

FCC REVISES UNIVERSAL SERVICE FUND TO CREATE HEALTHCARE CONNECT FUND AND EXPAND ACCESS TO BROADBAND

On December 12, 2012 the FCC approved a **report and order** expanding the scope of the Universal Service Fund ("USF"). The \$400 million annual fund exists to bring telecommunication services to health care providers for the benefit of persons who reside in rural areas. The FCC acted to revise the existing USF program by:

- Removing artificial limitations on technology and provider type that hampered legacy universal service health care support;
- Encouraging consortia between smaller rural health care providers and urban medical centers to enable remote hospitals and clinics to draw on the medical, technical and administrative resources of larger providers;
- Increasing fiscal responsibility by requiring participants to contribute 35% of the costs, while affording health care providers access to lower rates through group buying;
- Supporting broadband services purchased from diverse communications providers, while also allowing health care providers to construct new broadband networks when that is the most cost-effective option; and
- Covering upgrades to higher speed service required for health care applications.

In addition, the FCC established a new competitive Pilot Program to test the expansion of broadband health care networks to skilled nursing facilities. Up to \$50 million over three years will be available from the fund for these competitively-awarded Pilots.

It is anticipated that the FCC will release final rules implementing the Healthcare Connect Fund shortly. If you have any questions regarding the Healthcare Connect Fund, the Universal Service Program or communications infrastructure please contact Michael T. Batt at 317.977.1417 or mbatt@hallrender.com