5. Rural Health Care Support

The portion of Universal Service support designated for health care providers is designed to allow rural health care providers to purchase telecommunications services at the same rates that health care providers located in urban areas pay for these services. The Commission's Universal Service rules permit eligible health care providers to receive support for any telecommunications service and for distance charges for the distance between the rural health care provider and the nearest large city. The Commission defined "nearest large city" as the closest city in the state with a population of at least 50,000. In addition, any health care provider that cannot obtain toll-free Internet access is entitled to receive the lesser of \$180 of toll charges per month, or the toll charges incurred for 30 hours per month, for telecommunications access to an Internet service provider.

An eligible rural health care provider must submit FCC Form 465 (description of services requested and certification form) to the Rural Health Care Division (RHCD).⁷ The RHCD then determines eligibility, and calculates the level of support the health care provider can receive. The RHCD then posts the Form 465 on its Web site for 28 days, so that eligible service providers may bid for the projects.⁸

After 28 days, the rural health care provider may contract with the most cost-effective bidder. The service provider then fills out FCC form 468 (verification of services to be provided), and the attached calculation worksheet, and submits it to the rural health care provider. The rural health care provider must then complete FCC Form 466 (services ordered and certification form). The rural health provider must then submit both FCC forms to RHCD.

See 47 U.S.C. § 254(h)(1)(A).

² See 47 C.F.R. § 54.601(a).

For the first two funding periods, health care providers may employ transmission services at speeds up to 1.544 Mbps. The Commission removed the bandwidth cap for the third funding period.

⁴ See 47 C.F.R. § 54.601(c).

⁵ See 47 C.F.R. § 54.605(c).

⁶ See 47 C.F.R. § 54.621.

The Rural Health Care Corporation merged into the Universal Service Administrative and became the Rural Health Care Division Company on January 1, 1999. See *Eighth Order on Reconsideration*, adopted November 19, 1998, para. 12.

The forms may be viewed at http://www.rhc.universalservice.org

Upon receipt and approval of FCC forms 466 and 468, the RHCD sends a funding commitment letter to the rural health care provider that notifies it of the preliminary approval of the request for support, and provides an estimate of the amount of support that can be expected. The rural health care provider must respond by submitting FCC Form 467 (receipt of service confirmation form) to verify the type of services provided and date that the services began. RHCD then sends a support schedule to the carrier. The carrier then invoices RHCD for the support, and upon approval, RHCD instructs USAC to reimburse the carrier.

For the first funding period, the Rural Health Care Division established a 75-day filing window for FCC Forms 465. The window opened on May 1, 1998, and closed on July 14, 1998. The Commission directed the RHCD to treat all applications that arrived during the window as though they were received simultaneously. Because there were more than sufficient funds available to support all qualified applicants that applied before July 14, 1998, RHCD continued to accept Forms 465 until May 15, 1999. Eligible health care providers were required to ensure that FCC Forms 466 and 468 were received by RHCD by September 30, 1999. RHCD began mailing funding commitment letters on June 25, 1999. RHCD must then receive FCC Forms 467 no later than December 31, 1999.

In the Universal Service Order, the Commission placed a \$400 million cap on the amount of money collected for the rural health mechanism. The Commission later determined that USAC could collect no more than \$100 million for the 1998 funding period. USAC reports that RHCD received 790 FCC Form 466/468 packets, and that as of October 30, 1999, 308 packets had been processed, resulting in \$1,234,900 being set aside for the benefit of those health care providers. RHCD is reviewing or waiting for more information for 337 other packets. The remaining packets are for requests for support that were either withdrawn or denied. RHCD estimates that when it finishes processing all of the packets, it will have committed approximately \$1.885 million for the first funding period. If

On May 27, 1999, the FCC adopted the *Twelfth Order on Reconsideration*, establishing a \$12 million commitment and collection level for the second funding period of the Rural Health Care Support Mechanism.¹² The second funding period is from July 1, 1999 through June 30, 2000. The RHCD began accepting applications for the second funding period on March 1, 1999. RHCD reports that as of October 30, 1999, it received 892 FCC Forms 465, and that it has yet to issue any funding commitment letters.

¹⁰ See 47 C.F.R. § 54.623(a).

⁹ See 47 C.F.R. § 54.623(c).

Universal Service Administrative Company Federal Universal Service Programs Fund size Projections & Contributions Base for the First Quarter 2000. Page 14.

Twelfth Order on Reconsideration in CC Docket 96-45, adopted May 27, 1999, released May 28, 1999.

The FCC adopted two orders that will significantly change the Universal Service support program for rural health care providers. The Fifteenth Order on Reconsideration is mostly applicable to the third funding period. It removes funding cap for individual telemedicine locations; 2) ends the 1.544 Mbs bandwidth restriction and authorizes support for any commercially available telecommunications service; 3) simplifies the application process by allowing discounts to be based on actual distance charges instead of basing them on a comparison of tariffed rates in urban and rural areas; and 4) affirms the ability of rural health care providers to join consortia and allows new members to be added to a consortium at any time.¹³ The Fourteenth Order on Reconsideration eliminates the requirement that rural health care providers receive services from eligible telecommunications carriers.¹⁴ The Fourteenth Order on Reconsideration is applicable to pending and future requests for support as of November 16, 1999. Applicants that are affected by this change and that otherwise satisfy the requirements for support (e.g. complete the required 28-day posting for the 1998 funding year) are advised by USAC to immediately submit FCC Forms 466 and 468 to RHCD. For more information on the Universal Service Program for Rural Health Care providers, visit the RHCD Web site: http://www.rhc.universalservice.org.

USAC identified the rural health care providers that received funding commitment letters in the first funding period, and the estimated amount of support set aside for their benefit. Table 5.1 summarizes the commitments on a state-by-state basis. As of November 12, 1999 the RHC has issued funding commitment letters to 244 rural health care entities for support totaling \$1,281,175. Table 5.2 lists the individual health care providers, and the estimated total amount of their commitments.

Table 5.3 lists the types of rural health care providers that applied for funding, and Table 5.4 lists the types of supported services. The underlying data for tables 5.3 and 5.4 were generated after the underlying data for tables 5.1 and 5.2 were generated. Because additional funding commitment letters were made between the generation of the two underlying data sets, the number of health care providers and total funds committed differ between the two sets of tables. The Number of Health Care Providers in table 5.3 does not match the number of health care providers in table 5.4 because in table 5.4, some health care providers received support for two types of service.

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Fifteenth Order on Reconsideration in CC Docket 96-45 adopted September 30, 1999 and released November 1, 1999.

Fourteenth Order on Reconsideration in CC Docket 96-45 adopted September 21, 1999 and released November 3, 1999.

Table 5.1

Rural Health Care Funding Commitments by State
Funding Period: January 1, 1998 through June 30, 1999
Funds Committed through November 12, 1999

	Funding Commitment	Health Care
State	Amount	Providers
Alabama	\$9,199	1
Alaska	34,054	1
Arizona	36,627	6
Arkansas	9,217	7
California	9,982	4
Colorado	59,471	8
Connecticut	0	0
Delaware	0	0
District of Columbia	0	0
Florida	0	0
Georgia	0	0
Hawaii	91,612	8
Idaho	5,278	1
Illinois	13,712	3
Indiana	0	0
Iowa	26,604	18
Kansas	37,641	16
Kentucky	0	0
Louisiana	0	0
Maine	2,494	2
Maryland	0	0
Massachusetts	0	0
Michigan	15,801	6
Minnesota	113,793	21
Mississippi	40,200	8
Missouri		5
Montana	45,890	19
Nebraska	113,115	9
Nevada	11,688	6
	58,236	5
New Hampshire	10,444	0
New Jersey	0	
New Mexico	43,034	5
New York	124,386	12
North Carolina	29,679	6
North Dakota	158,054	12
Ohio	28,866	4
Oklahoma	20,537	3
Oregon	6,346	3
Pennsylvania	0	0
Rhode Island	0	0
South Carolina	0	0
South Dakota	16,483	6
Tennessee	9,991	3
Texas	12,279	13
Utah	29,535	1
Vermont	3,790	3
Virginia	38,748	3
Washington	11,556	11
West Virginia	1,808	4
Wisconsin	0	0
Wyoming	1,023	1
Totals	1,281,175	244

Source: Universal Service Administrative Company data.

Table 5.2

		Funding
Health Care Provider Name		Commitment (\$)
Alabama		
Fayette Medical Center		9,199
•	Total Alabama:	9,199
Alaska		
Ketchikan General Hospital		34,054
	Total Alaska:	34,054
Arizona		
Marcus J. Lawrence Medical Center		6,676
Mariposa Community Health Center		5,778
Payson Regional Medical Center		6,904
Sedona Medical Center		3,272
Southeast Arizona Medical Center		8,165
Verde Valley Guidance Center		5,832
	Total Arizona:	36,627
Arkansas		
Ashley County Medical Center		563
Clarendon Community Health Center		563
Elaine Medical Clinic		563
Eureka Springs Hospital		6,098
Holly Grove Community Health Center		563
Marvell Medical Clinic		212
Ozark Health		655
	Total Arkansas:	9,217

California

Table 5.2

	Funding
Health Care Provider Name	Commitment (\$)
Amador County Health & Human Services Agency	4,975
Oroville Hospital	457
Redwood Memorial Hospital	2,275
St. Joseph Hospital	2,275
Total California:	9,982
Colorado	
Haxtun Hospital District	643
Melissa Memorial Hospital	6,770
SE Colorado Family Gudiance and Mental Health	795
Southwest Memorial Hosital	13,857
Steamboat Springs Healthcare Association	12,218
Sterling Regional MedCenter	1,507
Sycare - San Luis Valley Mental Health Center	11,375
Valley Wide Alamosa - Family Medical Center	12,306
Total Colorado:	59,471
Hawaii	
Hale Ho'ola Hamakua	8,569
Hilo Medical Center	23,362
Kau Hospital	9,818
Kaui Veterans Memorial Hospital	25,724
Kohala Hospital	5,648
Kona Community Hospital	13,067
Kula Hospital	573
Samuel Mahelona Memorial Hospital	4,850
Total Hawaii:	91,612
	,
Idaho	
Kootenai Medical Center	5,278
Total Idaho:	5,278
Illinois	
Hoopeston Community Memorial Hospital	4,208

Table 5.2

Health Care Provider Name	Funding Commitment (\$)
St. Mary's Hospital The John and Mary E. Kirby Hospital Total Illinois	6,693 2,811 13,712
Iowa	
Belmond Community Hospital	1,367
Central Community Hospital - Elkader	2,582
Eldora Regional Medical Center	2,435
Family Practice Specialists	1,550
Forest City Regional Medical Center	1,241
Ida Grove Medical Clinic	1,610
MFC - Lime Springs	1,656
MFC - Sheffield	1,812
MFC- Clear Lake	830
MFC- Lake Mills	1,565
MFC-Nora Springs	830
Mitchell County Regional Health Center- St. Ansgar	1,182
Ohme Medical Clinic	1,403
Palo Alto County Hospital	1,150
Paullina Family Medicine	991
Rockford Medical Clinic	1,109
Sioux Center Medical Clinic	1,955
St Joseph Community Hospital	1,336
Total Iowa:	26,604

Kansas	
Centralia Medical Arts	10,379
Cheyenne County Hospital	3,040

Table 5.2

	Funding
Health Care Provider Name	Commitment (\$)
Community Hospital, Onaga/St. Mary's Inc.	6,802
Family Life Center, Inc.	4,325
Geary Community Hospital	1,167
Greensburg Family Practice	413
Grisell Memorial Hospital	3,040
Hays Medical Center	2,280
Kinsley Health Clinic	413
Morris County Hospital	260
Plainville Rural Hospital	760
Prairie View	614
Prairie View	611
Pratt Regional Medical Center	413
Rawlins County Health Center	3,040
United Methodist Western KS Mexican Am. Ministries	86
Total Kansas:	37,641
Maine	
Aroostook Medical Center	1,150
Rumford Community Hospital	1,344
Total Maine:	2,494
Michigan	
Alpena General Hospital	1,219
Lambert Tribal Health Center	414
Munising Tribal Health Center	1,061
Schoolcraft Memorial Hospital	10,786
St. Joseph Health System	1,845
Thunder Bay Community Health Services	476
Total Michigan:	15,801
Minnesota	·
Arlington Municipal Hospital	2,111
Cloquet Community Memorial Hosptial	160
Douglas County Hospital	3,952

Table 5.2

	Funding
Health Care Provider Name	Commitment (\$)
Glacial Ridge Hospital	1,088
Grant County Health Center	4,909
Itasca Medical Center	7,995
Long Prairie Memorial Hospital and Home	2,163
Mercy Hospital & Health Care Center	2,384
MeritCare Clinic - Bemidji	17,705
MeritCare Clinic - Detroit Lakes	5,974
Minnesota Valley Memorial Hospital, Inc.	7,184
New Ulm Medical Center	6,322
Northern Itasca Health Care Center	9,294
Northfield Hospital and Skilled Nursing Facility	1,333
Owatonna Hospital	4,738
Range Mental Health Center	988
Renville County Hospital	6,971
St Michael's Hospital	4,106
St. Francis Medical Center	5,258
Stevens Community Medical Center	4,106
Wheaton Community Hospital	15,053
Total Minnesota:	113,793
Mississippi	
Aaron E. Henry Community Health Svcs Ctr-Tunica Clinic	515
Clay County Hospital	5,595
Methodist Healthcare Middle Mississippi	2,016
North Mississippi Health Services	14,148
North Mississippi Health Services/Iuka Hospital	11,268
North Mississippi Health Svcs/Webster General Hospital	5,786
Southeast Mississippi Rural Health Initiative, Inc.	865
Yalobusha General Hospital & Nursing Home	6
Total Mississippi:	40,200
Missouri	
Arcadia Valley Hospital	10,727
Kirksville College of Osteopathic Medicine	4,930
Putnam County Memorial Hospital	8,485
Scotland County Memorial Hospital	8,023

Table 5.2

Health Care Provider Name	Funding Commitment (\$)
Wright Memorial Hospital	13,725
Total Missouri:	45,890
Montana	
Big Sandy Medical Center	5,334
Chippewa Cree Health Center	5,479
Clark Fork Valley Hospital	5,028
Colstrip Medical Center	4,466
Crow Indian Hospital	6,726
Eastern Montana Community Mental Health Center	14,213
Fallon Medical Complex	2,730
Frances Mahon Deaconess Hospital	12,069
Glacier County Medical Center	9,161
Glendive Medical Center	7,143
Hardin Clinic	1,395
Huntley Project Medical Center	974
Liberty County Hospital	2,894
Marias Medical Center	7,371
Northern Montana Health Care	10,635
Pondera Medical Center	5,370
Roosevelt Memorial Hospital	5,182
Sidney Health Center	4,042
Teton Medical Center	2,902
Total Montana:	113,115
Nebraska	
Callaway District Hospital	248
Cambridge Memorial Hospital	958
Cozad Community Hospital	715
Dundy County Hospital	2,067
Jennie M. Melham Memorial Medical Center	56

Table 5.2

	Funding
Health Care Provider Name	Commitment (\$)
	4.070
Memorial Hospital	1,050
Rock County Hospital	1,976
St. Francis Medical Center	4,458
Valley County Hospital	161
Total Nebraska:	11,688
Nevada	
Humbolt General Hospital	9,183
Mt. Grant General Hospital	5,378
Pershing General Hospital	9,183
South Lyon Medical Center Outreach Clinic	1,860
Wendover Clinic	21,585
William Bee Ririe Hospital	11,047
Total Nevada:	58,236
New Hampshire	
Hitchcock Clinic - Indian Stream	486
Hitchcock Clinic - Lancaster	71
Hitchcock Clinic - White Mountains	380
The Hitchcock Clinic - Keene	2,837
The Hitchcock Clinic - Lebanon, NH	6,670
Total New Hampshire:	10,444
New Mexico	
Guadalupe Health Services	10,595
La Casa de Buena Salud - Chaves Cnty. Comm. Health Ctr.	14,242
Miners' Colfax Medical Center	13,296
PHS-Cimarron Health Care Clinic	482
Union County General Hospital	4,420
Total New Mexico:	43,034

Table 5.2

	Funding
Health Care Provider Name	Commitment (\$)
New York	
Alice Hyde Hospital	690
Bassett Health Care - Cooperstown	5,325
Bassett Healthcare - Edmenston	9,055
Bassett Healthcare - Gloversville	9,078
Bassett Healthcare - Liberty	43,689
Bassett Healthcare - Morris	4,536
Bassett Healthcare - Oneonta	10,453
Bassett Healthcare - Oneonta Specialty Services	10,453
Bassett Healthcare - Richfield Springs	16,800
Bassett Healthcare - Sherburne	5,809
Bassett Healthcare - Stamford	7,798
Hepburn Medical Center	699
Total New York:	124,386
North Carolina	
Chowan Hospital, Inc.	8,590
East Carolina Health- Bertie dba Bertie Memorial	4,432
Harris Regional Hospital	6,377
Margaret R. Pardee Memorial Hospital	1,606
Roanoke Chowan Hospital	8,149
Western North Carolina Health Network, IncHaywood	525
Total North Carolina:	29,679
North Dakota	
Ashley Medical Center	3,305
McKenzie County Hospital	30,126
Mercy Medical Center	25,309
MeritCare Jamestown	16,016
MeritCare Clinic - Hillsboro	4,348
MeritCare Clinic - Mayville	6,585
MeritCare Clinic - Valley City	9,048

Table 5.2

Health Care Provider Name	Funding Commitment (\$)
MeritCare Clinic - Wahpeton	5,363
New Town Health Clinic	10,471
Prairie Health Clinic	7,402
St Joseph's Hospital and Health Center	25,039
Trinity Health	15,043
Total North Dakota:	158,054
Ohio	
Clinton Memorial Hospital	8,782
CMH Regional Health System Professional Building	3,351
CMH Regional Health System, Family Practice Residency	13,124
Maumee Valley Guidance Center	3,608
Total Ohio:	28,866
Oklahoma	
Central Oklahoma Family Medical Center	9,378
Jackson Memorial Hospital	10,147
Wheatland Mental Health Center	1,013
Total Oklahoma:	20,537
Oregon	
Blue Mountain Hospital	5,159
Harney District Hospital	1,051
Mountain View Hospital	136
=	6,346
Total Oregon: South Dakota	0,340
Avera Queen of Peace Hospital	11,219
Bowdle Hospital	303
Eureka Community Health Services/Avera Health	173
Flandreau Municipal Hospital/Avera Health	4,223
Hand County Memorial Hospital/Avera Health	256
Marshall County Healthcare Center/Avera Health	309
Total South Dakota:	16,483

Table 5.2

		Funding
Health Care Provider Name		Commitment (\$)
	_	
Tennessee		
Hancock County Mental Health Center		7,396
Johnson County Counseling Center		1,297
Nolachuckey-Holston Area Mental Health	Center	1,297
Т	otal Tennessee:	9,991
Texas		
Central Plains Center For MHMR and Subs	stance Abuse	538
Childress Industries		1,425
Early Childhood Intervention		559
Haven		559
Lake Country Connections Clubhouse		1,422
Opportunity Ranch Clubhouse		1,349
Psychiatric Rehabilitation Services		559
Reed Adolescent Center		559
Regional Youth Associates		559
Tommy Lewis Industries		559
Vernon Industries		1,349
Young Co MHC		1,422
Young Co Training Center		1,422
	Total Texas:	12,279
Utah		
Milford Valley Memorial Hospital		29,535
	Total Utah:	29,535
Vermont		
Concord Health Clinic		736
Copley Hospital		1,551
Fletcher Allen Health Care Porter Hospit	al	1,502
	Total Vermont:	3,790

Table 5.2

	Funding
Health Care Provider Name	Commitment (\$)
Virginia	
Blackstone Family Practice Center	9,980
Lee County Counseling Center	12,963
Lee County Mental Health Clinic	15,805
Total Virginia:	38,748
Washington	
Columbia County Hosp. Dist Dayton General Hospital	2,348
Deer Park Hospital	156
Evergreen Counseling Center	531
Ferry County Public Hospital District #1	1,256
Garfield County Public Hospital District #1	919
LCPHD #1 dba Odessa Memorial Hospital	820
Morton General Hospital	557
Othello Community Hospital	1,765
Pullman Memorial Hospital	1,458
St. Joseph's Hospital	232
Tri-State Memorial Hospital	1,514
Total Washington:	11,556
West Virginia	
EA Hawse Health Center, Inc.	367
Lincoln County Primary Care Center	1,219
Oceana Medical Center	109
Raleigh Boone Medical Center	112
Total West Virginia:	1,808
Wyoming	
Crook County Medical Services District	1,023
Total Wyoming:	1,023

Table 5.2

Rural Health Care Funding Commitments Funding Period: January 1, 1998 through June 30, 1999 Funds Committed through November 12, 1999

		Funding
Health Care Provider Name		Commitment (\$)
	_	
	Grand Total:	1,281,175

Source: Universal Serivce Administrative Company data.

Table 5.3
Rural Health Care Funding Commitments, by Type of Service Provider
Fund Period: January 1, 1998 through June 30, 1999
Commitments as of January 10, 2000

		Health Care	Funds
Health Care Provider Type		Providers	Committed
	_		
Not-for-profit Hospital		167	\$909,918
Rural Health Clinic		97	671,692
Community Mental Health Center		47	297,513
Community or Migrant Health Center		25	79,030
Post-secondary Educational Institution		8	42,523
Local Health Department or Agency		4	17,307
	Totals	348	2,017,983

Note:

The number of health care providers and total funding commitments in this table do not equal the number of health care providers and total funding commitments in Tables 5.1 and 5.2 because additional funding commitment letters were issued after the data for those tables were generated.

Source: Universal Service Administrative Company data.

Table 5.4

RHCD Committed Funds by Service Type - Funding Year 1998 Rural Health Care Fund Commitments, by Type of Service Fund Period: January 1, 1998 through June 30, 1999 Commitments as of January 10, 2000

	Health Care	
Service Type	Providers	Committed Funds
T1 - 1.544 Mbps	185	\$1,382,895
Frame Relay - 56 Kbps	39	54,621
ISDN BRI - 128 Kbps	37	48,395
DDS - 56 Kbps	24	55,581
Frame Relay - 128 Kbps	16	207,063
Frame Relay - 1.544 Mbps	11	64,319
NRS - T1	8	13,354
Frame Relay - 768 Kbps	7	52,812
Fractional T1 - 384 Kbps	7	44,206
ISDN PRI - 1.544 Mbps	3	9,848
Satellite - 128 Kbps	2	55,171
Frame Relay - 64 Kbps	2	9,664
Switchnet 56K	2	1,941
Dedicated Analog Line - 4 wire (UGPA)	2	1,475
Synchronet - 56 Kbps	2	1,380
Business Line(s)	1	4,923
Dedicated Line - 56 Kbps	1	4,420
ATM - 1.544 Mbps	1	1,344
Frame Relay - 384 Kbps	1	1,167
Off Premises Extension	1	1,013
Foreign Exchange	1	988
T1 Selectdata	1	538
Direct Inward Dial	1	531
Internet Toll Charges	1	247
DDS - 64 Kbps	1	86
Totals	357	2,017,983

Note:

The number of health care providers and total funding commitments in this table do not equal the number of health care providers and total funding commitments in Tables 5.1 and 5.2 because additional funding commitment letters were issued after the data for those tables were generated. The number of health care providers in this table does not equal the number of health care providers in Table 5.3 because some health care providers received support for two types of service.

Source: Universal Service Administrative Company data.