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FCC Waives Additional Universal Service Rules for Rural Health Care Providers

March 31, 2020

In response to the COVID-19 pandemic, the FCC has issued a second order waiving additional universal service rules to assist entities that participate in its Rural Health Care Program. The new order extends the filing deadline for the 2020 funding year, liberalizes the competitive bidding requirements for "evergreen" contracts and extends several procedural deadlines. It follows an earlier order waiving the "gift rule" to allow service providers to offer free or reduced-price services to recipients of Rural Health Care Program funding.

- **Extension of application window:** The order extends the window for health care providers to apply for the 2020 funding year. The new deadline is June 30; the original deadline was April 30. The new deadline applies to both the Telecom Program and the Healthcare Connect Fund Program.
- **Evergreen contracts:** The rules for the Rural Health Care Program allow funding recipients to avoid rebidding their services every year if they enter into contracts that specify the service being provided, what the services will cost, where the services will be provided, and the term of the agreements. Once the specified term ends, the funding recipient must rebid the contract. The order allows Rural Health Care Program recipients to extend any contracts that expire in funding year 2019 to funding year 2020 by waiving two rules – one that prevents an extension of contracts past their terms and another that limits the total length of contracts to five years. This is a one-time waiver, and it applies only to contracts that expire during funding year 2019, which runs from July 1, 2019, to June 30, 2020.
- **Procedural deadlines:** The order extends a series of procedural deadlines for the Rural Health Care Program:
    - *Responses to information requests:* The normal deadline for applicants to respond to information requests from the Universal Service Administrative Company is 14 days; the order extends that deadline to 28 days. The waiver will apply to any information requests issued on or before September 30.
    - *Service delivery deadline:* Normally, all services must be delivered by the end of the funding year to be eligible for support under the Rural Health Care Program. The order waives this deadline for funding year 2019 for non-recurring services (that is, services purchased on a one-time basis), and will allow reimbursement for such services if they are delivered by June 30, 2021.
    - *Invoice filing deadline:* The rules for the Healthcare Connect Fund generally require funding recipients to provide invoices for reimbursement within six months of the end of the funding commitment. The order extends that period for 180 days for funding year 2019, so that funding recipients will have just slightly less than one year to provide invoices.
    - *Appeals and requests for waiver:* The FCC's rules require any party that requests review or a waiver of a Universal Service Administrative Company decision to submit the appeal or waiver within 60 days. The order extends that period to 120 days. The extension applies to all deadlines for requests for waiver or review from March 11 to September 30.

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