

Media Contact:

Katie Gorscak, (202) 418-2156
katie.gorscak@fcc.gov

For Immediate Release

FCC STRENGTHENS RURAL HEALTH CARE PROGRAM

Increases Transparency, Predictability, and Efficiency of RHC Program Funding Decisions

WASHINGTON, August 1, 2019—The Federal Communications Commission today took action to promote telehealth in rural America through reforms to the Rural Health Care Program that ensure limited program funds are disbursed efficiently and equitably, promote transparency and predictability in the program’s administration, and strengthen safeguards against waste, fraud, and abuse.

The RHC Program has long supported vital telehealth services and helps rural communities overcome obstacles to accessing healthcare. Today’s action takes a number of steps to reform the distribution of RHC funding, in particular by revising the rules governing the Telecom Program to simplify calculation of the urban rate—the amount health care providers pay—and the rural rate—the amount that service providers receive. In addition, the Report and Order outlines a number of program reforms to:

- Target funding to rural areas in the most need of health care services and ensure that, when demand exceeds available funding, eligible rural health care providers continue to benefit from RHC Program funding by prioritizing support based on rurality and whether the area is medically underserved.
- Reform competitive bidding in the RHC Program to make it a more productive mechanism for health care providers to identify and select cost-effective service offerings available to them in rural areas; and
- Adopt a series of Program-wide rules and procedures to simplify the application process for program participants and provide more clarity regarding the RHC Program procedures.

For Americans living in rural and isolated areas, doctor shortages and hospital closures are endemic, and obtaining access to high-quality healthcare remains a constant challenge. Broadband connectivity has the potential to address such barriers to care by delivering telehealth services and access to cutting-edge healthcare treatments.

As the demand for telemedicine has increased, the RHC Program has witnessed a dramatic increase in health care provider participation, which in turn has put extreme demands on limited Program funding. In June 2018, the FCC increased the annual cap on program spending by nearly 43 percent, to \$571 million, reversing across-the-board spending cuts

imposed by the old cap. This Report and Order, in turn, provides for the Program's \$150 million cap on multi-year and upfront payment requests to be adjusted annually for inflation.

Additionally, the Report and Order includes several measures to ease the burden on applicants while establishing consistency between the RHC Programs, including providing additional time for the competitive bidding process, establishing a more efficient application filing window, and creating mechanisms for USAC to address deadline extension requests for invoicing and service delivery. These actions will provide applicants with greater certainty throughout the application process and facilitate smoother and swifter funding decisions.

Action by the Commission August 1, 2019 by Report and Order (FCC 19-78). Chairman Pai, Commissioners O'Rielly and Carr approving. Commissioners Rosenworcel and Starks approving in part and dissenting in part. Chairman Pai, Commissioners O'Rielly, Carr, Rosenworcel, and Starks issuing separate statements.

WC Docket No. 17-310

###

Media Relations: (202) 418-0500 / ASL: (844) 432-2275 / TTY: (888) 835-5322 / Twitter: @FCC / www.fcc.gov

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).