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**IT Support Services Initiative**

**June 2016**

**Through participation as a consortium in the Rural Health Care Program, the Local Public Health Services Collaborative (LPHSC) can offer LHDs in Ohio, both rural and non-rural, significant cost savings for internet and phone services.**

**PROGRAM OVERVIEW**

The Rural Health Care Program offers reduced rates for telecommunications services and Internet access to eligible healthcare providers. The program has been updated several times by the FCC to encourage greater participation by hospitals and clinics in rural areas. Currently administered by the Universal Service Administrative Company (USAC),the program requires rural healthcare providers to submit

an annual application to receive funding and is capped at $400 million per year.

**HEALTHCARE CONNECT FUND**

Created in December 2012 by the FCC, the Healthcare Connect Fund (HCF) supports wider access to broadband connectivity and broadband networks for rural healthcare providers. All eligible healthcare providers (HCPs) receive a 65% discount on broadband services, equipment, connections to research and education networks, and HCP construction and owned facilities, provided they are shown to be the most cost-effective solution.

**TELECOMMUNICATIONS FUND**

The TelecommunicationsFund, provides discounts for telecom and Internet access services. In this fund,

reimbursement is designed to cover the cost difference between services in an FCC designated rural area versus an urban center. Reimbursement is calculated on a rate comparison or on a per mile cost.

**Healthcare Connect Fund – the Consortium Approach**

A consortium is two or more health care providers (HCPs) that choose to request support as a single entity***. Non-rural eligible HCPs may receive support as part of a consortium consisting of a majority rural HCP sites.*** In addition, ineligible HCP sites also may participate in a consortium and take advantage of lower contract prices often associated with consortia bulk-buying. **The Local Public Health Services Collaborative is organized to serve as this legal entity for Local Health Districts in Ohio.**

**Application Process**

After organizing the consortium, the application process involves determining the eligibility of the consortium and each HCP member requesting services (competitive bidding), submitting funding requests, coordinating with the service provider(s) to submit invoice(s), and submitting annual reports. Members of the applying consortium and the requested services must both be eligible for support. There are two initial criteria a consortium member must meet to be considered eligible:

1. The health care provider (HCP) must be a public or nonprofit entity, and
2. The HCP must be one of the several types of entities, *which explicitly includes local health departments*.

In addition, broadband connections associated with off-site data centers and off-site administrative offices that are used by eligible HCPs for their health care purposes are eligible for funding.

**Rurality**

Both rural and non-rural entities may receive funding in the Healthcare Connect Fund (HCF) Program as members of a consortium, provided that the consortium is comprised of a majority rural (more than 50 percent) sites within three years of the filing date of its first request for funding (FCC Form 462). Find out if an HCP is located in a rural area by using the Rural Health Care (RHC) Program's [Eligible Rural Areas Search Tool](http://usac.org/rhc/telecommunications/tools/Rural/search/search.asp).

**Two important benefits of joining this program through LPHSC:**

* Non-rural eligible LHDs may receive support as part of a consortium consisting of a majority rural LHD sites. In addition, ineligible LHD sites also may participate in a consortium and take advantage of lower contract prices often associated with consortia bulk-buying.
* If a LHD (that qualifies individually for the program) uses a consultant (third party administrator) to assist in their participation in the Rural Health Care Program, the cost to the LHD has been estimated at 23% of their savings.

By comparison, the following price structure is proposed for participation through LPHSC:

* $150 yearly Collaborative participation fee, if LHD is not already a member of LPHSC
* For LHD that individually qualifies as a rural location: 10% of annual savings
* For LHD that individually DOES NOT qualify as rural: 15% of annual savings

**For a rural LHD who is currently paying $300 per month ($3600 per year) for internet service**

**(65% savings = $2340):**

**Through LPHSC:**

* **Not a current member of LPHSC, pay participation fee $150**
* **Pay 10% of annual savings $234**
* **TOTAL COST $384**
* **NET SAVINGS $1956**

**vs. Using a third party administrator:**

* **Annual service charge to TPA of 23% $538**
* **NET SAVINGS $1802**

**For a non-rural LHD who is currently paying $600 per month ($5000 per year) for internet service**

**(65% savings = $3250):**

* **Not a current member of LPHSC, pay participation fee $150**
* **Pay 15% of annual savings $487.50**
* **TOTAL COST $637.50**
* **NET SAVINGS $2612.50**

**vs. Applying as an individual LHD:**

**NOT ELIGIBLE for the program NET SAVINGS ZERO**

**Next Steps:**

**Informational Webinars:**

* The Local Public Health Services Collaborative will hold two informational webinars for AOHC members to learn more about this program**: Thursday, June 9, 1:30 pm and Wednesday, June 15, 9:30 am.**
* **No later than June 26, 2016** – submit a letter of agency and FCC form 460 to the Local Public Health Services Collaborative IN PDF FORMAT at aohc\_1@aohc.net.

**Forms to be Completed – if LHD is interested in participating in the LPHSC application for funding:**

**Letter of Agency**

The letter of agency (LOA) provides written authorization to the project coordinator of a consortium to act on behalf of each participating health care provider (HCP) or health system not owned or operated by the consortium or organization operating the consortium. The LOA should be addressed to the project coordinator for the consortium leader. The template for the LOA is included in this information packet.

**FCC Form 460**

An FCC Form 460 (Eligibility and Registration Form) must be submitted for each member of a consortium, even if that member has been deemed eligible to participate in another component of the Telecommunications Program or Pilot Program. With a [letter of agency](http://usac.org/rhc/healthcare-connect/Consortia/authorizations/loa.aspx) (LOA), the consortium leader will file all program forms on behalf of the member HCPs.

The FCC Form 460 may be submitted at any time during the funding year, and only needs to be filed once to establish an HCP's eligibility. If any HCP information filed on the FCC Form 460 changes, such as the site's physical location, statistical information, or eligible entity type, a new FCC Form 460 must be filed within 30 days.

**IMPORTANT NOTE: In order to be eligible to receive funding through the initial LPHSC bidding process, a LHD must submit their LOA and form 460 by the deadline.  The Letter of Agency and Form 460 will authorize LPHSC to include an LHD in an application for funding, but does not require the LHD to participate in the program once it has been established.  The individual LHD may withdraw from the funding request at any time, if necessary, through the withdrawal of the LOA and Form 460.**