



FEDERAL COMMUNICATIONS COMMISSION

47 CFR Chapter 1

[WC Docket No. 18-213; FCC 21-74; FR ID 36878]

Promoting Telehealth for Low-Income Consumers

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: In this document, the Federal Communications Commission (Commission) offers further guidance on the administration of the Connected Care Pilot Program, including guidance on eligible services, competitive bidding, invoicing, and data reporting for selected participants, allowing selected Pilot Program participants to begin their Pilot projects.

DATES: Effective [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Bryan Boyle, Wireline Competition Bureau, 202-418-7400 or by email at Bryan.Boyle@fcc.gov. The Commission asks that requests for accommodations be made as soon as possible to allow the agency time to satisfy such requests whenever possible. Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Second Report and Order (R&O) in WC Docket No. 18-213; FCC 21-74, adopted on June 17, 2021 and released on June 21, 2021. Due to the COVID-19 pandemic, the Commission's headquarters will be closed to the general public until further notice. The full text of this document is available at the following Internet address: <https://docs.fcc.gov/public/attachments/FCC-21-74A1.pdf>.

I. INTRODUCTION

1. Through the R&O, the Commission continues its efforts to implement its Connected Care Pilot Program (Pilot Program) created pursuant to the Commission's authority under section 254(h)(2)(A) of the Communications Act. The Commission offers further guidance on the administration of the Pilot Program, including guidance on eligible services, competitive bidding, invoicing, and data reporting for selected participants.

2. The Commission received more than 200 Pilot Program applications from many health care providers whose patients lack Internet connections sufficient to transmit a video visit or receive health care through connected care and providers who indicate that their systems and bandwidth are inadequate to carry the new and significantly increased loads. Selected projects will directly benefit thousands of low-income patients and veterans facing a wide variety of health challenges, such as diabetes, hypertension, stroke recovery, opioid dependency, high-risk pregnancy, pediatric heart disease, mental health conditions, and cancer. Through these projects, the Commission will develop a better understanding of how the Universal Service Fund (USF or Fund) can help support the adoption of connected care services among patients and their health care providers.

II. DISCUSSION

3. The Commission now provides selected Pilot Program participants with additional information on the rules and requirements for participation so that they can begin their projects.

4. **Connected Care Pilot Project Selection Evaluation Criteria.** In reviewing applications, the Commission sought to identify projects that would serve a high number of patients in the target populations, in areas most in need of USF support for connected care, treating many of the targeted conditions, and using products and services eligible for purchase with USF support. To do so, the Commission used the evaluation criteria set out in the *Connected Care Report and Order*, 85 FR 19892, April 9, 2020, and reviewed applications in accordance with these criteria. For instance, the Commission considered whether an application would serve low-income or veteran patients, as the *Connected Care Report and Order* established a strong preference for Pilot projects that can demonstrate that they will primarily benefit these patient groups. For purposes of the Pilot Program, a patient is considered low-income by determining whether (1) the patient is eligible for Medicaid or (2) the patient's household income is at or below 135% of the U.S. Department of Health and Human Services Federal Poverty Guidelines, and a patient is considered a veteran if they qualify for health care through the U.S. Department of Veterans Affairs' Veterans Health Administration.

5. Pursuant to the *Connected Care Report and Order*, the Commission also considered whether an application is primarily focused on treating certain conditions, such as public health epidemics, opioid dependency, mental health conditions, high-risk pregnancy/maternal health, or chronic

or recurring conditions that typically require at least several months to treat, including, but not limited to, diabetes, cancer, kidney disease, heart disease, and stroke recovery. Further, the Commission gave particular emphasis to health care providers that have either experience with providing telehealth or connected care services to patients, or a partnership with another health care provider, government agency, or designated telehealth resource center with such experience.

6. In addition, the Commission stated a desire in the *Connected Care Report and Order* to select a diverse set of projects and target Pilot Program funds to geographic areas and populations most in need of USF support for connected care. Consistent with this directive, the Commission considered whether applications would serve rural or Tribal areas or patients residing in those areas, or would serve patients in Health Professional Shortage Areas or Medically Underserved Areas. The Commission also considered whether applications would promote the goals of the Pilot Program. Lastly, the Commission reviewed applications to determine whether they sought funding for eligible products and services, to ensure that the Pilot Program would use its limited funding efficiently.

7. **Connected Care Pilot Program Requirements.** This section summarizes the requirements of the *Connected Care Report and Order*, and provides additional instructions and procedures about the administration, budget, and eligible services for the Connected Care Pilot Program. The Commission reminds all Pilot Program participants to review the Pilot Program's eligible services information prior to procuring services.

8. **Program Administration and Budget.** As a general matter, the traditional funding year period (e.g., July 1 to June 30 of each year) for the Rural Health Care Program will not apply to the Pilot Program. Because of the nature of the Pilot Program, and given the funding request submission deadline and ramp-up period deadline, the Commission will not require selected Pilot Program participants to follow the traditional funding year process for the Rural Health Care Program. Pilot Program participants should therefore pay careful attention to any dates contained in official Pilot Program correspondence and on the Commission and the Universal Service Administrative Company (USAC or Administrator) webpages to ensure compliance with all applicable dates and deadlines.

9. The Commission directs USAC to commit no more than the total amount associated with each project over a three-year period not to exceed the duration of the Pilot Program. This will ensure

that total disbursements remain under the program budget. Further, to fund the Pilot Program, the Commission directs USAC to collect only the total amount associated with the actual commitments for each selected project. Because maximum expenditures based on each Pilot project budget were tracked before selection, selected participants will be able to request funding and receive funding commitments for multiple funding years. Allowing funding requests and commitments to cover multiple years will reduce administrative burdens on Pilot Program participants by reducing the number of Funding Request Forms (FCC Form 462) they file and will allow them to know what their total funding commitment for the Pilot Program will be.

10. **Eligible Services.** The Pilot Program will provide Pilot Program participants funding to cover up to 85% of the cost of eligible services, which fall under the following categories: (1) patient broadband Internet access services; (2) health care provider broadband data connections; (3) connected care information services; and (4) certain network equipment. The Commission provides two clarifications on services eligible for support in the Pilot Program. First, the Commission clarifies that the Pilot Program will reimburse network equipment purchases necessary to make broadband services functional, even if the Pilot Program is not directly supporting the costs of those broadband services. The *Connected Care Report and Order* states that the Pilot Program will fund “network equipment that is necessary to make Pilot Program funded broadband services for connected care services functional, or to operate, manage, or control such services.” However, Pilot Program applicants have also indicated a need for network equipment to make a supported broadband service functional even if they do not require new or upgraded broadband from the Pilot Program as part of their Pilot project, and a need for network equipment to make the connected care services they are providing through their Pilot project functional. Accordingly, some Pilot projects do not require upgraded or new broadband service to participate in the Pilot Program but do require upgraded network equipment (e.g., switches) to make existing broadband services functional given the increased volume of network traffic associated with connected care services. To ensure these projects have the network equipment they need to provide broadband-enabled connected care services, the Pilot Program will provide funding to eligible, participating health care providers for necessary network equipment to make a broadband service functional for providing connected care services through the Pilot Program.

11. Second, the Commission clarifies that the Pilot Program will reimburse network equipment purchases necessary to make a connected care information service functional (e.g., a server necessary for storing video conferences or facilitating video transmissions). Although the *Connected Care Report and Order* stated that equipment necessary to make a *broadband* service functional was supported, it did not specifically address eligibility of equipment necessary to make a *connected care* service functional. Many applicants requested funding for this type of network equipment and explained that this equipment was necessary, for example, to handle the increased volume of network traffic or storage needs associated with connected care services. Funding this additional network equipment for the limited purposes of the Pilot Program is consistent with the Commission's decision to fund connected care information services through the Pilot Program and is critical to the successful operation of the participating Pilot projects that requested such equipment. Further, funding this equipment for the limited purposes of the Pilot Program is within the scope of the Commission's statutory authority consistent with the legal rationale that the Commission relies on in the Healthcare Connect Fund to fund network equipment necessary to make a supported broadband service functional. To ensure these additional types of funded network equipment are within the scope of our statutory authority and Pilot Program purpose, where projects requested network equipment necessary to make a connected care service functional, the equipment must be purchased either because of the increase in Internet traffic caused by the connected care services, or because the equipment would be primarily used for connected care information services. While the Commission's approach to fund network equipment necessary to make a broadband service functional even if the Pilot Program is not funding the broadband service and to fund network equipment necessary to make a connected care information service functional is more expansive than the Rural Health Care Program's (RHC) reimbursement for network equipment purchases, the Commission believes it is appropriate in this time-limited Pilot Program effort, focused on determining how USF funds can best support the trend towards connected care to be slightly more inclusive to ensure the success of selected Pilot Program participants.

12. The Pilot Program will not fund devices, including end-user connected devices (e.g., tablets, smart phones, or remote patient monitoring equipment), medical equipment, health care provider administrative costs, personnel costs (including, but not limited to medical professional costs), or other

miscellaneous expenses. The Pilot Program also will not fund network deployment, the construction of networks between health care providers, internal connections for health care providers, or connectivity services between health care provider sites. Pilot Program participants must cost allocate all ineligible services and/or equipment that are included in bundles, packages, or suites of services used in Pilot Program projects. Funding for Pilot Program participants is limited to three years. As a reminder, patient broadband Internet access service funded through the Pilot Program is intended for patients who lack broadband or have an Internet connection insufficient to receive connected care, and the funded patient broadband connection must be “primarily” used for activities that are integral, immediate, and proximate to the provision of connected care services to participating patients.

13. During application review, the Wireline Competition Bureau (Bureau) reviewers identified clearly ineligible services and equipment when they were apparent on the application, but USAC reviewers will review FCC Form 462s in order to take further steps to ensure that no funding will be committed for ineligible services or equipment. Pilot Program participants that seek competitive bids and submit requests for funding should refer to the Bureau’s previously published guidance on eligible services and equipment to ensure that they are only requesting funding for eligible items. Pilot Program participants should be aware that selection does not guarantee that all items in an application are eligible and will be funded upon request.

14. Finally, the Commission reminds Pilot Program participants that they are prohibited from using Universal Service support to purchase or obtain any equipment or services produced or provided by a covered company posing a national security threat to the integrity of communications networks or the communications supply chain. In addition, Pilot Program participants are prohibited from using Federal subsidies to purchase, rent, lease, or otherwise obtain any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained. A list of covered equipment and services was posted on the Commission’s website on March 12, 2021 and will be updated to reflect any future determinations.

15. **Connected Care Pilot Program Rules and Procedures.** This section provides details for Pilot Program participants about the competitive bidding process, requesting funding, receiving funding commitments, making changes to their projects, and seeking reimbursement through submitting

invoices. To ensure efficient and predictable administration, the Pilot Program will use rules and procedures for the RHC Healthcare Connect Fund Program to the extent feasible. For purposes of the Connected Care Pilot Program, the Commission directs USAC to develop new versions of FCC Form 461 (Request for Services Form), FCC Form 462 (Funding Request Form), and FCC Form 463 (Invoice and Request for Disbursement Form) and make them publicly available. These forms should be clearly marked to indicate their association with the Connected Care Pilot Program and avoid confusion with other versions. Pilot Program participants may now begin the competitive bidding process and, if a competitive bidding exemption applies, may file a Request for Funding.

16. **Funding Request Process Overview.** Following selection by the Commission, Pilot Program participants can begin to follow the process outlined in this document. Generally, Pilot projects are to operate using Pilot Program funds for no more than three years from the first date of service. Expenses for which Pilot Program funding is requested and invoiced must be incurred within three years from the first date of service for the respective project, and by no later than June 30, 2025.

- *Conduct Competitive Bidding.* The FCC Form 461 initiates the competitive bidding process for all products and services for which competitive bids are required. The Pilot Program participant will describe the required services and equipment for its project, develop scoring criteria to evaluate bids, and post the resulting request for services to USAC's website for at least 28 days. Following the 28-day posting, the Pilot Program participant must choose the most cost-effective service provider and may then enter into a contract. This requirement does not apply to any products or services for which the Pilot Program participant is exempt from seeking competitive bids pursuant to a competitive bidding exemption, as outlined in this document:
- *Request Funding.* Pilot Program participants must request funding by submitting the FCC Form 462 to USAC. Note that for Pilot Program participants in Appendices A and B, the submission of the FCC Form 462 to USAC must occur no later than six months after the effective date of this Report and Order. Any future Pilot Program selections must submit their respective FCC Form 462 to USAC no later than six months after the announcement of their selection.

- *Receive a Funding Commitment.* USAC will review the FCC Form 462 and, if approved, issue funding commitment letters (FCLs) to the Pilot Program participants (and vendors, if necessary), indicating the amount committed under the Pilot Program for the FCC Form 462. The FCL contains other important information such as the service delivery deadline, and Pilot Program participants are reminded to read their FCLs closely.
- *Begin the Pilot Project.* Pilot Program participants must begin their Pilot projects no later than six months after receipt of their FCL from USAC.
- *Make Project Modifications, if Needed.* Pilot Program participants may request site or service substitutions or contract modifications pursuant to the procedures outlined in this Report and Order.
- *Request Reimbursement.* After equipment or services have been delivered, Pilot Program participants may seek reimbursement by submitting the FCC Form 463 to USAC. Pilot Program participants are encouraged to seek reimbursement on a monthly basis, if possible. Note that certain vendors, for instance, Internet Service Providers enrolled with the RHC program, will submit the FCC Form 463 directly to USAC, upon request by the health care provider (or consortium).

17. **Competitive Bidding – FCC Form 461.** In the *Connected Care Report and Order*, the Commission adopted, to the extent feasible, the competitive bidding requirements for the Healthcare Connect Fund Program for participants in the Pilot Program. Unless a competitive bidding exemption applies, Pilot Program participants must participate in a competitive bidding process, follow any additional applicable state, local or other procurement requirements, and select the most cost-effective option for services and equipment eligible for Connected Care Pilot Program support. The Commission provides further guidance on these requirements.

18. To satisfy the competitive bidding requirements, Pilot Program participants must submit an FCC Form 461 for USAC to post. In some circumstances, Pilot Program participants will be required to prepare a formal Request for Proposal (RFP) to be posted along with their FCC Form 461. The FCC Form 461 should include a description of the services and equipment for which the Pilot Program participant is seeking support.

19. The Pilot Program participant must wait at least 28 days from the date on which the Form 461 is posted on USAC's website before selecting a service provider. After seeking bids from potential service providers, Pilot Program participants should conduct a bid evaluation to select the most cost-effective means of meeting their needs, and thereafter participants may enter into a legally binding agreement with the selected service provider. Pilot Program participants may enter into a service agreement or sign a contract with the selected provider on or after the Allowable Contract Selection Date (ACSD), the day after the required number of days the FCC Form 461 is posted on the USAC website. If Pilot Program participants enter into a new contract or service agreement before the ACSD, funding will be denied for services covered under that contract or service agreement. Pilot Program participants will also be required to make certain certifications regarding the competitive bidding process before submitting the FCC Form 461. The FCC Form 461 will be made available to Pilot Program participants in USAC's online My Portal system with additional information provided to Pilot Program participants by USAC during outreach.

20. *"Fair and Open" Competitive Bidding Process.* Pilot Program participants must conduct a fair and open competitive bidding process. To satisfy the "fair and open" standard, all potential bidders must have access to the same information and be treated in the same manner during the competitive bidding period to ensure that the process is "fair and open." Further, service providers who intend to bid on supported services may not simultaneously help the Pilot Program participant to complete its RFP or Request for Services form. Service providers who have submitted a bid to provide supported services, equipment, or facilities to a health care provider may not simultaneously help the health care provider evaluate submitted bids or choose a winning bid. Pilot Program participants must respond to all service providers that have submitted questions or proposals during the competitive bidding process. All Pilot Program participants and service providers must comply with any applicable state, Tribal, or local procurement laws, in addition to the Commission's competitive bidding requirements. The competitive bidding requirements in this section are not intended to preempt such state, Tribal, or local requirements. Additionally, the Commission's prohibitions against gifts from service providers apply to the Connected Care Pilot Program. Although service providers may make charitable contributions to Pilot Program participants, such gifts may not be directly or indirectly related to Connected Care Pilot Program

procurement activities. Further, Pilot Program participants are reminded that services purchased pursuant to universal support mechanisms shall not be sold, resold, or transferred in consideration for money or any other thing of value.

21. *Competitive Bidding Exemptions.* Pilot Program participants are not required to engage in competitive bidding if a competitive bidding exemption applies. All of the competitive bidding exemptions under the Healthcare Connect Fund Program, plus an additional exemption, apply to the Pilot Program as follows:

- *Government Master Services Agreement.* The eligible health care provider seeks support for services and equipment purchased from Master Services Agreements (MSAs) negotiated by federal, state, Tribal, or local government entities on behalf of such health care providers and others, if such MSAs were awarded pursuant to applicable federal, state, Tribal, or local competitive bidding requirements;
- *Pre-approved Master Services Agreement.* The eligible health care provider opts into an existing MSA approved under the Rural Health Care Pilot Program or Healthcare Connect Fund Program and seeks support for services and equipment purchased from the MSA, if the MSA was developed and negotiated in response to an RFP that specifically solicited proposals that included a mechanism for adding additional sites to the MSA;
- *Evergreen contract.* The eligible health care provider has a multi-year contract designated as “evergreen” by USAC and seeks to exercise a voluntary option to extend an evergreen contract without undergoing additional competitive bidding;
- *E-Rate contract.* The eligible health care provider is in a consortium with participants in the schools and libraries universal service support program (E-Rate program) and a party to the consortium’s existing contract, if the contract was approved in the E-Rate program as a master contract;
- *Annual undiscounted cost of \$10,000 or less.* The eligible health care provider seeks support for \$10,000 or less of total undiscounted eligible expenses for a single year, if the term of the contract is one year or less; or

- *Pre-existing contract (Connected Care Pilot Program only).* The eligible health care provider already has entered into a legally binding agreement with a service provider for services or equipment eligible for support in the Pilot Program and that legally binding agreement itself was the product of competitive bidding. The Commission clarifies that this exemption applies only when the contract was signed before the applicant was selected to participate in the Pilot Program and the contract was not entered into solely for purposes of the Pilot Program. The prior competitive bidding process must have included public solicitation of bids or the applicant must have evaluated multiple quotes or bids before signing the contract.

22. **Requests for Funding – FCC Form 462.** In the *Connected Care Pilot Program Report and Order*, the Commission indicated that additional information on filing a request for funding would be forthcoming. The Commission now lays out the process for requesting funding. Pilot Program participants must request funding from USAC by filing the FCC Form 462, a formal request for funding that provides specific information on pricing and services. Pilot Program participants in Appendices A and B must file their initial FCC Form 462(s) no later than six months after the effective date of this Report and Order, and any subsequent Pilot Program selections must file their initial FCC Form 462(s) within six months of the announcement of their selection. As discussed in this document, Pilot Program participants must wait at least 28 days from the date of posting the FCC Form 461 before signing a contract or service agreement with a service provider and filing the Form 462. The 28-day period does not apply to those Pilot Program participants that are exempt from seeking competitive bids for certain products or services. Pilot Program participants that are exempt from seeking competitive bids for some but not all, of the Pilot-supported products and services, are encouraged to seek competitive bids as necessary, and file one Form 462 seeking funding for all requested products and services, being sure to wait 28 days as necessary.

23. *Requests for Multi-Year Commitments.* Pilot Program participants may seek bids for multi-year or single-year contracts during the competitive bidding process. If a project only seeks bids for a single-year contract, it will need to conduct a new competitive bidding process for each year of the Pilot Program, unless an exemption applies. Pilot Program participants may then submit multi-year or

single-year funding requests to USAC. Also, as noted in this document, the competitive bidding requirements for the Pilot Program are in addition to and do not supplant any applicable state or local procurement requirements.

24. **Funding Commitments.** After USAC reviews the FCC Form 462 and makes funding determinations, USAC will issue an FCL for each FCC Form 462 filed for the Pilot Program that details the amount of committed funding and contains other important information. The amount of funding specified in the FCL is the total amount for which a Pilot Program participant may request reimbursement. Pilot Program participants may begin to receive supported recurring services on the start date of their Pilot project. To ensure that projects start in a timely manner, Pilot Program participants may install equipment or pay for other supported non-recurring services before the start date, but may not invoice for this equipment and services until after the start date. Services must be delivered by the service delivery deadline applicable to the funding year of the last day of the funding commitment. To aid in administration of the Pilot Program, all funding commitments shall end three years from the first date of service for the respective Pilot project, and by no later than June 30, 2025. Participants that seek one-year funding commitments may access unused funds in future years of the Pilot Program's three year period. Pilot Program participants may request site and service substitutions as necessary pursuant to the process detailed in paragraph 26.

25. **Changes to Projects.** Pilot Program participants are required to report to the Commission any material change in the participating health care providers' or Pilot projects' status (e.g., the health care provider site has closed, or the pilot project has ceased operations) within 30 days of such material change in status. In instances where a Pilot Program participant is unable to participate in the Pilot Program for their proposed project period, a successor may be designated by the Bureau. Further, to facilitate the tracking and monitoring of the Pilot Program budget and guard against potential waste, fraud and abuse, Pilot Program participants must notify USAC within 30 days of any decrease of 5% or more in the number of patients participating in their respective Pilot projects. Pilot Program participants can notify USAC of these changes via My Portal. The Commission directs USAC to advise the Bureau of project changes that could impact committed funding (e.g., changes to the cost of patient broadband or decrease in service quantities).

26. *Site and Service Substitutions.* To provide flexibility to Pilot Program participants, the Pilot Program will permit site and service substitutions within a project, consistent with the site and service substitution rules in the Rural Health Care Program. Both individual and consortium projects may make service substitutions. USAC shall approve a site or service substitution for the Pilot Program if: (1) the substitution is provided for in the contract, within the change clause, or constitutes a minor modification; (2) the site is an eligible HCP and the service is an eligible service under the Pilot Program; (3) the substitution does not violate any contract provision or state or local procurement laws; and, (4) the requested change is within the scope of the controlling FCC Form 461, including any applicable Request for Proposal. A site or service substitution cannot increase the total funding commitment. Pilot Program participants may request site and service substitutions via My Portal.

27. *Contract Modifications.* Contract modifications are permissible if they would be considered minor and therefore exempt from state, local, or tribal competitive bidding requirements. If the jurisdiction's laws are silent or otherwise inapplicable on whether a modification would be permitted without rebidding, the Commission adheres to the "cardinal change" doctrine, which looks at whether the modified terms are essentially the same as in the original contract. To qualify for reimbursement, any items provided pursuant to a minor contract modification must also be eligible services under the rules of the Pilot Program.

28. **Seeking Reimbursement – FCC Form 463.** The Commission provides additional details on invoicing requirements and processes. The Pilot Program will provide universal service support for 85% of the cost of eligible services and equipment. Consistent with the Commission's existing rules for the Healthcare Connect Fund Program, Pilot Program participants must contribute the other 15% of the cost of eligible services or equipment. Only funds from eligible sources, including the applicant or eligible health care provider participants, participating patients, or state, federal, or Tribal funding or grants, may be applied toward the health care provider's required contribution. Health care providers cannot use ineligible sources (e.g., direct payments from vendors or service providers) to pay their required share of requested services or equipment.

29. After eligible equipment or services have been delivered, service providers, in conjunction with the participating health care providers, will be required to make certain certifications

and submit invoicing forms, i.e., FCC Form 463 (Invoice and Request for Disbursement Form), with supporting documentation to USAC. USAC will review the invoicing forms and supporting documentation and issue disbursements to the applicable service providers or vendors. So that the Pilot Program can operate easily with existing invoicing systems, service providers will receive reimbursement directly, rather than through the health care provider, consistent with the standard practice in the Healthcare Connect Fund Program. Both broadband service providers and other vendors must have a valid Service Provider Identification Number from USAC, also known as a 498 ID, to receive payments.

30. Finally, the Commission waives the procedural rule established in the *Connected Care Report and Order* that invoices be submitted monthly. While the Commission strongly encourages Pilot Program participants to submit invoices monthly when possible, requiring invoices to be submitted on a monthly basis may pose an undue administrative burden for some Pilot Program participants and would be difficult to enforce. Because the Commission is tracking the expenditures for each project to ensure that total disbursements remain under the \$100 million cap, and because the Pilot Program has a number of reporting requirements to further monitor the progress of projects, requiring monthly invoicing is not necessary to ensure that total disbursements will be under the cap. The Commission therefore found good cause under §1.3 of the Commission's rules to not require invoices to be submitted on a monthly basis, but still encourages participants to submit their invoices promptly upon incurring an expense. All invoices must be submitted to USAC by the invoice deadline for the RHC Program, which is 120 days after the service delivery deadline, but no later than six months following the conclusion of each project.

31. **Wind Down Period and Project Conclusion.** Pilot Program participants may begin receiving service and eligible network equipment upon receipt of an FCL from USAC and must begin receiving service no later than six months following receipt of the FCL. Projects are to last for three years from the first date of service, and no later than June 30, 2025. Following the conclusion of the three-year period, Pilot Program participants will have an additional six months to wind down their projects or transition to a funding source other than the Pilot Program. During this period, Pilot Program participants may submit any remaining invoices for expenses incurred during the three-year Pilot project period, submit final data reporting (discussed in paragraph 32), and conclude any administrative tasks. Additional guidance may be provided by the Bureau regarding project conclusion.

32. **Additional Pilot Program Requirements – Data Reporting and Bureau Report on**

Pilot. The Commission established the Pilot Program to examine how the Fund can help support the trend towards connected care services, particularly for low-income Americans and veterans. In particular, the Commission expects that the Pilot Program will benefit many low-income and veteran patients who are responding to a wide variety of health challenges such as infectious diseases, diabetes, opioid dependency, high-risk pregnancies, pediatric heart disease, mental health conditions, and cancer. The Commission also expects that the Pilot Program will provide meaningful data that will help it better understand how USF funds can support health care provider and patient use of connected care services. To this end, the Commission established three specific goals for the Pilot Program: to determine how USF support can be used to (1) improve health outcomes through connected care; (2) reduce health care costs for patients, facilities and the health care system; and (3) support the trend towards connected care everywhere.

33. To help evaluate the Pilot Program, the Commission directed the Bureau to issue a report detailing the results of the Pilot Program after it has been completed. To assist with this report, the Commission will require Pilot Program participants to submit anonymized, aggregated data to the Bureau regarding their Pilot project. Pilot Program participants are required to submit three total reports: an annual report after their first year of funding, after their second year of funding, and a final report after their third year of funding that contains data for the third year of funding, summarizes final results, and explains whether goals of the Pilot project were met and how the Pilot project served the Commissions' goals for the program. The Bureau will draw on the data from individual Pilot projects to prepare a final report upon the conclusion of the Pilot Program.

34. The Commission directs the Bureau to develop a form template for Pilot Program participants to use in reporting data annually and at the Pilot project's conclusion. The Commission directs the Bureau to make the template available as close to the start of the Pilot projects as possible to ensure that each project can gather data while the project is underway and be in position to report to the Commission at the conclusion of each year of the Pilot project. The Commission further directs the Bureau to provide guidance on how Pilot Program participants can access the template, and how participants can submit the report to the Bureau, as well as establish deadlines as necessary. The

Commission expects that Pilot Program participants will be asked to report data such as: the number of patients served and percentage of those who were low-income and veteran patients; changes from the estimated patient population; progress in meeting the project's goals and objectives; impact of funding on number of patients treated with connected care; patient satisfaction with connected care and with health status; changes in treatment adherence; reductions in emergency room or urgent care visits; decreases in hospital admissions, re-admissions or lengths of stay; reductions or improvements in condition-specific outcomes or acute incidents among those who suffer from a chronic illness; impact of funding patient broadband connections; decreases in missed appointments; estimated cost-savings for health care providers and patients; reduced patient travel or time (e.g., reduction in travel time or time missed from work); and other metrics that may demonstrate progress toward achieving the Pilot Program's goals, and general feedback on program administration. The Commission expects that the final report from Pilot Program participants will, at a minimum, include an overall summary of the information in the annual reports, an explanation of how the project helped advance the goals and objectives of the Pilot Program, an explanation of whether the Pilot project met its specific goals and objectives, information on any lessons learned concerning the provision and utilization of connected care services, and, particularly for low-income patients and veterans, lessons learned concerning patient retention, patient training, and how best to address digital literacy challenges. Pilot projects must collect data sufficient to provide substantive responses for the required reports. Failure to provide the data may result in either the elimination of the selected participant from the Pilot Program, loss or reduction of support, or recovery of prior distributions.

35. **USAC Outreach.** All Pilot Program participants listed in the R&O have 14 calendar days from the effective date of the R&O to provide or update, as needed, contact information for the lead project coordinator to USAC, including the lead project coordinator's name, mailing address, e-mail address, and telephone number. Any future selections will need to provide or update this information within 14 calendar days of the announcement of their selection. Within 30 days of the effective date of the R&O, USAC will conduct an initial coordination meeting with Pilot Program participants identified in Appendices A and B of the R&O. For any future selections, the Commission directs USAC to conduct an initial coordination meeting with additional selected Pilot Program participants within 30 days of their

selection. USAC will also conduct a targeted outreach program, such as a webinar or similar outreach, to educate and inform selectees about the Pilot Program administrative process, including filing requirements and deadlines. In addition to the structured outreach, participants are encouraged to contact USAC support staff, who will be available to respond to individual questions about how to file forms or submit proper supporting documents. Pilot Program participants can also find information on USAC's website for the Connected Care Pilot Program. And as noted in this document, most program forms and other program documents can be found in My Portal.

36. **Document Retention, Audits, and Protection Against Waste, Fraud, and Abuse.** As in the Healthcare Connect Fund, health care providers and selected participants, in addition to maintaining records related to their Pilot projects to demonstrate their compliance with the Pilot Program rules and requirements, must also keep supporting documentation for the required reports for at least five years after the conclusion of their Pilot project and must present that information to the Commission or USAC upon request. Pilot projects will also be subject to random compliance audits to ensure compliance with the Pilot Program rules and requirements.

37. One indicator of the Pilot Program's success will be the avoidance of waste, fraud, and abuse and the careful stewardship of USF resources. Pilot Program participants must carefully adhere to program rules, file timely and accurate reports, and promptly consult with USAC when questions regarding Pilot Program rules or processes arise. The Commission retains the discretion to evaluate the uses of monies disbursed through the USF programs and to determine on a case-by-case basis that waste, fraud, or abuse of program funds occurred, and that recovery is warranted. Additionally, in the event the Commission discovers any improper activity resulting from the Pilot Program, it will subject the offending party to all available penalties at our disposal, and will direct USAC to recover funds, assess retroactive fees and/or interest, or both. The Commission remains committed to ensuring the integrity of the USF programs and will continue to aggressively pursue instances of waste, fraud, or abuse under our own procedures and in cooperation with law enforcement agencies.

38. Further, consistent with the Commission's existing rules for the Healthcare Connect Fund Program, Pilot Program participants must contribute their 15% share of the eligible costs from eligible sources (e.g., the applicant, patient charges, an eligible health care provider, or state, federal, or Tribal

funding or grants) and cannot apply funds from ineligible sources (including other FCC programs, such as the Universal Service Fund and the COVID-19 Telehealth Program, or direct payments from vendors or service providers). Pilot Program participants are also reminded that on their program application, they certified that no funds from any source – private, state, or federal – have been received or are expected to be received for the exact same services or equipment that are claimed as eligible for support under the Pilot Program. All Pilot Program participants are strongly encouraged to review their active certification commitments, including those related to HIPAA compliance, document retention, and proper use of funds.

39. Finally, the Commission reminds Pilot Program participants that Pilot projects are prohibited from receiving duplicative funding from the Pilot Program and the COVID-19 Telehealth Program, or any other source, for those exact same items. If a Pilot Program participant is also selected for participation in the COVID-19 Telehealth Program, it must ensure that it does not request disbursements for the same services or equipment from both programs. If any Pilot Program participant is also selected to participate in the COVID-19 Telehealth Program, the participant shall notify the Administrator immediately, and the Commission directs the Administrator to compare that participant's Pilot Program funding request(s) against its COVID-19 Telehealth Program application to ensure that participants do not receive duplicative funding.

40. **Payment Administration.** *FCC Red Light Rule.* To implement the requirements of the Debt Collection Improvement Act of 1996, the Commission established what is commonly referred to as the “red light rule.” Under the red light rule, the Commission will not take action on applications or other requests by an entity that is found to owe debts to the Commission until full payment or resolution of that debt. If the delinquent debt remains unpaid or other arrangements have not been made within 30 days of being notified of the debt, the Commission will dismiss any pending applications. If a Pilot Program participant or service provider is currently on red light status, it will need to satisfy or make arrangements to satisfy any debts that it owes to the Commission before its application can be processed.

41. *System for Award Management Registration.* All Pilot Program participants and service providers must also register with the System for Award Management (SAM). SAM is a web-based, government-wide application that collects, validates, stores, and disseminates business information about

the federal government's partners in support of federal awards, grants, and electronic payment processes. Registration in SAM provides the Commission with an authoritative source of information necessary to provide funding to Pilot Program participants and to ensure accurate reporting pursuant to the Federal Funding Accountability and Transparency Act of 2006 (FFATA), as amended by the Digital Accountability and Transparency Act of 2014 (DATA Act). Only those applicants and service providers that are actively registered in SAM will be able to receive reimbursement from the Pilot Program. Pilot Program participants and service providers that are already registered with SAM do not need to re-register with that system in order to receive payment from the Pilot Program. Pilot Program participants who are not already registered with SAM may still participate in the Pilot Program, apply for funding, and receive program commitments, but Pilot Program participants and service providers must be registered in SAM before any payments can be issued for the Pilot Program. To assist participants who are not registered with SAM, the Commission directs USAC to provide information and guidance to participants regarding the SAM registration process. To the extent that Pilot Program participants subaward the payments they receive from the Pilot Program, as defined by FFATA/DATA Act regulations, Pilot Program participants may be required to submit data on those subawards.

42. *Do Not Pay.* Pursuant to the requirements of the Payment Integrity Information Act of 2019, the Commission is required to ensure that a thorough review of available databases with relevant information on eligibility occurs to determine program or award eligibility and prevent improper payments before the release of any federal funds. To meet this requirement, the Commission and USAC will make full use of the Do Not Pay system administered by the U.S. Treasury's Bureau of the Fiscal Service. If a check of the Do Not Pay system results in a finding that a Pilot Program participant or service provider should not be paid, the Commission will withhold issuing commitments and payments. The Pilot Program participant or service provider is responsible for working with the relevant agency to correct its information in the Do Not Pay system before payment can be issued.

43. **Appeals of USAC Decisions.** Affected parties may seek review of a USAC decision pursuant to the rules and procedures outlined in §§ 54.719 to 54.725 of the Commission's rules. Specifically, an affected party may seek review of a decision by USAC by filing a request for review with USAC within 60 days of the date of the decision. An affected party may seek Commission review of a

USAC decision, only after first seeking review of the decision with USAC, and may file a request for review with the Commission within 60 days after USAC's decision on appeal. An affected party may only request a waiver of the Commission's rules, or a waiver of a decision by USAC, by filing such request with the Commission, within 60 days of USAC's decision. All other requirements for appeals and requests for waiver, including the form the filings must take, can be found in §§ 54.719 to 54.725 of the Commission's rules.

44. **Delegations of Authority.** In order to ease program administration, the Commission delegates to the Bureau, consistent with the goals of the Pilot Program, the authority to waive certain program deadlines, clarify any inconsistencies or ambiguities in the Pilot Program rules, adjust Pilot project funding commitments, or to perform other administrative tasks as may be necessary for the smooth operation of the Pilot Program. The Commission also delegates to the Bureau the authority to grant limited extensions of deadlines to Pilot projects, and other authority as may be necessary to ensure a successful Pilot Program.

45. The Commission delegates financial oversight of this program to the Commission's Managing Director and direct the Office of the Managing Director (OMD) to work in coordination with the Bureau to ensure that all financial aspects of the program have adequate internal controls. These duties fall within OMD's current delegated authority to ensure that the Commission operates in accordance with federal financial statutes and guidance. OMD performs this role with respect to USAC's administration of the Commission's Universal Service programs and the Commission anticipates that OMD will leverage existing policies and procedures, to the extent practicable and consistent with the Connected Care Pilot Program, to ensure the efficient and effective management of the program. Finally, the Commission notes that OMD is required to consult with the Bureau on any policy matters affecting the program, consistent with § 0.91(a) of the Commission's rules.

III. PROCEDURAL MATTERS

A. Paperwork Reduction Act Analysis

46. This document contains new information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, will invite the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this

document, as required by the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), the Commission seeks specific comment on how it might further reduce the information collection burden for small business concerns with fewer than 25 employees.

B. Congressional Review Act

47. The Commission will not send a copy of the R&O to Congress and the Government Accountability Office pursuant to the Congressional Review Act, *see* 5 U.S.C. 801(a)(1)(A) because no rules are being adopted in the R&O.

IV. ORDERING CLAUSES

48. Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 201, 254, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. 201, 254, and 303(r) the R&O IS ADOPTED and SHALL BECOME EFFECTIVE **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**, pursuant to 47 U.S.C. 408.

49. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 201, 254, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. 201, 254, and 303(r), and § 1.3 of the Commission's rules, 47 CFR 1.3, the monthly invoice submission requirement IS WAIVED, to the extent discussed herein.

FEDERAL COMMUNICATIONS COMMISSION

Marlene Dortch,

Secretary.

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