Healthcare Connect Fund – Key Features

Level Set

- FCC Universal Services Fund Program administered by USAC
- Currently over $700 million for 2023 and indexed for inflation
- Subsidizes broadband connectivity, infrastructure, maintenance and management
- Provides up to 65% discount on broadband services and infrastructure
- Encourages use of consortium to save costs and share health care resources
Who is Eligible to Participate?

- Public or not-for-profit hospitals
- Rural health clinics
- Community health centers
- Health centers serving migrants
- Mental health providers
- Public health departments, post-secondary educational institutions/teaching hospitals/medical schools, skilled nursing facilities or
- A consortium of the above
- Non-rural HCPs may participate if they belong to a consortium that has a majority rural HCPs
- The largest HCPs (400 + patient beds) are eligible, but support is capped if non-rural

Kansas Hospital Association - FFG Partnership

- FFG (Federal Funding Group)
- Evergreen, Colorado
- USAC Consultants
- Outreach team:
  - Tracy Hines, Kyle Jay, Alarie Clark, Charlie Wick, Rick Lindner and Randy Reznik
Consortium Stats

- 43 Participating Consortium Members
  - 183 locations
- Funding Approved
  - 2017 - $500,873
  - 2018 - $1,776,117
  - 2019 - $2,112,436
  - 2020 - $2,307,653
  - 2021 - $2,793,014

Vendor Stats
Non-Members

- Profile of a non-member
  - Typically in the program and filing annually
  - Using a consultant individually or as consortium
  - Have been in the same model for years
  - Very little engagement with consultant
  - Capture some to all of their circuit expense
  - Miss many categories of eligible spending

USAC Eligible Services

- DATA NETWORKS, WAN, SD-WAN, VPN, MPLS
- INTERNET SERVICES
- ISDN PRI
- EDGE ROUTERS AND SWITCHES
- FIREWALLS AND FIREWALL SERVICES
- EQUIPMENT MAINTENANCE, LICENSE AND WARRANTY
- NETWORK MANAGEMENT, MAINTENANCE, OPERATION SERVICES
- FIBER CONSTRUCTION, ENGINEERING, DESIGN AND MAKE READY COSTS
- OFF SITE DATA CENTERS AND ADMINISTRATIVE SITES
Non-Member Challenge

- Public Data
- Non-public analysis

Volunteer

Run last 5 years data

More than circuits in 2 of last 5 years?

- Yes
  - $200 Gift Certificate
- No
  - Join Consortium

Transition to Consortium

- Flexible – Any way you choose
  - Program allows multiple method filings
  - You may have contracts in place
  - Keep existing consultants in place to maintain historical filings if desired
  - Work with consortium for consortium only, complex filings and all other left over eligible items

Consortium Advantages:
- Consortium Only Eligible Items
- Higher Caps on Infrastructure Projects - $9,100,000 vs $50,000
2023 USAC Application Process Timeline

**USAC APPLICATION TIMELINE**
FUND YEAR (FY) 2023

- **Kick-Off**
- **Client Check Ups**
- **RFP Review, Evaluations, Contracting, Gather Documentation**
- **Funding Requests Submitted to USAC**

**Consortia Request For Proposal (RFP)**
- Comprehensive Consortia RFP includes all sites and all services to best leverage the consortium size to increase competition and drive down costs. This allows vendors to provide consortium-wide pricing.

**Individual RFPs Posted**
- Specific to a client’s project or new sites added

**Review of Proposals Received**
- Evaluation of responses if applicable, review results with client, issue vendor awards, execute agreements, submit the funding request to USAC

**FY23 Application Deadline:**
- March 31, 2023

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**Multi-Year View**

- Application Period For Services to Start On/After July 1, 2023 & Installed by June 30, 2024
- Application Period For Services to Start On/After July 1, 2024 & Installed by June 30, 2025
Member Program Optimization

- Provide a program champion
  - Knowledgeable about IT spend
  - Evaluated on program production of subsidies
- Provide “read only” portal access
  - Ongoing need for invoices
  - Cuts down on your time requirement
  - Access to service records
- Prepare to plan ahead for infrastructure
- Prepare your vendors for infrastructure
  - SPIN numbers
  - Accurate invoicing

Service Fee Example

<table>
<thead>
<tr>
<th>25% of subsidies</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Cost of Circuit</strong></td>
<td>$1,000.00</td>
</tr>
<tr>
<td>HCP pays 35%</td>
<td>$350.00</td>
</tr>
<tr>
<td>USAC pays 65%</td>
<td>$650.00</td>
</tr>
<tr>
<td>HCP pays service fee to FFG (25% of subsidy received that quarter)</td>
<td>$162.50</td>
</tr>
<tr>
<td><strong>Total cost to hospital</strong></td>
<td><strong>$512.50</strong></td>
</tr>
</tbody>
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Next Steps

▪ New Members
  ▪ Execute Membership Packet documents
  ▪ Schedule Onboarding
    ▪ Contacts
    ▪ Sites
    ▪ Eligible services
    ▪ Projects

▪ Existing Members
  ▪ Schedule Annual Checkup
    ▪ Contacts
    ▪ Sites
    ▪ Eligible services
    ▪ Projects

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Project Oversight, Membership Administration
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# USAC Process and Application

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