



Federal Communications  
Commission

JUL 10 2019

Office of the **Secretary**

July 9, 2019

Mr. Ryan Palmer and Ms. Elizabeth Drogula  
Wireline Competition Bureau  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

RE: In the Matter of Rural Health Care Universal Service Support Mechanism,  
WC Docket No. 02-06 and WC Docket No. 17-310, Analysis of Rural Health Care Program  
Data

Dear Mr. Palmer and Ms. Drogula:

As the Wireline Competition Bureau (WCB) conducts its analysis of the Rural Health Care (RHC) Program and considers its Notice of Proposed Rulemaking (NPRM) on the RHC Program (FCC 17-164), WCB has requested multiple pieces of data from the Universal Service Administrative Company (USAC). In accordance with WCB's request, USAC hereby provides various non-confidential analyses of RHC Program (including both the Healthcare Connect Fund (HCF) and Telecommunications (Telecom) Programs) in Appendix A below.

I would be happy to answer any questions you may have regarding this information.

Sincerely,

//s// Mark Sweeney

Vice President, Rural Health Care and Shared Services  
USAC

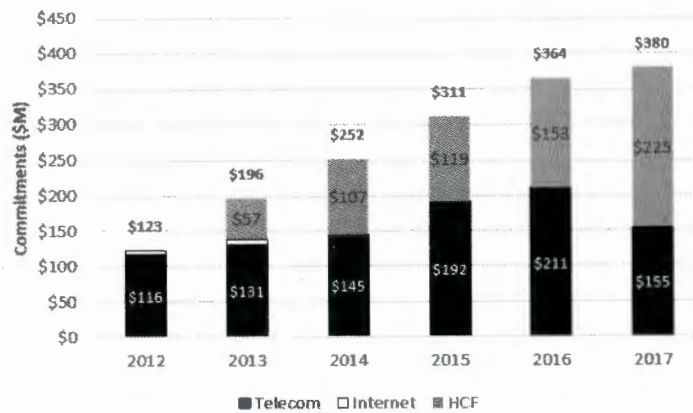
cc: Mark Stephens, Managing Director, FCC (via e-mail only)  
Trent Harkrader, Deputy Bureau Chief, FCC (via e-mail only)

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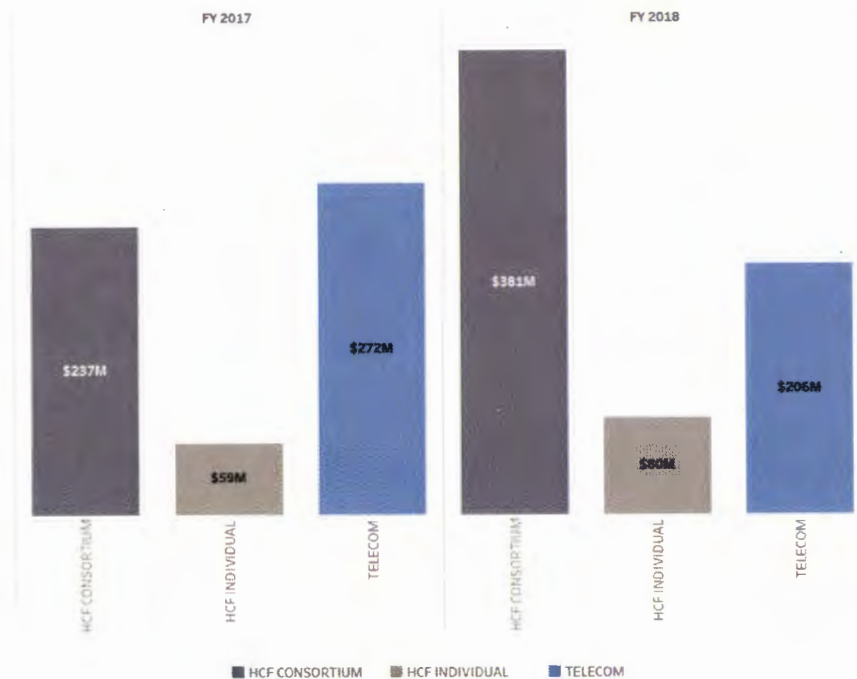


## Appendix A – RHC Program Data

### 1. Original Commitments by Fund Year (FY) and Program (Data as of May 2019)



### 2. Gross Demand by Program for Funding Years 2017 and 2018 (Data as of March 2019)



### 3. FY2018 and FY2019 Telecom Program Gross Demand in Alaska

(Data as of June 2019)

- The Telecom Program gross demand for funding year 2019 is approximately \$257.8 million and \$205.3 million of those dollars (80%) have been requested by health care providers in Alaska.
- For funding year 2018, gross demand for Alaska was about \$137.5 million, 67% of the total Telecom Program gross demand.

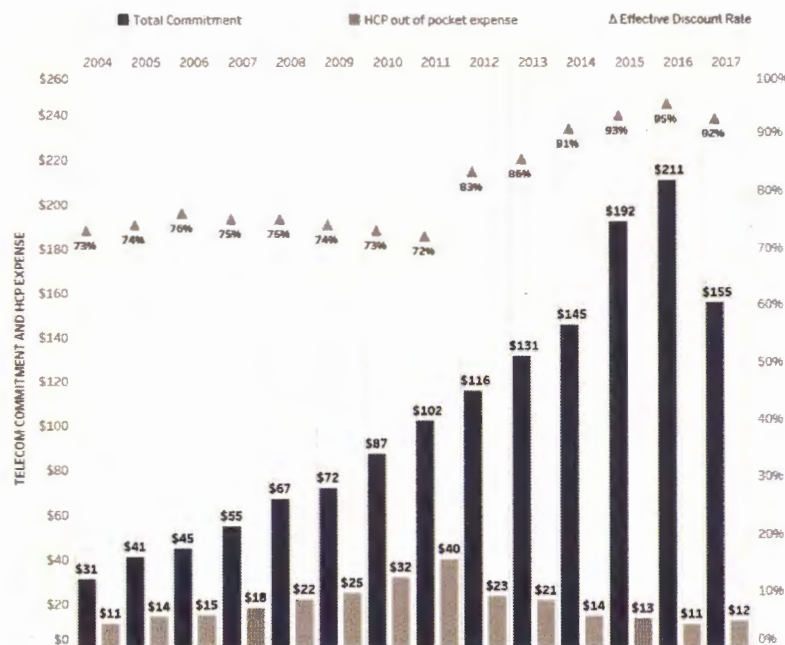
### 4. FY2017 Outstanding Funding Requests

(Data as of April 2019)

- In FY2017, there are approximately \$25M outstanding funding requests that are still undergoing review.

### 5. Telecom Original Commitment and Health Care Provider (HCP) Expense by Fund Year

(Data as of May 2019)





## **6. Telecom Highlights for FY2016**

*(Data as of June 2019)*

- In FY 2016, 5% of the health care providers in the Telecom Program received 62%, or \$131 million, of the prorated Telecom Program support commitments.

## **7. Telecom HCP Change from FY2013 to FY2016**

*(Data as of June 2019)*

- Between FY 2013 and FY 2016, the number of health care providers in the Telecom Program declined by more than 12%, but the amount of funding dollars committed during this period increased 61%.

## **8. Telecom Program Competitive Bidding Data**

*(Data as of May 2019)*

- In funding year 2017, out of a total of 7,357 Telecom Program funding requests received by the Administrator, 6,699 requests included no bids, and 242 requests included only one bid, from service providers (i.e., 95% of funding requests were submitted with zero bids or one bid).

## **9. Frequency of Telecom Program Mileage-Based Support Requests:**

*(Data as of June 2019)*

- For funding year 2018, only 15 requests were filed seeking distance-based support, less than one percent of the total number of applications filed for the Telecom Program, and only 9 of those requests were issued a funding commitment.
- In funding year 2017, just over one percent of the Telecom Program applications sought distance-based support.

## **10. Data on total RHC Program Funding Requests Received:**

*(Data as of May 2019)*

FY	HCF	TELECOM	TOTAL
FY16	6,844	6,410	13,254
FY17	8,749	7,332	16,081
FY18	10,699	4,147	14,846

## 11. FY2017 and FY2018 Funding Request Submissions:

(Data as of March 2019)

- Total gross demand for Healthcare Connect Fund Program consortia exceeded 50% of total RHC Program gross demand in funding year 2018.

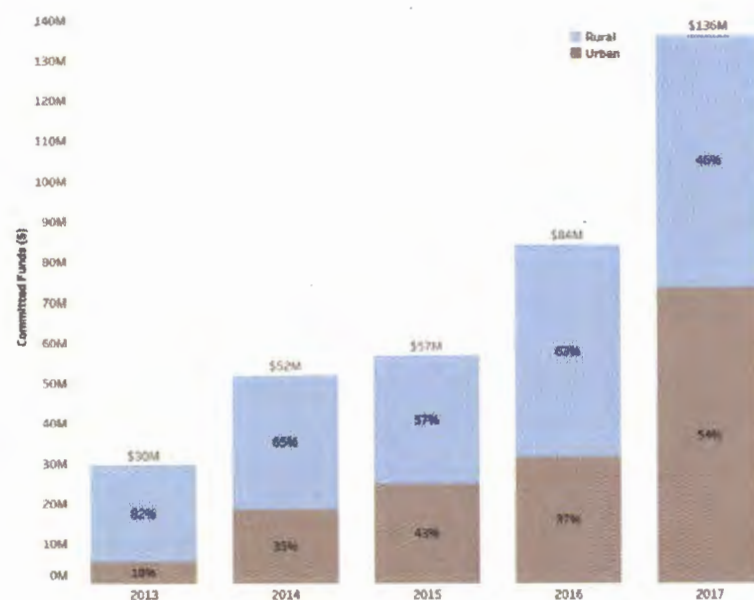
PROGRAM	FUNDING TYPE	2017		2018	
		FRN	GROSS DEMAND (\$)	FRN	GROSS DEMAND (\$)
HCF	CONSORTIUM	1,759	\$ 236,984,332	2,517	\$ 381,311,178
	INDIVIDUAL	6,990	\$ 58,531,704	8,182	\$ 79,768,460
<b>HCF Total</b>		<b>8,749</b>	<b>\$ 295,516,035</b>	<b>10,699</b>	<b>\$ 461,079,638</b>
<b>TELECOM Total</b>		<b>7,332</b>	<b>\$ 271,743,511</b>	<b>4,147</b>	<b>\$ 205,877,224</b>
<b>Grand Total</b>		<b>16,081</b>	<b>\$ 567,259,546</b>	<b>14,846</b>	<b>\$ 666,956,862</b>

Note: The number of FRNs is the unique count of Form 462 or Form 466. In HCF, each FRN can have multiple line items representing multiple services.

## 12. HCF Consortia Committed Amounts to Rural Versus Urban Sites by Fund Year

(Data as of April 2019)

- The percent of funding committed to urban health care providers has been increasing year-over-year.
- In funding year 2017, funding commitments to urban health care providers in the Healthcare Connect Fund Program consortia equaled 54% of Healthcare Connect Fund Program consortia committed funding.

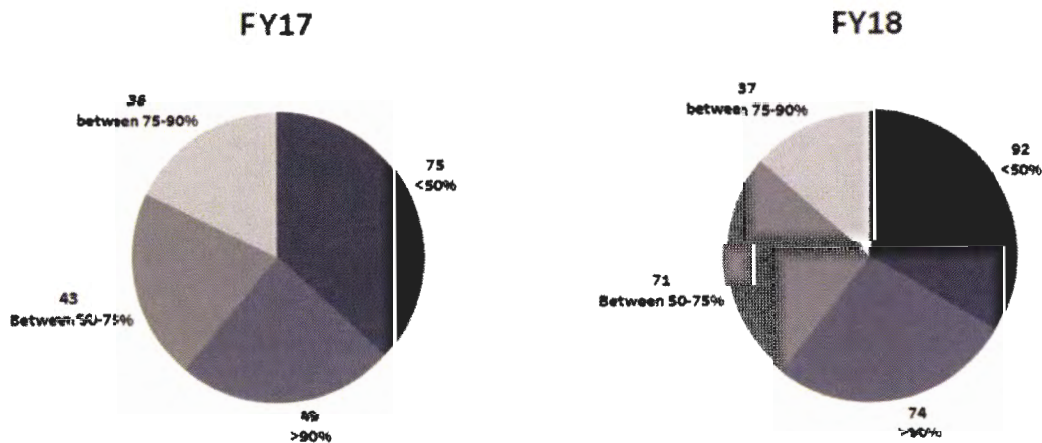




### 13. Number of Consortia by Fund Year in Rural Composition Categories

(Data as of April 2019)

- In funding year 2017, almost two out of every three consortia had more than 50% rural participation and 37% of consortia had reached or exceeded 75% rural participation.
- In funding year 2018, 66% of consortia met or exceeded the 50% threshold, while 40% met or exceeded 75% rural participation.



### 14. Grandfathered Pilot Consortia:

(Data as of June 2019)

- There are 32 grandfathered pilot consortia currently participating in the Healthcare Connect Fund.
- All but four of the consortia now have more rural than non-rural sites, i.e., a rural majority.
- Fourteen of the 32 grandfathered consortia consist of 75% or more rural sites.

### 15. Demand for Multi-Year and Upfront:

(Data as of March 2019)

- Demand for multi-year and upfront payment requests in funding year 2018 was \$237 million. That represents an approximate \$94 million increase in demand for such requests from funding year 2017.

**16. Number of HCP Sites in the Telecom Program by Fund Year**  
(Data as of April 2019)

