

Federal Communications Commission

§ 54.603

Area,” and “Place” are as identified by the Census Bureau.

(f) *Rural health care provider.* A “rural health care provider” is an eligible health care provider site located in a rural area.

(g) *Urbanized area.* An “urbanized area” is an area with 50,000 or more people as designated by the Census Bureau based on the most recent decennial Census.

§ 54.601 Health care provider eligibility.

(a) *Eligible health care providers.* (1) Only an entity that is either a public or non-profit health care provider, as defined in this subpart, shall be eligible to receive support under this subpart.

(2) Each separate site or location of a health care provider shall be considered an individual health care provider for purposes of calculating and limiting support under this subpart.

(b) *Determination of health care provider eligibility for the Healthcare Connect Fund Program.* Health care providers in the Healthcare Connect Fund Program may certify to the eligibility of particular sites at any time prior to, or concurrently with, filing a request for services to initiate competitive bidding for the site. Applicants who utilize a competitive bidding exemption must provide eligibility information for the site to the Administrator prior to, or concurrently with, filing a request for funding for the site. Health care providers must also notify the Administrator within 30 days of a change in the health care provider’s name, site location, contact information, or eligible entity type.

§ 54.602 Health care support mechanism.

(a) *Telecommunications Program.* Eligible rural health care providers may request support for the difference, if any, between the urban and rural rates for telecommunications services, subject to the provisions and limitations set forth in §§ 54.600 through 54.602 and 54.603 through 54.606. This support is referred to as the “Telecommunications Program.”

(b) *Healthcare Connect Fund Program.* Eligible health care providers may request support for eligible services,

equipment, and infrastructure, subject to the provisions and limitations set forth in §§ 54.600 through 54.602 and 54.607 through 54.618. This support is referred to as the “Healthcare Connect Fund Program.”

(c) *Allocation of discounts.* An eligible health care provider that engages in both eligible and ineligible activities or that collocates with an ineligible entity shall allocate eligible and ineligible activities in order to receive prorated support for the eligible activities only. Health care providers shall choose a method of cost allocation that is based on objective criteria and reasonably reflects the eligible usage of the facilities.

(d) *Health care purposes.* Services for which eligible health care providers receive support from the Telecommunications Program or the Healthcare Connect Fund Program must be reasonably related to the provision of health care services or instruction that the health care provider is legally authorized to provide under the law in the state in which such health care services or instruction are provided.

TELECOMMUNICATIONS PROGRAM

§ 54.603 Consortia, telecommunications services, and existing contracts.

(a) *Consortia.* (1) Under the Telecommunications Program, an eligible health care provider may join a consortium with other eligible health care providers; with schools, libraries, and library consortia eligible under subpart F of this part; and with public sector (governmental) entities to order telecommunications services. With one exception, eligible health care providers participating in consortia with ineligible private sector members shall not be eligible for supported services under this subpart. A consortium may include ineligible private sector entities if such consortium is only receiving services at tariffed rates or at market rates from those providers who do not file tariffs.

(2) For consortia, universal service support under the Telecommunications Program shall apply only to the portion of eligible services used by an eligible health care provider.

(b) *Telecommunications services.* Any telecommunications service that is the subject of a properly completed bona fide request by a rural health care provider shall be eligible for universal service support. Upon submitting a bona fide request to a telecommunications carrier, each eligible rural health care provider is entitled to receive the most cost-effective, commercially-available telecommunications service, and a telecommunications service carrier that is eligible for support under the Telecommunications Program shall provide such service at the urban rate, as defined in § 54.604.

(c) *Existing contracts.* A signed contract for services eligible for Telecommunications Program support pursuant to this subpart between an eligible health care provider, as defined under § 54.600, and a service provider shall be exempt from the competitive bid requirements as set forth in § 54.622(i).

§ 54.604 Determining the urban rate.

(a) *Urban rate.* An applicant shall use the applicable urban rate currently available in the Administrator's database when requesting funding. The "urban rate" shall be the median of all available rates identified by the Administrator for functionally similar services in all urbanized areas of the state where the health care provider is located to the extent that urbanized area falls within the state.

(b) *Database.* The Administrator shall create and maintain on its website a database that lists, by state, the eligible Telecommunications Program services and the related urban rate.

§ 54.605 Determining the rural rate.

(a) *Rural rate.* An applicant shall use the lower of the applicable "rural rate" currently available in the Administrator's database or the rural rate included in the service agreement that the health care provider enters into with the service provider when requesting funding.

(1) For purposes of paragraph (a) of this section, The rural rate will be determined using the following tiers in which a health care provider is located:

(i) *Extremely Rural.* Areas entirely outside of a Core Based Statistical Area.

(ii) *Rural.* Areas within a Core Based Statistical Area that does not have an Urban Area with a population of 25,000 or greater.

(iii) *Less rural.* Areas in a Core Based Statistical Area that contains an Urban Area with a population of 25,000 or greater, but are within a specific census tract that itself does not contain any part of a Place or Urban Area with a population of greater than 25,000.

(iv) *Frontier.* For health care providers located in Alaska only, areas outside of a Core Based Statistical Area that are inaccessible by road as determined by the Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs. The "rural rate" shall be the median of all available rates for the same or functionally similar service offered within the rural tier, applicable to the health care provider's location within the state. The Administrator shall not include any rates reduced by universal service support mechanisms. The "rural rate" shall be used as described in this subpart to determine the credit or reimbursement due to a telecommunications carrier that provides eligible telecommunications services to eligible health care providers.

(b) *Database.* The Administrator shall create and maintain on its website a database that lists, by state, the eligible Telecommunications Program services and the related rural rate for each such service and for each rural tier.

(c) *Request for waiver.* A petition for a waiver of the "rural rate," as described in paragraph (a) in this section, may be granted if the service provider demonstrates that application of the rural rate published by the Administrator would result in a projected rate of return on the net investment in the assets used to provide the rural health care service that is less than the Commission-prescribed rate of return for incumbent rate of return local exchange carriers (LECs). All waiver requests must articulate specific facts that demonstrate that "good cause" exists to grant the requested waiver