

JANUARY 15, 2018

## FCC CONSIDERING OVERHAUL TO FUNDING FOR HEALTH CARE BROADBAND AND TELECOMMUNICATIONS PROGRAMS

Annually, the Federal Communications Commission ("FCC") provides \$400 million in funding to health care providers who serve rural populations through its Rural Health Care Program ("RHC Program"). The RHC Program is aimed at improving and reducing the cost of communications services that are used in providing health care services to residents of the rural United States. In part, its programs allow eligible health care providers to seek funding for 65 percent of the cost of eligible broadband services and network equipment. On December 14, 2017, the FCC announced it is seeking comment on the effectiveness and efficiency of its RHC Program with the intent to revise the program based on the comment it receives. See <https://www.fcc.gov/document/fcc-acts-strengthen-rural-health-care-program-0>.

Within the scope of the rulemaking, the FCC is evaluating: (1) whether to permanently increase the program's funding cap above \$400 million; (2) whether to prioritize funding prioritizes funding among eligible health care providers and, if so, how to prioritize (based on population density, economic need, type of services funded or other means); (3) whether to re-define the criteria upon which service providers are selected; and (4) how to better monitor the program to reduce abusive practices by consultants. Comments are currently due no later than February 2, 2018. Hall Render is preparing comments on behalf of interested clients.

In addition to opening the new rulemaking, the FCC also voted to make some immediate changes for FY 2017. First, the FCC voted to waive the RHC Program's \$400 million annual cap on a one-time basis, instructing the Universal Service Administrative Company ("USAC") to carry forward any unused RHC Program funds from prior funding years for use in FY 2017, which runs from July 1, 2017 to June 30, 2018. The FCC also voted to allow service providers to voluntarily reduce their rates for qualifying FY 2017 requests while keeping the support amount provided by USAC constant.

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