

The FCC's Universal Service Rural Health Care Programs

The Federal Communication Commission's (FCC) universal service rural health care programs currently include: (1) the Healthcare Connect Fund; (2) the Rural Health Care Telecommunications Program; and (3) the Rural Health Care Pilot Program. In 1996, Congress mandated that the FCC use the Universal Service Fund (USF) to provide support for both telecommunications and advanced telecommunications and information services for eligible health care providers (HCPs). HCPs use these services to provide telemedicine, transmit health records, and conduct other telehealth activities, thereby improving patient care and reducing health care costs. Here are some frequently asked questions about the FCC's universal service rural health care programs.

What Are the Main Features of the FCC's Universal Service Rural Health Care Programs?

- The Healthcare Connect Fund (HCF) supports high-capacity broadband connectivity and broadband networks for eligible HCPs with a 65 percent discount.
- The Rural Health Care Telecommunications Program, created in 1997, ensures that eligible HCPs pay no more than their urban counterparts for telecom services. The Telecommunications Program supports the urban-rural rate difference for telecommunications services for rural HCPs.
- The Rural Health Care Pilot Program, launched in 2007, supports 50 state-wide and regional broadband HCP networks with an 85 percent discount. The Pilot Program is closed to new applicants, and participants will transition to the HCF as Pilot funds are exhausted. The FCC built on lessons learned from the Pilot Program to create the HCF.

Which Health Care Providers Are Eligible to Participate in the Healthcare Connect Fund?

The HCF provides support to: (1) consortia of rural and non-rural public/non-profit HCPs, and (2) individual rural public/non-profit HCPs. Non-rural HCPs are eligible for support only if they are members of a majority-rural consortium.

Eligible public/non-profit HCPs include:

- 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;
- Local health departments or agencies;
- Community mental health centers;
- Not-for-profit hospitals;
- Dedicated emergency departments in rural for-profit hospitals;
- Rural health care clinics;
- Part-time eligible entities located in facilities that are ineligible; and
- Groups of health care providers consisting of one or more entities described above.

What Expenses Are Eligible for Support from the Healthcare Connect Fund?

In the HCF, eligible HCPs may seek support for broadband services, network equipment, and (for consortium applicants) HCP-constructed and owned network facilities.

What is the Budget for the FCC’s Universal Service Health Care Programs?

Annual support for all universal service rural health care programs combined is capped at \$400 million.

Who Pays for the FCC’s Rural Health Care Program?

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 line item 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).

Can I Find Out How Health Care Providers in My Area Are Benefiting from the FCC’s Health Care Program?

Yes. You can visit USAC’s website at www.rhc.universalservice.org/funding/asc/ to determine Rural Health Care funding specific to your state.

You can also view fact sheets 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/promoting-telephone-subscribership-indian-country.

For More Information

For more information on the FCC’s universal service health care programs, visit www.fcc.gov/general/rural-health-care-program.

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

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