
NC Telehealth Network Association

2022 Funding Gap
Details



NCTNA
Broadband By and For Healthcare

Healthcare Connect Fund Caps

The Healthcare Connect Fund (HCF) program is a permanent discount program established by the FCC that provides up to 65% in discounts to eligible healthcare providers.

The initial overall program cap was \$400M. This was increased to \$571M in 2018 and is adjusted for inflation for each year. The cap for 7/1/21 – 6/30/22 is \$671M.

There is also a sub-cap on three-year funding requests of \$150M. The intended purpose was to limit upfront spending. This cap has never been raised, but it is adjusted for inflation. The sub cap for 7/1/21 - 6/30/22 is \$154k.

Reform Order Prioritization

Priority Tiers - Sites are classified by their rurality (census tract based) and whether they are in a medically underserved area.

Prioritized funding - by priority tier until the cap is reached. Example:

1-4: 100% discounts

5: 70% discounts

6-8: no discounts

Sub-cap applies to 3-year funding requests

If NCTNA requests multi-year discounts, the sub-cap applies instead of the overall cap. The previous example could become:

Priority tier 1: 50% discounts

Tier 2: 20% discounts

Tiers 3-8: no discounts

Due to this sub-cap, NCTNA has switched to requesting only one year of funding at a time. This greatly reduces the risk of pro-rated discounts, but results in temporary funding gaps each year because there is a significant discount approval delay each year.

NCTNA is always looking for opportunities to have the sub-cap raised.

Temporary funding gaps

When there is a temporary funding gap, NCTNA subscriber invoices are switched to the undiscounted rate.

Subscribers receive reimbursement when NCTNA receives the discounts from the program.

Although NCTNA does have a program to insure some services against funding delays and gaps, we must limit the program by rurality and eligibility type. We will continue to look for ways to expand this program.

Predicting the future

The healthcare connect fund program has pledged to improve their approval times, which will result in less of a funding gap.

If program demand continues to grow, pro-rated discounts will become more common.

NCTNA is actively involved with advocacy to improve the program.

Questions?

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