

RHC Program Changes at a Glance – August 2019

On August 20, 2019, the Federal Communications Commission released a Report and Order reforming the Rural Health Care (RHC) Program to promote transparency and predictability, and further the efficient allocation of limited program resources while guarding against waste, fraud, and abuse. Read the Report and Order in its entirety [here](#).

The Report and Order does not affect any Funding Year (FY) 2019 applications. The table below provides a summary of the major changes to the RHC Program and when they will be implemented. While this table captures the major changes, we recommend reading the Report and Order in its entirety. As new features and changes are introduced, the RHC Program team will communicate those to all account holders and provide training. While there are many changes, the general structure of the RHC Program is staying the same: there are still two subprograms (the Healthcare Connect Fund (HCF) Program and the Telecom Program), and applicants are still required to seek eligibility, submit requests for funding, requests for services, and invoicing forms.

Topic	Program	Current Rule/ Procedure	FY2020	FY2021
Proration	Both	All eligible requests are reduced by the same percentage when funding requests submitted during an application filing window exceed the amount of available funds.	USAC will prioritize funding based on rurality tiers and those areas in a Medically Underserved Area/Population (MUA/P) where demand exceeds available funding.	USAC will prioritize funding based on rurality tiers and those areas in a Medically Underserved Area/Population (MUA/P) where demand exceeds available funding.
Consortia Majority Rural Rule	HCF Program	Consortia have three years to ensure more than 50% of sites are in a rural area.	Every consortia in the program must consist of more than 50% rural sites. Three-year grace period eliminated.	Every consortia in the program must consist of more than 50% rural sites. Three-year grace period eliminated.
Competitive Bidding	Telecom	Only exemption from competitive bidding is for evergreen contracts.	Telecom Program applicants can use every competitive bidding exemption applicable to the HCF Program, except 10k exemption.	Telecom Program applicants can use every competitive bidding exemption applicable to the HCF Program, except 10k exemption.
Competitive Bidding	Both	Health care providers (HCPs) may start the competitive bidding process six months before the beginning of funding year (January 1)	No change.	HCPs may start the competitive bidding process one year before the beginning of the funding year (those applying for funding in FY2021 can begin the competitive bidding process on July 1, 2020).
Bid Evaluation	Both	No rules about including minimum services needs or disqualification factors as part of an HCP's request for services.	HCPs must include details about minimum services needs and disqualification factors with their request for services.	HCPs must include details about minimum services needs and disqualification factors with their request for services.
Application Filing Window	Both	Application filing window end date not defined by rules.	No change.	Application filing window must close 90 days prior to the start of the applicable funding year.
Rural and Urban Rates	Telecom	HCPs provide the urban and rural rates.	No change.	HCPs must use the rural and urban rates listed in USAC's database.
Gift Rule	Both	No defined rule.	Codifies gift rules similar to those under the E-Rate Program.	Codifies gift rules similar to those under the E-Rate Program.

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Declaration of Assistance	Both	HCPs do not have to describe the nature of the relationship they have with a consultant, vendor, or outside expert who aids them in the preparation of their application.	HCPs now have to describe the nature of the relationship they have with a consultant, vendor, or outside expert who aids them in the preparation of their application.	HCPs now have to describe the nature of the relationship they have with a consultant, vendor, or outside expert who aids them in the preparation of their application.
Limitation of Support for Satellites Services	Telecom	Allows rural HCPs to receive discounts for satellite services.	Eliminated.	Eliminated.
Distance-Based Support	Telecom	Allows rural HCPs to obtain support for charges based on distance.	Eliminated.	Eliminated.
Consultant Registration Process	Both	No process for registering consultants.	Once the HCP provides the consultant's or outside expert's contact information to USAC, USAC will issue a registration number to the consultant or outside expert linked to the HCP's organization.	Once the HCP provides the consultant's or outside expert's contact information to USAC, USAC will issue a registration number to the consultant or outside expert linked to the HCP's organization.
SPIN Changes	Both	No rules detailing SPIN change procedures.	SPIN change procedures codified for the RHC Program. SPIN changes must be requested by the service delivery deadline.	SPIN change procedures formalized under both program. SPIN changes must be requested by the service delivery deadline.
Service Delivery Deadline	Both	The service delivery deadline for recurring and non-recurring services is the funding end date, no later than June 30, as indicated on an applicant's funding commitment letter (FCL).	Service delivery deadline is June 30 of the funding year for which the program support is sought. Applicants can receive a one-year extension of the deadline for non-recurring services if they meet certain criteria.	Service delivery deadline is June 30 of the funding year for which the program support is sought. Applicants can receive a one-year extension of the deadline for non-recurring services if they meet certain criteria.
Site & Service Substitutions	Telecom	Not allowed.	Allowed. HCPs under both programs are required to submit all site and service substitution requests by the applicable service delivery deadline.	Allowed. HCPs under both programs are required to submit all site and service substitution requests by the applicable service delivery deadline.
Invoicing Deadline	Both	HCF Program invoicing deadline is six (180 days) months after the end date of the funding commitment. There is no defined invoicing deadline in the Telecom Program.	Invoicing deadline is four months (120 days) from the service delivery deadline or the date of a revised funding commitment letter (FCL) approving a post-commitment request or a successful appeal of a previously denied or reduced funding request, whichever comes later.	Invoicing deadline is four months (120 days) from the service delivery deadline or the date of a revised funding commitment letter (FCL) approving a post-commitment request or a successful appeal of a previously denied or reduced funding request, whichever comes later.

