

Background

The Rural Health Care program supports health care providers serving rural communities by funding telecommunications services necessary for the provision of health care. Congress mandated in 1996 that the Federal Communications Commission (FCC) use the Universal Service Fund (USF) to provide support to telephone companies that serve eligible rural health care providers. Congress also directed the FCC to enhance access to advanced telecommunications and information services for these health care providers. Here are some frequently asked questions about the Rural Health Care program.

What Benefits Are Available Under the Rural Health Care Program?

- Public and non-profit health care providers in rural areas can receive discounts on installation and monthly charges for telecommunications and Internet access service used for the provision of health care by using one of two methods: a mileage-based calculation, or a calculation of the “urban rate” to receive support equal to the difference between what they pay and what they would pay if they were receiving the service in any city in their state with a population of 50,000 or more.
- Rural health care providers are using discounts from this program to provide patient services such as transmitting x-rays from remote to urban areas to be read by medical specialists.

How Does the Rural Health Care Program Work?

The rural health care provider must submit a form requesting services to the Universal Service Administrative Company (USAC). Once the form is approved, it is posted on USAC's website seeking bids from telecommunications companies interested in providing the requested services.

How Does the Rural Health Care Program Work? (cont'd.)

After the rural health care provider selects a provider from qualified bidders and USAC has approved the funding request, the services may begin. Support from the USF is then used to help pay for eligible services provided to the rural health care provider.

Who Pays for the 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

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Who Pays for the Rural Health Care Program? (cont'd.)

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).

What Entities Are Eligible?

- 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.

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

Yes. You can visit USAC's website to determine Rural Health Care funding specific to your state. Go to www.rhc.universalservice.org and follow the prompts to "Funding Commitments."

FCC Rural Health Care Pilot Program

In September 2006, the FCC initiated a Pilot Program to help support the creation of a nationwide broadband network dedicated to health care, connecting public and private non-profit health care providers in rural and urban locations.

In November 2007, the Commission selected 69 participants for the Pilot Program, representing 42 states and 3 U.S. territories. These participants are eligible for funding to support up to 85 percent of costs associated with deploying dedicated broadband networks connecting health care providers in rural and urban areas within a state or region, and with the advanced telecommunications and information services provided over those networks. In addition, participants will be eligible for funding to support up to 85 percent of the costs of connecting to Internet2 or National LambdaRail, dedicated nationwide backbone networks, as well as the public Internet. Total funding for the 69 selected participants is approximately \$417 million over three years (or \$139 million per year). Participation in the Pilot Program is limited to the 69 participants selected in November 2007.

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For More Information

To learn more about the Pilot Program, visit our Rural Health Care Pilot Program website at www.fcc.gov/cgb/rural/rhcp.html. For information about other telecommunications issues, visit the FCC's Consumer & Governmental Affairs Bureau website at www.fcc.gov/consumer-governmental-affairs-bureau, or contact the FCC's Consumer Center by calling 1-888-CALL-FCC (1-888-225-5322) voice or 1-888-TELL-FCC (1-888-835-5322) TTY; faxing 1-866-418-0232; or writing to:

Federal Communications Commission
Consumer & Governmental Affairs Bureau
Consumer Inquiries and Complaints Division
445 12th Street, SW
Washington, D.C. 20554.

You can also view guides 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/universal-service-program-rural-health-care-providers

www.fcc.gov/guides/promoting-telephone-subscribership-indian-country.

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