

UNIVERSAL SERVICE PROGRAMS & USAC

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What is universal service? Under the Telecommunications Act (1996) all telecommunications companies are required to make universal service contributions to fulfil the federal government goal that all Americans should have access to a baseline level of telecommunications, including telephone and broadband internet connections, at just, reasonable, and affordable rates. There is a particular focus on insuring the availability of such services to rural populations, including rural health care facilities, libraries, and schools.

What are the Universal Service Support Programs? The Federal Communications Commission (FCC) operates four programs under the Telecommunications Act (1996):

- The High Cost Program for urban areas
- The Lifeline Program supporting eligible telecommunications companies
- **The Rural Health Care Program** supporting eligible rural health care providers
- The Schools and Libraries (E-rate) Program providing discounts to schools and libraries

Who is USAC and what is their role? The Universal Service Administrative Company (USAC) was created in 1997 as an independent, non-profit subsidiary of the National Exchange Carrier Association (NECA). USAC is designated by the FCC to administer the four Universal Service Support Programs. USAC’s mission is to *protect the integrity of universal service through informing and educating program audiences, collecting and distributing contributions, and promoting program compliance.*

What is the Rural Health Care Program? The Rural Health Care Program has three components:

- The Telecommunications Program, formerly known as the Primary Program. This program now funds only telecommunications support, not broadband connectivity support.
- The Pilot Program, now closed to new applications
- **The Healthcare Connect Fund (HCF)**, the newest component of the program

How can my organization benefit from the Healthcare Connect Fund (HCF)? The HCF Program provides a 65% discount on eligible expenses related to broadband connectivity to both individual and rural health care providers (HCPs) and consortia of providers, which can include non-rural HCPs if the consortium has a majority of rural sites.

Is my organization eligible to apply for HCF funding? First you need to decide if you are applying as an individual organization (a HCP) or as a consortium. A consortium is two or more HCPs that request support as a single entity. Non-rural eligible HCPs may receive support as part of a consortium if a simple majority of the consortium members are rural HCP sites. Ineligible HCP sites also may participate in a consortium and take advantage of lower contract prices through consortia bulk-buying, but they will not receive universal service funding support.

Eligibility Criteria	
Individual Health Care Providers (HCPs)	Consortia
Must be a public or nonprofit entity.	The consortium does NOT need to be a legal entity with its own Tax Identification Number,

	although this may simplify contracting for services with providers.
Must be located in an FCC approved rural location (use this link to the Eligible Rural Areas search tool).	Both rural and non-rural entities may receive funding as members of a consortium, provided that the consortium is comprised of a majority rural (more than 50%) sites within three years of the filing date of its first request for funding.
The HCP must be one of the following: <ul style="list-style-type: none"> a. Post-secondary educational institution offering health care instruction (teaching hospitals, medical schools) b. Community health center or a health center providing health care to migrants c. Local health department or agency d. Community mental health center e. Not for profit hospital f. Rural health clinic, including mobile clinics g. Dedicated emergency room of a rural for-profit hospital. 	HCPs must be one of the following: <ul style="list-style-type: none"> a. Post-secondary educational institution offering health care instruction (teaching hospitals, medical schools) b. Community health center or a health center providing health care to migrants c. Local health department or agency d. Community mental health center e. Not for profit hospital f. Rural health clinic, including mobile clinics g. Dedicated emergency room of a rural for-profit hospital.
Services requested must also be eligible. Note that broadband connections associated with off-site data centers and off-site administrative offices that are used by eligible HCPs for their health care purposes are eligible for funding.	

What is the funding cycle? Funding applications are due each year by late May for funding that will run for one year from July 1st (USAC requires 5+ days to process the application, followed by a 28 day competitive bidding process to receive Rural Health Care funding).

How do I apply for HCF funding? Applications must be made on line. The USAC site gives detailed, step-by-step guidance on applying for HCF funding either as an individual HCP or a consortium. Use the live links below to work through the following steps:

Step 1: Determine if your HCP has applied for funding in the past:

- [HCF Program Funding Commitments Search](#)
- [Telecom Program Commitments Search](#)

Step 2: Determine if you are eligible to participate as a not-for-profit or public rural health care provider of an eligible facility type:

- [HCF Program Applicant Eligibility](#)
- [Telecom Program Applicant Eligibility](#)

Step 3: Learn more about the RHC Program:

- [HCF Program Brochure](#)
- [Telecom Program Brochure](#)

What if I have other questions?

The USAC website has a wealth of information about universal service funding programs and how to apply. You can also schedule an appointment with a USAC representative to discuss your situation: <http://usac.org/rhc/healthcare-connect/default.aspx>