NEWS FROM THE FEDERAL COMMUNICATIONS COMMISSION

FCC Proposed Efficiency Reforms to the Rural Health Care Program

Improvements Will Reduce Costs and Administrative Burdens on Program Participants While Streamlining Funding Processes

WASHINGTON, August 6, 2026—Today, the Federal Communications Commission proposed reforms to improve the efficiency and effectiveness of its Rural Health Care Program. The proposed reforms would cut red tape, reduce administrative burdens on program participants, and ensure that limited program funding reaches the rural hospitals and clinics that need it most, given increased program participation and service costs.

Through the Universal Service Fund, the RHC Program helps rural health care providers obtain telecommunications and broadband services at discounted rates. This support facilitates the delivery of services to rural areas across the country, including some of the most remote areas in the nation, thereby effectively bridging the gap between rural patients and the critical care and expertise they need. These services are essential to the health and well-being of innumerable patients.

The RHC Program provides universal service support through two programs: the Telecommunications Program and the Healthcare Connect Fund Program. The Telecommunications Program subsidizes the difference between the rates for telecommunications services in the health care provider's rural area and rates for comparable urban service. To receive RHC Program funding support, an applicant must be an eligible health care provider requesting an eligible service. Eligible health care providers seeking program support must select the most cost-effective eligible service offering through a fair and open competitive bidding process.

With this Third Further Notice of Proposed Rulemaking, the Commission is seeking comment on defining the scope of "similar services" and "comparable rural areas" for purposes of determining rural rates in the Telecommunications Program; measures to lessen the burdens resulting from the cost study option of determining rural rates and the associated evidentiary requirements proposed previously; ways to encourage the use of lower-cost back-up services; and establishing an eligible services list for the RHC Program, modeled in part on the E-Rate program's eligible services list.

The Commission began the current series of program reforms in 2019, and since then has adopted numerous improvements that have expanded program participation and promoted program efficiency and effectiveness. Through today's actions, the Commission continues on that course by focusing on ways to reduce administrative burdens and costs on RHC Program participants while also examining how best to administer limited funding given increased program participation and service costs. The Order portion of today's action permits the use of previously approved rural rates for funding year 2027 that would otherwise require approval of a cost-based justification.

Action by the Commission August 6, 2026 by Third Further Notice of Proposed Rulemaking and Order (FCC 26-54). Chairman Carr, Commissioners Gomez and Trusty approving. Chairman Carr and Commissioner Trusty issuing separate statements.

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