The Healthcare Connect Fund and Telecommunications Program

"Broadband connectivity has become an essential part of 21st-century medicine."

- The Federal Communications Commission (FCC)
Agenda

• FCC Pilot Program & Background Information in Indiana
• Indiana Telehealth Network & the Healthcare Connect Fund Program
• Frequently Asked Questions
• Q & A
Universal Service

• Term first coined by AT&T President Theodore Vail in 1907
  – “one system, one policy, universal service”

• Preamble to Communications Act of 1934 (which created the Federal Communications Commission (FCC))
  – “to make available, so far as possible, to all the people of the United States, a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges”
Universal Service (cont’d)

• Expanded with the Telecommunications Act of 1996
  – Created Universal Service Administrative Company (USAC)
    • Promote the availability of quality services at just, reasonable, and affordable rates, increase access to advanced telecommunications services throughout the nation, and advance the availability of such services to all consumers (Including those in low income, rural, insular, and high cost areas at rates that are reasonably comparable to those charged in urban areas)
  – Created Universal Service Fund
    • All telecommunications providers contribute based on interstate and international end user revenues
    • Percentage can change quarterly
      – 1st Quarter 2014 - 16.4%
      – Specific Funds Created
        » High Cost, Low Income, Lifeline & Link-Up, Rural Health Care, and Schools and Libraries (e-rate)
Rural Health Care Pilot Program

- September 26, 2006
  - FCC announced establishment of pilot program that would fund up to 85% of the cost for public and non-profit health care providers to build state and region-wide broadband networks dedicated to the provision of health care services

- May 2007
  - 89 grant applications filed nationwide

- November 2007
  - $417 million dedicated by FCC
  - 69 programs approved nationwide
  - $16 million for state of Indiana

- Currently 50 remaining active projects
ITN Network Architecture

• Hub and spoke model
  – Internet
  – Dedicated Ethernet Transport

• 48 month contracts
  – Hub is a layer 2 switch allowing any participating site to connect to any other participating site over a private dedicated healthcare network
ITN Map – 72 sites

- 24 CAHs
- 4 Rural Hospitals
- 5 Urban Hospitals
- 5 RHCs
- 27 CMHCs
- 7 FQHCs
National Broadband Plan

• Released March 17, 2010
  – Sought to ensure that all people of the United States had access to broadband capacity, and established benchmarks and included:
    • an analysis of the most effective and efficient mechanisms for ensuring broadband access
    • a detailed strategy for achieving affordability of such service and maximum utilization of broadband infrastructure
    • an evaluation of deployment status, and grants/projects
    • a plan for use of broadband infrastructure and services
Healthcare Data File Sizes

Example file sizes for different types of files (Megabytes)

- Text of single clinical document (HL7 CDA format): 0.025 MB
- Text of single clinical doc (PDF format): 0.050 MB
- Ultrasound: 0.200 MB
- Standard chart (healthy patient): 5 MB
- X-ray: 10 MB
- Chest radiograph: 16 MB
- MRI: 45 MB
- PET scan: 100 MB
- Mammography study (4 images): 160 MB
- 64-slice CT scan: 3,000 MB
- Human genome (sequence data only): 3,000 MB
- Cellular pathology study (6 slides): 25,000 MB

Megabytes (not to scale)
Required Broadband Connectivity & Quality Metrics

<table>
<thead>
<tr>
<th>Quality Metric</th>
<th>Recommended Target*</th>
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<tbody>
<tr>
<td>Reliability (uptime)</td>
<td>99.9%</td>
</tr>
<tr>
<td>Latency</td>
<td>&lt;50 ms primary</td>
</tr>
<tr>
<td></td>
<td>&lt;120 ms back-up</td>
</tr>
<tr>
<td>Jitter</td>
<td>&lt;20 ms</td>
</tr>
<tr>
<td>Packet loss</td>
<td>&lt;1%</td>
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*Recommended targets reflect findings from interviews and submissions to the public record.

National Broadband Plan; Exhibit 10-C
<table>
<thead>
<tr>
<th><strong>TELECOMMUNICATIONS PROGRAM</strong></th>
<th><strong>HCF PROGRAM</strong></th>
<th><strong>PILOT PROGRAM</strong></th>
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<tr>
<td>The Telecommunications Program (formerly known as the Primary Program) provides discounts for telecommunications and Internet access services for eligible health care providers (HCPs).</td>
<td>The Healthcare Connect Fund (HCF) Program is the newest component of the Rural Health Care Program. The HCF Program will provide a 65 percent discount on eligible expenses related to broadband connectivity to both individual rural health care providers (HCPs) and consortia, which can include non-rural HCPs (if the consortium has a majority of rural sites). For new applicants, the filing window will open late summer 2013, with funding beginning on January 1, 2014. Starting in Funding Year 2014 (July 1, 2014 to June 30, 2015), all applicants will be on the same funding year schedule.</td>
<td>The Pilot Program provides funding for up to 85 percent of eligible costs of the construction or implementation of statewide and/or regional broadband networks. There are 50 active projects involving hundreds of health care providers (HCPs). While no new funding is available, some projects continue to accept new HCP sites. As funding for Pilot Program projects ends, Pilot Program projects should be applying for additional support if needed under the Healthcare Connect Fund (HCF) Program. For the first funding year of the HCF Program, Funding Year 2013, only current Pilot Program participants are permitted to begin the application process.</td>
</tr>
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</table>

Beginning in January 2014, applicants currently receiving support for Internet access can apply for support for those same services through the new Healthcare Connect Fund (HCF) Program. For those receiving Internet access support, funding will continue through the end of Funding Year 2013, which ends on June 30, 2014. Once funding for Internet access ends, this component of the RHC Program will only provide telecommunications services support and will simply be known as the Telecommunications Program.
The New FCC Programs: The HCF Program

$400 million per year (nationally): RHCPP Programs like ITN will be prioritized and awarded funding on a “first come, first served” basis.

Healthcare Connect Fund

• **Consortium Filers (2 or more filers):** At least 51% are deemed “rural”
• **Individual Filers:** Rural only
• **Urban or Rural Providers:** Both accepted*
• **Non-Recurring Costs(%):** 65%; <$50K*
• **Monthly Recurring Costs(%):** 65%

* Additional eligibility/definition detail, see HCF Program FAQ#26 on USAC.org
The New FCC Programs: Skilled Nursing

$50 million Pilot Program over three years. However, FCC concerned re: program sustainability past three years; skilled nursing is not included the original definition of an eligible health care provider (HCP) in the 1996 Telecommunications Act.

Skilled Nursing (Pilot Program)

Effective 2014: No additional details supplied at this time.
HCF Program Details: Who is Eligible?

- Public or nonprofit health care providers (HCPs)
- Non-rural HCPs may participate in consortiums with 51% rural designation
- Large HCPs (400+ patient beds) are eligible with support caps
For All Applicants:

- Broadband services
- Reasonable and customary installation charges
- Necessary equipment to make service functional
- Connections to off-site administration and data centers
- Connections to research and education networks
The Universal Service Administrative Company (USAC) will administer the Healthcare Connect Fund and other FCC rural healthcare programs.
HCF Program Details: Timeframe

- Open funding for the HCF began in 2014
- ITN is currently submitting the first forms and preparing to accept bids
FAQs

What will HCPs pay?

• 35% of all MRCs
• 35% of all NRCs plus any additional costs incurred above the $50,000 cap*
• You *can* seek alternate funding through
  • Economic development groups
  • Other grants
  • *CANNOT* be from other FCC funding

To Participate in the RFP
• $1,000 for a single facility
• $500 per facility for multiple facilities

Annual Invoicing Fee (for ITN participation)
• $2,000 per hospital (50% discount for 10+ sites)
• $1,000 per clinic, data center, etc. (50% discount for 10+ sites)
FAQs

Will contracts be renegotiated in terms of adding more sites or upgrading?

• All Primary & Pilot Program HCPs will be rebid under the HCF approximately six months prior to the contract’s end
• New sites may be added and upgrades may be implemented immediately
FAQs

What does this mean for a HCP’s connection in 2014?

• Unless you choose to upgrade, there should be no change in your service

What about when our contract sunsets?

• Cost may change based on market prices and bidding (99% likely that it will be cheaper)
• Reimbursement will be changed to 65%
Next Steps

1. Take inventory of network and your use of the network for future needs.

2. Contact ITN to let us know you are interested in participating in the RFP.
Next Steps

3. Prepare for contact: Think about your network needs, and especially any additional organizations you may want to be connected to.
Questions?

If you have any additional questions, please reach out to Ally Orwig at aorwig@indianarha.org | 812-478-3919 ext. 235
HCF Program Training

Application Options and Application Process
This training is just a general overview and starting point for applicants

- Every applicant’s situation is different
- The training does not cover every program requirement
- The training does not cover requirements for service providers and consultants

It is essential to read the following documents carefully as you proceed through the planning and application process:

- Healthcare Connect Fund Order (FCC 12-150), located at http://www.fcc.gov/encyclopedia/rural-health-care,
- The Rural Health Care Program rules, 47 C.F.R. § 54.600-680, located at http://www.ecfr.gov, and

Consult the FCC and USAC websites for additional resources.
Agenda

1. Application Options
2. Overview of Application Process
3. Program Requirements for Individual HCP and Consortia Applicants
4. Training
HCF Program Training

Application Options for Individual HCPs
HCPs can apply to the HCF Program as:

1. Individual health care providers (HCPs), or

2. Consortia:
   A. Join an existing consortium as a participant.
   B. Form a consortium and act as the consortium leader.

HCPs also may start as individual Healthcare Connect Fund (HCF) Program participants and later decide to join a consortium, or vice versa.
Applying to the HCF Program

Individual HCPs:

1. More services are eligible for support, including:
   a) Equipment necessary to make services functional;
   b) Connections to off-site data centers, administrative offices;
   c) Membership fees charged by Internet2 and National, and LambdaRail.
2. Some competitive bidding exemptions
3. Flat 65 percent discount
4. Up to three years of funding on a single form
5. Administratively simpler to manage forms process
6. Any service provider can bid on request for services
Applying to the HCF Program

Consortia

1. Equipment necessary for the network
2. Upfront charges for deployment of new or upgraded facilities, including dark fiber and HCP-constructed and owned facilities (if shown to be the most cost-effective option)
3. Rural and non-rural sites (the network must be majority rural)
Applying to the HCF Program

Consortia

Increased network efficiency and economies of scale:

1. Take advantage of economies of scale on service pricing
2. Increased efficiency of network designs
3. Participating members can pool together administrative expenses of running network
4. Consortium leader manages application, funding, invoicing, post-invoicing processes for all HCPs
Consortia

Increased access to medical and technical expertise:

1. More access to specialists for rural HCPs
2. Access to technical expertise
3. Remote training of medical personnel
4. Enhanced exchange of electronic health records and coordination of patient care

Applying to the HCF Program
Four FCC Forms:

- FCC Form 460 – Registering and Determining Eligibility
- FCC Form 461 – Requesting Services
- FCC Form 462 – Requesting Funding Commitment
- FCC Form 463 – Submitting Invoice
**Application Process Steps**

1. Step 1: Before You Apply
2. Step 2: Determine Eligibility
3. Step 3: Prepare for Competitive Bidding
4. Step 4: Request Services
5. Step 5: Evaluate Bids and Select Service Provider
6. Step 6: Submit Funding Requests
7. Step 7: Prepare and Submit Invoice
Step 1: Before You Apply

• Decide whether to apply as an individual HCP or as a consortium.
• Get familiar with the application process.
• Submit third-party authorizations, if you are using a consultant or if you are a member of a consortium.
Application Process Steps

1. Step 1: Before You Apply
2. Step 2: Determine Eligibility
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Step 2: Determine Eligibility

1. Eligible Status

- Nonprofit

OR

- Public
Step 2: Determine Eligibility

2. Eligible Organization Type

- Not-for-profit hospitals
- Rural health clinics
- Community mental health centers
- Local health departments or agencies
- Post-secondary educational institutions offering health care instruction, teaching hospitals, and medical schools
- Community health centers or health centers providing health care to migrants
- Dedicated emergency departments of rural for-profit hospitals
- Part-time eligible entities
- Consortia of the above entities
Step 2: Determine Eligibility

47 C.F.R. Section 54.637

Off-site Data Centers and Administrative Offices

• Connections and network equipment associated with off-site data centers or administrative offices used by eligible HCPs are eligible for support.

• However, off-site administrative offices and off-site data centers themselves are not eligible health care providers.
3. Eligible Location

- Individual HCP applicants must be located in an FCC-approved rural location to be considered rural.
- USAC rural look-up tool located on the USAC website: www.usac.org/rhc/telecommunications/tools/Rural/search/search.asp
Step 2: Determine Eligibility

HCF Order, Section VI.A.2

What is the FCC Form 460?

Eligibility and Registration Form

• An individual applicant must file an FCC Form 460 for itself and a separate FCC Form 460 for any associated off-site administrative office or off-site data center.

• Eligibility must be determined before an FCC Form 461 (Requests for Services) can be reviewed.
Application Process Steps

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Step 3: Prep for Competitive Bidding

Competitive bidding process exemptions include:

• An annual undiscounted cost less than or equal to $10,000,

• Purchasing from a government-negotiated Master Services Agreement (MSA),

• MSAs approved under the Pilot Program or HCF Program,

• A multi-year contract deemed evergreen by USAC, or

• Contracts negotiated under the E-rate Program (Schools and Libraries Program).
Step 3: Prep for Competitive Bidding

Most Cost-Effective

- All applicants must seek competitive bids for supported services.
- All applicants must certify that they have selected the most cost-effective bid on their requests for funding (unless they qualify for a competitive bidding exemption).
Step 3: Prep for Competitive Bidding

HCF Order, Section VI.A.4

What does most cost effective mean?

• “[...] The method that costs the least after consideration of the features, quality of transmission, reliability, and other factors that the HCP deems relevant to choosing a method of providing the required health care services” (47 C.F.R. Section 54.642(c)).

• Price must be a primary factor. No single factor may receive a weight that is greater than price, although another factor may receive the same weight as price.
Evaluation Criteria

• Applicants must certify that they have selected the most cost-effective bid on their request for funding (47 C.F.R. Section 54.603 (b)(4d)).

• Applicants are required to establish evaluation criteria.
  – Cost (price) of service must be a primary factor.
  – No criteria can be weighted higher than cost, but it can be weighted equal to cost.
  – Total weight must equal 100 percent.
  – Criteria should include most important criteria needed to provide healthcare, as determined by the applicant.
Application Process Steps

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7. Step 7: Prepare and Submit Invoice
Duplicate Funding Requests

Applicants cannot request support for the same service from the Telecommunications Program and the HCF Program.
What is the FCC Form 461?

The Request for Services Form

- Initiates the competitive bidding process,
- Must be posted on USAC’s website for at least 28 days,
- Provides information about requested services and network equipment to enable an effective competitive bidding process, and
- Can be submitted starting 180 days before the beginning of the funding year.
FCC Form 461 (Individual Applicants)

- USAC will post the applicant’s request for services on the USAC website.
- The posting includes:
  - The FCC Form 461, and
  - A request for proposals (if applicable).
Step 4: Request Services

When is an RFP required?

• An RFP is required when state, Tribal, or local procurement rules and regulations require it.
• Any applicant can also choose to utilize an RFP in conjunction with their competitive bidding process.
Application Process Steps

1. Step 1: Before You Apply
2. Step 2: Determine Eligibility
3. Step 3: Prepare for Competitive Bidding
4. Step 4: Request Services
5. Step 5: Evaluate Bids and Select Service Provider
6. Step 6: Submit Funding Requests
7. Step 7: Prepare and Submit Invoice
Allowable Contract Selection Date

• Applicants must post for services for a minimum of 28 calendar days.
  – Applicants can choose to post for longer than 28 days.
  – USAC will post for the length of time requested by the applicant if longer than 28 days.

• Allowable Contract Selection Date (ACSD) is the first day that the applicant can choose a service provider.
Evaluation

- Use of scoring matrix with weights assigned to evaluation criteria
- Selection of most cost effective
Application Process Steps

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7. Step 7: Prepare and Submit Invoice
What is the FCC Form 462?

The Funding Request Form

• Provides USAC with information necessary to evaluate an applicant’s funding request, and
• Must be submitted before the end of the funding year (June 30).
• Applicants can seek a multi-year funding commitment.
• Applicants can file for multiple services on a single form.
Application Process Steps

1. Step 1: Before You Apply
2. Step 2: Determine Eligibility
3. Step 3: Prepare for Competitive Bidding
4. Step 4: Request Services
5. Step 5: Evaluate Bids and Select SP
6. Step 6: Submit Funding Requests
7. Step 7: Prepare and Submit Invoice
Step 7: Prepare and Submit Invoice

What is the FCC Form 463?

The Invoice and Request for Disbursement Form

- Serves as a request to USAC for disbursement of funding from the HCF Program for services and equipment.
- Filing the FCC Form 463 is a joint process between applicant and service provider.
Individual HCPs – Responsibilities include:

1. Submit FCC Form 460 to confirm eligibility
2. Identify sources for 35 percent contribution
3. Prepare for the competitive bidding process:
   a) Identify broadband needs
   b) Developing evaluation criteria and scoring matrix
   c) Submit request for services (FCC Form 461)
Individual HCPs – Responsibilities include:

4. Evaluate bids and select service provider

5. Prepare and submit FCC Form 462 (requesting a funding commitment) and supporting documentation (FCC Form 462)

6. Initiate invoicing – coordinate with service provider and submit FCC Form 463

7. Support audit requests or site visits, and retain records
Additional Steps if Joining a Consortium:

1. Review and sign appropriate LOA(s).
2. Understand the consortium structure, your responsibilities, and stay informed on progress.
3. Pay bills in a timely manner to facilitate invoicing.
4. You can save on expenses associated with planning the network, applying for funding, issuing RFPs, contracting with service providers.
5. Take advantage of being connected with other consortium members.
6. Abide by all program rules and retain appropriate records.
Forming a Consortium – Some important steps:

1. Determine consortium structure
2. Designate a consortium leader and determine authority
3. Designate a project coordinator
4. Identify and obtain letters of agency(s) from participating HCP sites
5. Submit and manage all forms, supporting documentation, contracts, invoicing, audits, site visits, reports, etc., on behalf of the participating HCP sites
6. Manage competitive bidding process
7. Manage project implementation and allocations
Program Requirements

Consortium Leaders – Responsibilities Include:

1. Legally and financially responsible for program activities
2. Name project coordinator as POC and ensure responsiveness for consortium matters
3. Obtain letters of agency from participating HCPs
4. Manage competitive bidding and cost allocations
5. Submit forms and required documentation on behalf of participating HCPs
6. Verify payment of 35 percent contribution and manage invoicing
7. Maintain documentation, comply with audits, coordinate site visits
8. Submit annual reports
Agenda

1. Overview of the Application Process
2. Step 1: Before You Apply
3. Step 2: Determine Eligibility
4. Step 3: Prepare for Competitive Bidding
5. Step 4: Request Services
6. Step 5: Evaluate Bids and Select SP
7. Step 6: Submit Funding Requests
8. Step 7: Prepare and Submit Invoice
9. Training
HCF Program Training
Resources

• Live training
• Webinars
• Conference calls
• Newsletter
• Help Desk
• Website
Questions?

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Contact Us!

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Please take a minute to provide feedback on this National TRC Webinar

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