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For Immediate Release**FCC TAKES STEPS TO FURTHER PROMOTE TELEHEALTH IN RURAL AMERICA*****Seeks Comments and Proposals on Reforms, Addresses FY 2017 Funding***

WASHINGTON, December 14, 2017 – The Federal Communications Commission today launched a review of its Rural Health Care (RHC) Program to ensure that all communities have access to advanced telehealth services.

The item adopted by the FCC today seeks comment on the appropriate level of the RHC Program funding cap. It also explores ways to more efficiently distribute RHC Program funds and combat waste, fraud and abuse. In addition, the approved Order waives the RHC Program’s annual cap on a one-time basis for funding year (FY) 2017 to address the impact of the funding cap on RHC Program participants.

For Americans living in rural and isolated areas, doctor shortages and hospital closures are endemic, and obtaining access to high-quality healthcare remains a constant challenge. Broadband connectivity has the potential to address such barriers to care by delivering telehealth services and access to cutting-edge healthcare treatments.

In the Telecommunications Act of 1996, Congress recognized the value of providing rural healthcare providers with an affordable rate for the communications services necessary for telehealth. Based on this legislative mandate, the FCC established the two components of the RHC Program—the Telecommunications Program and the Healthcare Connect Fund (HCF) Program—and capped the size of the overall Program at \$400 million per funding year.

The RHC Program has long supported access to vital telehealth services and helps rural communities overcome obstacles to accessing healthcare. For the second funding year in a row, demand is likely to exceed available RHC Program support, leaving participating healthcare providers facing cuts in funding.

The adopted Order makes some immediate changes for FY 2017:

- Waives the RHC Program’s annual cap on a one-time basis by instructing the Universal Service Administrative Company (USAC) to carry forward any unused RHC Program funds from prior funding years for use in FY 2017, which runs from July 1, 2017 to June 30, 2018.

- Enables service providers to voluntarily reduce their rates for qualifying FY 2017 requests while keeping the support amount provided by the Universal Service Fund constant.

To address sustainability of the Program and review Program rules, the Notice of Proposed Rulemaking seeks comment on:

- Increasing the RHC Program’s \$400 million annual cap and creating a prioritization mechanism in the event of demand exceeding the cap.
- Establishing a process for evaluating outlier funding requests and reforming the calculation of urban and rural rates in the Telecom Program to improve fairness and transparency.
- Defining the “cost-effectiveness” standard across the RHC Program to encourage more efficient purchasing and fairer competitive bidding.
- Ensuring sufficient funding for rural and Tribal healthcare providers, while maintaining the participation of rural-urban provider consortia.
- Simplifying Program participation and enhancing oversight.

Action by the Commission December 14, 2017 by Notice of Proposed Rulemaking and Order (FCC 17-164). Chairman Pai, Commissioners Clyburn, O’Rielly, Carr and Rosenworcel approving and issuing separate statements.

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