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# TECHNOLOGY MARATHON

Telehealth – Broadband Funding for Healthcare Providers

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May 24, 2022 | 01:00-2:00 PM ET

# Presenters



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# AGENDA

- **Universal Service Fund Overview**
- **Rural Health Care (RHC) Program**
- **Obtaining RHC Program Funding**
- **Constituent Programs of the RHC Program:**
  - Telecommunications Program
  - Healthcare Connect Fund Program
- **Avoiding Pitfalls**
- **Case Studies – Consortia & Networks**
- **Concluding Remarks**

# Significant Federal Funds are Available to Promote Broadband For Different Policy Purposes Including Healthcare

- The **Universal Service Fund (USF)** provides approximately **\$12 billion** in funding to support universal access to communications services through four programs that support:
  - Schools and libraries
  - Low income consumers
  - Construction in high cost areas
  - Rural health care
- The **Universal Service Administrative Company (USAC)**, under the oversight of the Federal Communications Commission (FCC), collects fees from telecommunications providers and distributes program funding

# Rural Health Care Program

- The **Rural Health Care (RHC) Program** makes **over \$600 million** in USF funding available annually to health care providers, telecom carriers, and broadband network providers through the following programs:
  - The **Telecommunications (Telecom) Program** provides funding for telecommunications services
  - The **Healthcare Connect Fund (HCF) Program** provides funding for broadband services and associated equipment, as well as the construction and buildout of broadband networks and network management services
- Services funded in the RHC Program must be **necessary for the provision of health care services or instruction**

# RHC Program – Who is Eligible for Funding?

- Eligible entities are **public or non-profit health care providers** in one of the following categories:
  - Post-secondary educational institution offering health care instruction
  - Not-for-profit hospital
  - Community health center or health center providing health care to migrants
  - Local health department or agency
  - Community mental health center
  - Rural health clinic
  - Skilled nursing facility

# RHC Program – How to Obtain Funding

- **Application Process**

- The health care provider **certifies eligibility** for funding
- The health care provider publicly posts a **request for services** to initiate **competitive bidding**
- Carriers and broadband providers **submit bids** for the requested services
- The health care provider **evaluates all bids** received and selects a carrier or broadband provider
- The health care provider submits a **funding request** to USAC
- The health care provider receives a **funding commitment letter** from USAC approving funding
- The carrier or broadband provider begins **invoicing** USAC

# RHC Program – How to Obtain Funding

- **USAC's Review**

- The FCC has designated specific **program forms** health care providers must submit each step in the application process
- In addition to the designated forms, health care providers must submit **supporting documentation** to allow USAC to validate the information provided in their forms and verify compliance with program rules
- If USAC requires additional information and/or documentation for its review, it will issue an **information request**
  - The request may be directed to the health care provider, its service provider, or both
  - Compliance reviews may occur before or after funding is approved, including during an audit or review of an appeal



# RHC Program – Telecommunications Program

- The Telecom Program provides funding to **rural health care providers** for **telecommunications services**:
  - Data transmission
  - Voice products and services
- The program subsidizes the **difference between the urban and rural rates** for eligible telecommunications services

# RHC Program – Healthcare Connect Fund Program

- The Health Care Connect Fund Program provides a **65% discount** on broadband costs for:
  - **Individual** rural health care providers, and
  - **Consortia** of two or more health care providers that include at least one rural health care provider
- Expenses eligible for support include:
  - **Broadband services, equipment, and installation;** and
  - CONSORTIA ONLY: **network construction** and **network management services.**

# RHC Program – Healthcare Connect Fund Program

- **Benefits of the consortium model:**
  - Administrative cost savings & financial resources
  - Bulk buying capability
  - Efficiency of network design
  - Leadership of consortia
  - Sources of technical expertise
  - Access to medical specialists

# RHC Program – Avoiding Pitfalls: Health Care Providers

- Health care providers should avoid **potential pitfalls** in the following areas:
  - **Competitive bidding** must be fair and open and in accordance with program rules
  - **Consultants** should be thoroughly vetted
  - **Cost-allocation** is required for any ineligible expenses
  - **Service agreements** should account for any desired modifications or extensions and comply with program rules
  - **Document retention & production** is required for a period of 5 years

# RHC Program – Avoiding Pitfalls: Carriers and Broadband Providers

- Carriers and broadband providers should avoid **potential pitfalls** in the following areas:
  - **Competitive bidding** must be fair and open
  - **Channel partners** should be thoroughly vetted
  - **Invoices** should be accurate and non-duplicative
  - **Service agreements** should protect the carrier or broadband provider and comply with program rules
  - **Document retention & production** is required for a period of 5 years

# RHC Program – Consortia & Networks: Case Study 1

- **NORTH CAROLINA TELEHEALTH NETWORK (NCTN)**

- Consortium of North Carolina health departments, community health centers, free clinics, and nonprofit hospitals that participates in the RHC Program.
- In 2020 NCTN reported utilizing **over \$3.5 million** in HCF Program funding for its health care provider members.
- Network access allows providers to utilize electronic health records, lab results, imaging, telehealth solutions, and high-definition medical education
- The network also connects public health departments across North Carolina that use the bandwidth for communicable disease tracking, syndromic surveillance, and environmental health reporting.

# RHC Program – Consortia & Networks: Case Study 1

- **NORTH CAROLINA TELEHEALTH NETWORK**

- **Daymark Recovery Services (DRS)** is a nonprofit provider of outpatient and residential psychiatric services supporting approximately 250,000 patients in 50 counties throughout North Carolina
- Relies on network-based technology solutions to provide high quality, accessible care, including **direct messaging** to allow healthcare professionals to securely share patient records in real time and **ICARE technology**, which allows physical health information to come to its providers through their normal workflow
- These systems rely on connectivity for the data transmissions to and from DRS' many clinical sites, data and administrative centers and vendor sites; when data traffic slows down or stops so do clinical operations.

# RHC Program – Consortia & Networks: Case Study 2

- **WAKE FOREST BAPTIST TELESTROKE NETWORK**

- **Vidant Health System (Vidant)** is a nonprofit hospital system serving approximately 1.5 million patients throughout North Carolina, many of whom reside in the “belt buckle” of the nation’s stroke belt
- Network specialists use carts and leading-edge telemedicine robots to consult remotely with Vidant’s ER doctors
- Over **2,200 consultations** have been conducted with the Telestroke Network
- Reliable high performing network is a matter of life and death; if the network goes down, the image transfers and consultation stops, slowing and degrading the quality of care



# RHC Program – Consortia & Networks: Case Study 3

- **HEARTLAND UNIFIED BROADBAND NETWORK (HUBNet)**

- In South Dakota, HUBNet estimated that implementation of e-ICU services with assistance from the Rural Health Care Program saved eight hospitals in its network a total of **\$1.2 million** in transfer expenses over a 30-month period.
- This estimate did not include the additional savings due to avoiding provision of care at the urban site, nor did it take into account the revenue that otherwise would have been lost by the rural site, or the savings by patients' families, who avoided travel to urban locations.
- **Avera Milbank Hospital**, a rural critical access hospital in the network, reported that its use of telemedicine enabled it to provide **\$24,456** in services locally that would otherwise have been provided elsewhere, including specialist order services such as bone scans, ultrasounds, X-rays, CT studies, and various lab tests

# RHC Program – Consortia & Networks: Case Study 4

- **UNIVERSITY OF VIRGINIA (UVA)**

- Established a telemedicine network for rural health care providers with support from the Telecommunications Program
- UVA's tele-OB/GYN program reduced the rate of premature births among high-risk mothers in rural areas by **25 percent**, thus saving both short and long-term health care costs associated with premature births

# A Nationwide Focus on Connectivity

- The **Infrastructure Investment & Jobs Act** provides for an unprecedented **\$65 billion** in funding for broadband deployment, including:
  - **\$2 billion** in funding for grants and loans for broadband deployment in rural areas in the existing ReConnect Program administered by USDA
  - **\$2 billion** in funding for deployment, affordability programs, distance learning, telehealth, digital inclusion and adoption efforts in the existing Tribal Broadband Connectivity Grant Program administered by NTIA
- Many states have their own **state universal service funds**, with budget and administration independent of the federal USF fund.

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Catherine Wang's practice focuses on telecommunications regulatory issues, including M&A and financing transactions, technology policy, and licensing. She practices before the Federal Communications Commission (FCC), State Public Utility Commissions (PUCs), Congress, the Commerce Department, and many foreign regulatory agencies. Catherine counsels on strategic regulatory and compliance issues relevant to equipment manufacturers and wireless, broadband, international, long distance, and local service providers. She assists clients through advocacy in rulemakings, agency enforcements, and other administrative proceedings before regulatory agencies.



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Kimberly Morning advises clients on the Universal Service Fund (USF), including the E-Rate, Rural Health Care, High Cost and Lifeline programs as well as USF contributions. She assists clients with avoiding USF compliance issues, advocates for policy changes and improvements before the Universal Service Administrative Company (USAC) and the Federal Communications Commission (FCC), and defends companies against audits and investigations. Prior to joining Morgan Lewis, Kim was the acting vice president and general counsel of USAC.



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Tanya Tiwari advises clients on regulatory and compliance matters related to the Universal Service Fund (USF), including the USF programs and contributions. She also assists with bankruptcy and transactional matters and advocates policy before the Federal Communications Commission (FCC). Prior to joining Morgan Lewis, Tanya was an associate general counsel at the Universal Service Administrative Company (USAC), where she served as the lead attorney supporting the Rural Health Care Program and worked on corporate governance and procurement matters.

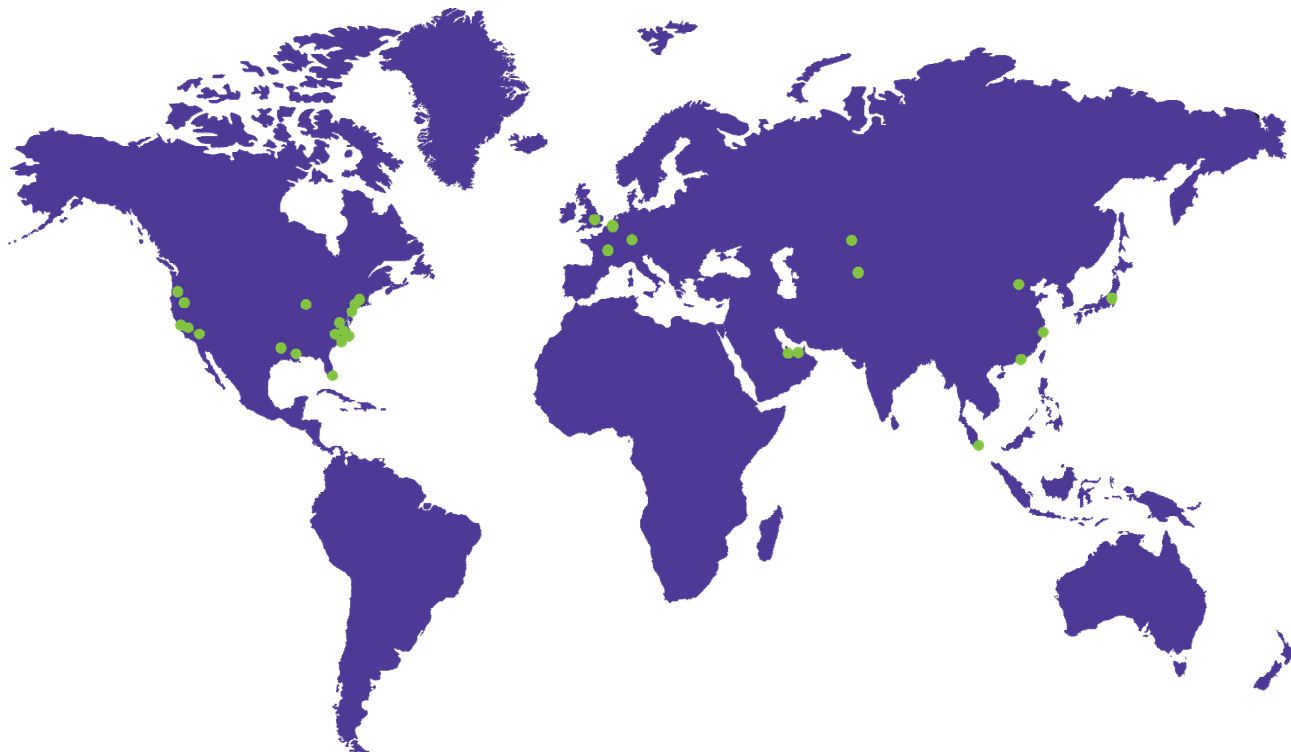


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