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Grants Available for Telehealth and Telemedicine from the FCC

The FCC has announced a two-year pilot program that would fund up to 85% of the costs for the design, construction and use of dedicated broadband networks in order to expand the availability and use of telehealth and telemedicine, particularly in rural areas. Unlike existing rural health subsidy programs, this new program specifically contemplates that major urban health centers would be eligible to participate and receive funding if they include rural health care providers in the network. The benefit for urban hospitals is that they can use the funds to establish direct broadband links with rural providers, thus expanding their reach, while also improving their own telecommunications infrastructure and connecting with other networks and research institutions.

The program makes approximately \$55–60 million available for each of the two years of the pilot program. The funds come from the existing Rural Health Care Fund, which is part of the federal universal service program. Public and nonprofit health care providers, such as not-for-profit hospitals, may apply for the funds. For-profit health care providers can be part of the network, but they must pay their costs to connect.

More complete information on the application requirements is set forth below but the FCC will look primarily at two criteria:

1. to what extent does the proposed network include rural health care providers; and
2. what is the business plan for eventually making the network self-sustaining.

Thus, the key to a successful application is to pull together as many health care providers—both urban and rural—as possible in order to create regional networks. In this way, urban centers can expand their footprint into rural areas and the rural providers will gain access, via telemedicine, to the sophisticated practices and programs that urban centers provide. The program will also fund high-speed

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connections to the Internet2, a national broadband network dedicated to universities and research institutions, such as the NIH.

Applications for the initial, first-year round of funding will be due sometime in the next couple of months. Applications can also be submitted later for the second year of funding. If accepted into the program by the FCC, the applicant will follow the standard procedures for funding from FCC universal service programs.

The funding application must:

- identify the organization that will be legally and financially responsible for the conduct of activities supported by the fund;
- identify the goals and objectives of the proposed network (we believe that a proposal that connects multiple rural health care providers over a state or region and describes the types of telemedicine/telehealth services and benefits that can be provided over the network will have a better chance of being accepted);
- estimate the network's total costs for each year;
- describe how for-profit network participants will pay their fair share of the network costs;
- identify the source of financial support and anticipated revenues that will pay for costs not covered by the fund (this could come from increased patient referrals from the rural to urban centers or other fees associated with the provision of telemedicine/telehealth services; also additional funding might be available from state or other grant programs);
- list the health care facilities that will be included in the network;
- provide the address, zip code, rural urban commuting area (RUCA) code and phone number for each health care facility participating in the network;
- indicate previous experience in developing and managing telemedicine programs;
- provide a project management plan outlining the project's leadership and management structure, as well as its work plan, schedule and budget;
- indicate how the telemedicine program will be coordinated throughout the state or region; and

- indicate to what extent the network can be self-sustaining once established.

We can assist in both the formulation of the application and in shepherding an application through the FCC as well as complying with funding procedures once the application is accepted. We have strong relationships with the FCC as well as the entity that oversees program funding, the Universal Service Administration Corporation.

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To learn more about this program, please contact:

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