicine
 - Enhanced exchange of EHRs and coordination of patient care
 - Remote training of medical personnel
- Improved quality and lower cost of health care

Competitive Bidding

- All applicants must seek competitive bids for supported services
- Must select most cost-effective provider
- Exemptions
 - Annual undiscounted cost of \$10,000 or less
 - Government Master Services Agreements (MSAs)
 - Agreements endorsed by USAC
 - ▶ MSAs previously endorsed under Pilot Program or Healthcare Connect Fund
 - ▶ Evergreen contracts
 - ▶ Contracts negotiated under E-rate

Timeline

- Pilot Projects
 - Application window is open
 - Funding available beginning July 1, 2013, for existing Pilot projects
 - Projects may obtain Healthcare Connect funding for HCP sites as they exhaust Pilot funds
 - May add new sites to existing Pilot networks
- New individual and consortium applicants
 - Funding available beginning January 1, 2014
 - Competitive bidding process may begin late summer 2013

Skilled Nursing Facilities Pilot Program

- Purpose is to test how to support broadband connections for skilled nursing facilities
- Pilot will get underway in 2014
- Funding will be up to \$50 million total over a three-year period
- FCC will solicit input regarding design of the pilot program
- Participants will be required to collect data and submit reports

For More Information

- Healthcare Connect Fund order, at http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-12-150A1.doc
- FCC website, <http://www.fcc.gov/encyclopedia/rural-health-care>
- Healthcare Connect Fund FAQs, <http://www.fcc.gov/encyclopedia/healthcare-connect-fund-frequently-asked-questions>
- USAC website, www.usac.org/rhc
- Pilot Program map, <http://www.fcc.gov/maps/rural-health-care-pilot-program>
- Pilot Program Staff Evaluation, http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-12-1332A1.pdf
- Questions: rhc-assist@usac.org