

The FCC's Rural Health Care Pilot Program

The Federal Communications Commission (FCC) established the Rural Health Care Pilot Program in 2006 to encourage the development and use of broadband networking services by health care providers serving rural communities throughout the nation. Broadband networks can significantly increase rural Americans' access to telehealth and telemedicine services capable of delivering health care information, consultation and other services. In November 2007, the FCC selected 69 entities to participate in the Pilot Program. Here are some frequently asked questions about the Pilot Program.

What Benefits Are Available Under the Rural Health Care Pilot Program?

Participants are eligible to receive up to 85 percent of the costs associated with:

- constructing state or regional broadband health care networks and the advanced telecommunications and information services provided over those networks;
- connecting to Internet2 or National LambdaRail, which are both dedicated nationwide backbone networks; and
- connecting to the public Internet.

Who Pays for the Pilot Program?

The Pilot Program uses the same funds as the Rural Health Care support mechanism, a part of the Universal Service Fund (USF). All telecommunications service providers and certain other providers of telecommunications must contribute to the federal USF based on a percentage of their interstate and international end-user telecommunications revenues. These companies include wireline phone companies, wireless phone companies, paging service companies and certain Voice over Internet Protocol (VoIP) providers.

Some consumers may notice a "Universal Service" line item on their telephone bills. This appears when a company chooses to recover its USF contributions directly from its customers by billing them this charge. The FCC does not require this charge to be passed on to customers. Each company makes a business decision about whether and how to assess charges to recover its Universal Service costs. These charges usually appear as a percentage of the consumer's phone bill. Companies that choose to collect Universal Service fees from their customers cannot collect an amount that exceeds their contribution to the USF. They also cannot collect any fees from a Lifeline program participant (an income-eligible subscriber that receives discounts on telephone service).

How Was the Pilot Program Established?

- In September 2006, the FCC released the *Rural Health Care Pilot Program Order* with the goal of using Rural Health Care funds to support a nationwide broadband health care network;
- In May 2007, the FCC received 81 applications seeking funding, representing 43 states and 3 U.S. territories;
- In November 2007, the FCC selected 69 applicants covering 42 states and 3 U.S. territories to participate in the Pilot Program

What Health Care Providers Are Participating in the Pilot Program?

Visit the FCC website to find a listing of all 69 Pilot Program participants, listed both alphabetically and by state. Follow the link to “Selected Participants” below the “Notices” heading at www.fcc.gov/general/rural-health-care-pilot-program.

What Types of Entities Are Eligible for Support?

- post-secondary educational institutions offering health care instruction, including teaching hospitals and medical schools;
- community health centers or health centers providing health care to migrants;
- community mental health centers;
- not-for-profit hospitals;
- dedicated emergency departments in for-profit hospitals;
- rural health care clinics; and
- groups of health care providers consisting of one or more entities described above.

What Is Happening Now?

The fund administrator, the Universal Service Administrative Company (USAC), is working with Pilot Program participants to help them submit the necessary FCC forms (Forms 465, 466-A and 467) so that they receive reimbursement from Rural Health Care funding. The FCC has provided guidance on proper completion of these forms and requires Pilot Program participants to submit additional information, including network costs worksheets, certifications, letters of agency and network design studies (if applicable).

Total funding for the 69 selected program participants is approximately \$417 million over three years (or \$139 million per year). Participation in the Pilot Program is limited to the 69 participants selected in November 2007.

For More Information

For more information on the FCC’s Rural Health Care Pilot Program, visit the Pilot Program website at www.fcc.gov/general/rural-health-care-pilot-program.

You can also view guides on other Universal Service programs on the FCC website at:

www.fcc.gov/guides/universal-service-support-mechanisms
www.fcc.gov/guides/universal-service-program-schools-and-libraries
www.fcc.gov/guides/universal-service-program-rural-health-care-providers
www.fcc.gov/guides/promoting-telephone-subscribership-indian-country.

Consumer Help Center

For more information on consumer issues, visit the FCC’s Consumer Help Center at www.fcc.gov/consumers.

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