Consortium Overview

On Dec. 12, 2012 the Federal Communications Commission (FCC) created the Healthcare Connect Fund (HCF) to expand access by health care providers to robust broadband networks. The program is administered by the Universal Service Administrative Co. (USAC).

Key Features of Healthcare Connect Fund
- Supports broadband connectivity and broadband networks for health care providers (HCPs)
- Encourages use of a consortium to save costs and expand access to health care resources
- Provides 65% discount on broadband services, equipment, connections to research and education networks, HCP-constructed and owned facilities if shown to be the most cost-effective option

Who is eligible to participate?
- Public or not-for-profit hospitals, rural health clinics, community health centers, health centers serving migrants, community mental health centers, local health departments or agencies, post-secondary educational institutions/teaching hospitals/medical schools, skilled nursing facility or a consortia of the above
- Non-rural HCPs may participate in HCF if they belong to a consortium that has a majority of members that are rural HCPs
- The largest HCPs (400+ patient beds) are eligible, but support is capped if non-rural

KHERF’s Involvement in Broadband
As part of the Regional Extension Center grant activity, the Kansas Hospital Education and Research Foundation did a study to assist in establishing the broadband needs of Kansas hospitals and identifying potential options to fulfill those needs.

It was concluded that a consortium should be created to develop a private, managed network for health care and apply for the funds available as part of the HCF. The consortium structure was approved by USAC, but after much work, we determined it was too complicated to develop a private network given the resources available.

As the HCF has unfolded, we have learned that several groups are creating consortiums and applying for funds together, but not building their own networks.

There are significant benefits to using a consortium approach rather than each hospital applying on its own:
- A consortium may receive a funding commitment for three years. Individual applicants have to be approved annually.
- Additional funds become available for costs like construction that are not available to individual applicants.
- Urban hospitals are allowed to access the 65% discount if they are part of the consortium. They are not able to access the discounts as an individual applicant.
KHERF believes the need for bandwidth in health care will continue to increase. In addition, many hospitals are struggling to find adequate access at affordable rates and don’t have the expertise needed to process the paperwork required to access subsidies through the HCF.

KHERF has decided to move forward with a consortium to access subsidies, but not build a private network at this time. We have retained the Federal Funding Group, a consulting firm based out of Evergreen, Colorado, with deep expertise in the HCF to assist our efforts.

For members of the consortium, FFG will assist each hospital by
- Performing an analysis to determine broadband needs
- Developing and posting a Request for Proposal for services
- Assisting in reviewing RFP responses
- Assisting with contract negotiation and
- Filing all necessary paperwork for subsidy on behalf of hospitals
- Filing paperwork necessary for service providers to access the 65% subsidy from the HCF

Each member of the consortium will
- Provide necessary information to FFG
- Select a service provider (options exist to use your existing provider)
- Maintain a contract with selected service provider
- On a monthly basis, pay the service provider the 35% of broadband costs as required by the HCF
- On a quarterly basis, pay a service fee to FFG equivalent to 25% of the subsidy attained through participation in the HCF

Below is an overview of the steps required to access subsidies.
- Hospital takes action to participate – submit to KHERF Letter of Agency, Participation Agreement and membership fee (if applicable)
- Hospital provides broadband needs to FFG
- FFG verifies hospital’s eligibility and posts RFP on hospital’s behalf (must be posted for 28 days)
- FFG and hospital evaluate RFP responses
- Hospital signs service agreement with telecommunications provider
- FFG submits application for funding
- Hospital starts receiving subsidy
- Hospital will be invoiced quarterly by FFG for service fees

The HCF distributes funds using a “filing window” approach. The filing window period for FY2019 was March 1 – June 30, 2019. We are now gearing up for the FY2020 window which will open in February 2020.


Informational Webinar – December 4 at noon

Register at [https://registration.kha-net.org/](https://registration.kha-net.org/).

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