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FCC INFUSES CASH TO ELIGIBLE PROVIDERS TO HELP DEFRAY COSTS ASSOCIATED WITH DEVELOPING A TELEHEALTH PROGRAM

by Evie Lalangas
April 24, 2020



Given telehealth's unique capability of allowing providers to render care in a socially distant manner, it has become a critical service to healthcare providers during the coronavirus pandemic. The Coronavirus Aid, Relief and Economic Security (CARES) Act recently injected billions of dollars back into the economy and allocated to the Federal Communications Commission (FCC) \$200 million for the COVID-19 Telehealth Program.

The COVID-19 Telehealth Program awards funding to eligible providers to help cover the costs of implementing and maintaining telehealth programs. These funds must be used to defray hardware and technological infrastructure and services costs to get a telehealth program in place as well as connected devices providing connected care to patients – all of which can be expensive, particularly for nonprofits or smaller providers. With respect to devices, the FCC will only fund devices digitally connected like blood pressure monitoring devices for the provider to receive real-time results via wireless or Bluetooth connections; they will not fund unconnected devices patients can use in their home to then separately report to their medical professional those results. Additionally, the FCC clarifies that these funds cannot be used to compensate information technology personnel or for staff training costs. Importantly, however, although recipients can use these funds to treat COVID-19 patients, they are not necessarily limited in doing so, so long as the funds are spent to “prevent, prepare for and respond to coronavirus”. The FCC recognizes that treating patients for other illnesses remotely via a telehealth platform to avoid in-person visits and thus, potential spread of the coronavirus, is an important preventative measure and thus an appropriate use of such funds. Applicants can apply for funding for eligible purchases made on or after March 13, 2020 even though the FCC did not begin accepting applications until April 13, 2020.

Any funds approved are an award and need not be paid back so long as the recipient uses the funds for the proper purposes and complies with the FCC's application and reporting requirements. The FCC already began awarding funds last week, as the program's money is available on a rolling basis for so long as the pandemic exists or all funds are disbursed – whichever occurs first. As such, eligible providers seeking funds should apply sooner rather than later to be considered for an award. Applicants can re-apply if they need additional funding beyond the initial amount received to the extent the FCC has funds remaining for this program and the pandemic still exists.

Eligible recipients include nonprofit and public providers based in rural or urban areas within the following categories: (1) teaching hospitals, (2) community health centers or centers providing health to migrants; (3) local health departments; (4) community mental health centers; (5) nonprofit hospitals and healthcare systems; (6) rural health clinics; (7) skilled nursing facilities; and (8) any combination of these providers. A for-profit provider is ineligible to receive funding via the COVID-19 Telehealth Program.

The FCC will award funds based on the estimated costs to purchase the support services and connected devices described in a provider's application; however, the FCC does not expect to award more than \$1 million to any one provider. Providers in areas hardest hit by the coronavirus pandemic will be prioritized. Upon receiving the funds, recipients will need to submit invoices and supporting documents on a monthly basis to the FCC and may be subject to other reporting requirements and potential audits.

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Applicants must register with the FCC and obtain an FCC Registration Number, apply for and be deemed eligible by the Universal Service Administration Company (USAC), and then register with the federal system for Award Management. Registration with the Award Management can be completed after the application is submitted, but the FCC encourages applicants to do so in advance as it takes approximately 10 days to become registered and the FCC uses this system to distribute the COVID-19 Telehealth Program funds. Details about such Award Management registration requirements are available [here](#).

The FCC application, corresponding instructions, and details on registering with the Award Management system are available [here](#).

ABOUT THE AUTHOR



Evie Lalangas, Associate – elalangas@grayreed.com

Board Certified in Health Law by the Texas Board of Legal Specialization, Evangeline (Evie) Lalangas brings an insider's perspective to the firm's health care and business services expertise. Her clients include hospitals, surgery centers, physicians, dentists, home health and hospice agencies, pharmacies, medical device companies, laboratories and other ancillary service providers. Institutional clients rely on Evie for compliance matters, fraud and abuse issues and negotiating and documenting transactions. She counsels clients on fraud and abuse laws, including the Anti-Kickback Statute, Stark Law, HIPAA, The Sunshine Act and other state and federal laws.