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For Immediate Release

**CHAIRMAN PAI PROPOSES SIGNIFICANT FUNDING INCREASE
FOR RURAL HEALTH CARE PROGRAM**

*Order Would Take Immediate Action to Address Funding Shortfall
and Improve Telemedicine in Rural Areas*

WASHINGTON, June 6, 2018—Federal Communications Commission Chairman Ajit Pai announced today that he has circulated a draft order to his colleagues that would take immediate action to significantly increase funding for the Universal Service Fund’s Rural Health Care Program.

The program’s current annual funding cap is \$400 million. The cap was set in 1997 and was never indexed for inflation. Recently, demand for funding under the program has outpaced the budget, creating uncertainty for patients, health care providers, and communications companies alike.

The Chairman’s order would increase the annual cap to \$571 million. This increase represents what the funding level would be today had the cap established in 1997 included an inflation adjustment. The order would apply the increased cap to the current funding year to immediately address a critical funding crisis and enable rural health care providers to continue offering telemedicine services. The order would also give these providers long-term certainty about universal service funding by adjusting the cap annually for inflation and allowing unused funds from prior years to be carried forward to future years.

Chairman Pai released the following statement regarding his plan:

“As the son of two doctors in rural Kansas, and having visited telemedicine projects from Alaska to Florida, I understand the critical role that broadband plays in giving patients in rural areas high-quality health care services. That’s why I’m pleased to announce my plan to increase funding for the FCC’s Rural Health Care Program by \$171 million. This money will help health care providers get the connectivity they need to better serve patients throughout rural America. Demand for funding has been outpacing the program’s funding cap, so I also believe that the increased cap should apply to the current funding year so that rural health care providers can be fully reimbursed. This is an important step to allow these providers to continue offering critical telemedicine services in their rural communities. Health care has become increasingly reliant on connectivity over the past two decades, and this proposal reflects the need to keep pace with this evolution. I hope my colleagues will support my plan without delay.”

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).