

COVID-19 Telehealth Funding, Round 2: What You Need to Know

By Teagan Kuruna

The onset of the COVID-19 pandemic dramatically changed American healthcare, including the rapid uptake of telehealth services in response to facility closures. In light of the urgent need to expand the use of telehealth, the Federal Communications Commission (FCC) was tasked with providing funding for related services and equipment.

In March 2020, the CARES Act provided \$200 million to build virtual care infrastructure through the COVID-19 Telehealth Program. Because that funding ran out quickly, in December 2020, Round 2—an additional \$250 million—was allocated to build the telehealth infrastructure at non-profit and public healthcare organizations.

The application window for Round 2 will be open between 12PM ET on Thursday, April 29 through 12 PM ET on Thursday, May 6, 2021. To help healthcare organizations prepare for this opportunity, I spoke with [Steve Augustino](#), Partner and Chair of the Communications Practice at Kelley Drye & Warren LLP, a national law firm with a diverse regulatory and litigation platform. This Q&A is a lightly edited transcript of the conversation.

Disclaimer: in this conversation, Steve provides general information and does not intend to convey or constitute legal advice on any subject matter. Readers should seek legal advice on their specific facts and circumstances from a licensed attorney, and not rely on the questions and answers below for legal advice.

Teagan: What is the purpose of the FCC COVID-19 Telehealth Program, and what does it fund?

Steve: The program is designed to expand healthcare organizations' ability to provide care via telehealth.

In March 2020, the CARES Act provided \$200 million for qualified healthcare providers to support telecommunications services and equipment used to provide telehealth services. The FCC created rules for this funding and distributed the funding to qualified applicants, with a cap of \$1 million per application. This "Round 1" of funding was quickly distributed to over 200 applicants in over 40 states, with all funding exhausted by July 2020. Then, in December 2020, Congress authorized additional money to support telehealth services provided by non-profit and public healthcare organizations during the pandemic. The additional funding is referred to as Round 2 of the FCC's COVID-19 Telehealth Program.

As with Round 1, this opportunity provides up to \$1 million per application for equipment and services used for pandemic-related telehealth purposes. Specifically, the funding can be used "to support efforts of healthcare providers to address coronavirus by providing telecommunications services, information services, and devices necessary to enable the provision of telehealth services."

Teagan: What is different in this round compared to last year's program?

Steve: There are three major differences this time:

1. Applications will be reviewed as a group, rather than on a rolling basis, as they were in Round 1. The FCC has established the filing window for applications to run between 12PM ET on Thursday, April 29 through 12PM ET on Thursday, May 6. All applications must be

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- submitted by the close of this filing window and will be evaluated based on the FCC's criteria.
2. The second major difference is that the FCC will be using the Universal Service Administrative Company (USAC), which administers other FCC funding programs, to evaluate applications. USAC evaluates the FCC's Rural Health Care Program and will be bringing that expertise to this process
 3. Finally, the FCC has provided more detailed criteria for evaluating applications, with the goals of prioritizing certain types of applications and fair geographic distribution.

Teagan: Let's talk a little more about the eligibility requirements. Who is this funding intended to support?

Steve: As with Round 1, the FCC will determine who is a "healthcare provider" using [the definition](#) set out as part of the Rural Health Care Program—though the COVID-19 Telehealth Program is open to rural and non-rural providers. This definition broadly includes non-profit and public providers, including community health centers, local health departments and agencies, community mental health centers, and not-for-profit and academic medical centers. It does not, however, include for-profit healthcare providers.

If healthcare providers previously applied for funding and were denied or their funding has since been exhausted, they will need re-submit and update their applications. Anyone who was funded in Round 1 is eligible to apply again. It's important to note that providers who were funded last time will be scored less favorably and providers who were not funded will receive a boost in scoring.

Teagan: Will applications be processed in the same way as last year?

Steve: Again, this is one of the major changes. We're currently in the two-week notice period before the seven-day application window opens on April 29 at 12PM ET. All applications must be submitted during that window and all will be reviewed at once rather than on a rolling basis.

Teagan: How will the FCC decide who gets funding for the COVID-19 Telehealth Program?

Steve: The FCC has provided a useful scoring rubric, found on [page 18](#) of the Report outlining the program. The criteria show us that the FCC is focused on funding increased telehealth investment in areas hardest-hit by COVID-19, low-income areas, tribal communities, and applicants who did not receive funding in Round 1.

For convenience, the FCC's scoring rubric is copied below.

Round 2 Evaluation Metrics

Factor	Information Required	Points
Hardest Hit Area	Applicants must provide health care provider county	Up to 15
Low-Income Area	Applicants must provide health care provider physical address and county	Up to 15
Round 1 Unfunded Applicant	Applicants must provide unique application number from Round 1 ¹²⁷	15
Tribal Community	Applicants must provide physical address and/or provide supporting documentation to verify Indian Health Service or Tribal affiliation	15
Critical Access Hospital	Applicants must provide proof of Critical Access Hospital certification	10
Federally Qualified Health Center / Federally Qualified Health Center Look-Alike / Disproportionate Share Hospital	Applicants must (1) provide proof of Federally Qualified Health Center certification, or (2) demonstrate qualification as a Federally Qualified Health Center Look-Alike, or (3) demonstrate qualification as a Disproportionate Share Hospital	10
Healthcare Provider Shortage Area	Applicants must provide Healthcare Provider Shortage Area ID number or health care provider county	Up to 10
Round 2 New Applicant	Applicants must certify, under penalty of perjury, that the applicant has not previously applied for Program funding	5
Rural County	Applicants must provide health care provider county	5

Teagan: What should interested healthcare providers do so that they are ready when the application window opens?

Steve: Most urgently, providers must complete the FCC’s two registration requirements that must be met before an application is submitted. These tasks should get prospective applicants’ immediate attention:

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- File [Form 460](#) with USAC to confirm that the application's lead site is eligible for the program
- Register with the federal portal for payments, the [System for Award Management](#)

Next, providers should review the FCC's final rules and the Public Notice to ensure that the equipment and services that they are requesting are eligible and meet the FCC's requirements. Then, assemble the necessary information regarding the services and equipment that you want to purchase and the healthcare purposes for which they will be used. It's useful to know—though it's always better to have the application done correctly the first time around—that this year, unlike last year, USAC will notify applicants of any deficiencies and provide a 10-day period to cure the problem before denying an application. It may be helpful to engage a regulatory and legal consultant who can help you navigate the application process.
