



# California Telehealth Network Letter of Agency (LOA) Frequently Asked Questions and Explanations

Updated July 3, 2008

## Who is eligible:

Public and not-for-profit health care providers are eligible to receive funding. For purposes of the Pilot Program, the definition of “Health Care Provider” is the same as that of Section 254(h)(7)(B) of the Communications Act and the FCC’s rules for the existing Rural Health Care (RHC) program.

Eligible health care providers include:

*Post-secondary educational institutions offering health care instruction, teaching hospitals, or medical schools;*  
*Community health centers or health centers providing health care to migrants;*  
*Local health departments or agencies including dedicated emergency departments of rural for-profit hospitals;*  
*Community mental health centers;*  
*Not-for-profit hospitals;*  
*Rural health clinics, including mobile clinics;*  
*Consortia of health care providers consisting of one or more of the above entities; and*  
*Part-time eligible entities located in otherwise ineligible facilities.*

## Who is NOT eligible:

*Private physician offices or clinics*  
*Nursing homes or other long-term care facilities (e.g., assisted living facilities)*  
*Residential substance abuse treatment facilities*  
*Hospices*  
*Emergency medical service facilities (e.g., rescue squads, ambulance services) \*\**  
*For-profit hospitals*  
*Home health agencies*  
*Blood banks*  
*Social service agencies*  
*Community centers, vocational rehabilitation centers, youth centers*

\*\*Although emergency medical service facilities themselves are not eligible providers for purposes of the RHC Pilot Program, Pilot Program funds may be used to support costs of connecting an emergency medical service facility to eligible health care providers to the extent that the emergency medical services facility is part of the eligible health care provider.

Any additional questions or further clarification related to eligibility for the Rural Health Care Pilot Program can be addressed by contacting Universal Service Administrative Company’s (USAC) customer Service: Toll-Free: (800) 229-5476

USAC will also review each entity to ensure that each health care provider (HCP) site qualifies for participation in the Rural Health Care Pilot Program. If USAC has questions during their review they may contact you directly for clarification.

**What is the Universal Service Administrative Company (USAC)? How are they involved in the Rural Health Care Pilot Program (RHCPP)?**

*USAC is the organization appointed by the FCC to be responsible for overseeing, administering and managing the Rural Health Care Pilot Program (RHCPP) according to the requirements set forth by the FCC. The California Telehealth Network is one of 69 networks authorized for funding under the Rural Health Care Pilot Program. USAC also administers a number of other telecommunications reimbursement programs for the FCC including the Schools and Libraries e-rate program.*

**Does my facility need to be located in a rural area to participate and receive funding?**

*No, while the Rural Health Care Pilot Program (RHCPP) emphasizes connecting rural health care providers, urban providers are also eligible for funding under the Rural Health Care Pilot Program. One of the goals of the network is to connect rural providers with urban providers.*

**Why do I need to sign a LOA?**

*To participate in the Rural Health Care Pilot Program there are certain rules, policies and procedures that USAC and the FCC require participants to follow. The template LOA was developed by USAC. By signing the LOA, you are acknowledging these procedures and commit to follow these policies, procedures, and rules. All sites who wish to participate in the pilot program and receive reimbursement from USAC must sign the LOA.*

**Who can I contact about eligibility qualifications for the Rural Health Care Pilot Program (RHCPP)?**

*Please contact USAC directly, they are best qualified to provide you with eligibility information. Be sure to specify that you are calling about the **pilot program**, not the regular program. Eligibility requirements are different for each of these programs, even though the phone number below handles inquires about both programs.*

USAC's Customer Service: Toll-Free: (800) 229-5476

**I am already in the regular Universal Services (USAC) Rural Health Care (RHC) Program. Can I participate in the Pilot Program too?**

*Signing an LOA with the California Telehealth Network for participation in the RHCPP does not exclude participants from participating in other USAC programs (i.e. Schools & Libraries or RHC). USAC specifically stated that there is no limitation on the number of LOAs that an HCP may sign. Further, USAC treats the RHCPP and the regular Rural Health Care (RHC) program as two totally separate and autonomous programs. A HCP may participate in both programs as long as participation does not cover the same services.*

**Can I receive telecommunications funding/reimbursement from both the Rural Health Care Pilot Program (RHCPP) and the regular USAC Rural Health Care program for the same telecommunications connection?**

*You are not allowed to “double dip” or receive funding from both programs for the same service. See question above for more guidance related to participation in both the regular and the pilot program simultaneously.*

**Can I join more than one Rural Health Care Pilot Program network? If I sign an LOA with the California Telehealth Network am I excluded from participating in other networks?**

*You are allowed to join multiple networks; however, California submitted a single coordinated proposal to the FCC so in our case CTN is rather unique in that this effort is being coordinated on a larger statewide-basis, rather than among multiple smaller pilot program networks. However, if you are approached to participate in another RHCPP network the FCC and USAC do not exclude you from doing so, but it may not be necessary since many of the Pilot Program networks will be connecting to National LambdaRail or Internet2, which will interconnect between many of the various pilot program networks.*

**If I am in the regular USAC Rural Health Care Program and I am under contract how will switching to the Rural Health Care Pilot Program be handled?**

*Neither the Rural Health Care Pilot Program nor the regular Rural Health Care program will pay early termination or contract penalties for existing services. The pilot program does not allow “double dipping,” or obtaining reimbursement for the same telecommunication connection under both the regular and the pilot program. The connection to the California Telehealth Network must be viewed as providing different services and not duplicate services funded by the regular program. The California Telehealth Network is currently exploring ways to handle the transition of applicable telecommunications between the regular program and the pilot program. USAC has provided the following guidance as it relates to participation in the regular and pilot programs and duplication and overlap of service:*

*The regular rural health care program and rural health care pilot programs are two separate and distinct programs. There is no prohibition against HCPs participating in both programs at the same time, as long as there is no 'long term' duplication of service or “double dipping” for essentially the same or similar service. It is fully expected that in the course of provisioning new and/or improved services, an overlap with existing services may develop over the short-term. Common sense dictates that a reasonable period of time will be needed to transition the overlapping and duplicative service(s) to the new one(s). USAC asks that circumstances surrounding the overlap's what, where, when, why and how be documented.*

**I am the CEO of a large regional group of health care facilities. Do I need to sign and submit an LOA for each facility for which I have the signature authority (i.e. CEO)?**

*We are required by USAC to obtain an LOA for each site that is interested in receiving telecommunications reimbursement through the USAC pilot program. We must have a least one LOA per tax ID. If you represent a number of clinics, hospitals or sites and all of them operate under the same Tax ID, we will only need one LOA that covers all of those physical locations. Please check the box on the LOA indicating that you are “the authorized person for multiple physical locations operating under the same tax ID who wish to participate in*

CTN.” You must provide the names and physical addresses of each site represented by that LOA. The LOA must clearly state as either a referenced attachment or as part of the LOA which physical locations are covered by the submitted LOA.

**If I decide not to participate in the California Telehealth Network this year can I join later?**

*If you are at all interested in joining the California Telehealth Network we strongly encourage you to submit your LOA this year as our funding commitment letter (FCL) (amount of money we are authorized for) will be based on number sites submitting LOAs, and this money can be rolled over for a period of 5 years, but we can only submit the major portion of sites over 3 years and it is strongly recommended by USAC that LOAs only be submitted on a once a year basis. The submissions will occur once each year in 2008, 2009 and 2010. In some circumstances if a site who has submitted an LOA decides not to participate a new site can be switched out or exchanged. The LOA is not a binding commitment that your organization will participate in the program, but rather an acknowledgement that if you participate in the program you will follow the policies, procedure and requirements of the FCC as set forth in the LOA provided by USAC.*

**By signing this LOA am I automatically included in the California Telehealth Network?**

*No, but it gets you closer. USAC will review the LOAs we submit to make sure each site qualifies. Those who do not qualify will be notified. The final site selection and site sequencing will be based on a number of criteria and occur over a period of 3-5 years. It is our hope to include everyone who qualifies and is interested in participating, but there are a number of criteria including the funding amount, areas of need, and limitations related to how many sites we can physically install and manage that will be considered as sites are selected and sequenced.*

**Can I withdraw my interest at a later date if I have submitted an LOA?**

*Certainly, the LOA does not commit you to participate in the California Telehealth Network. It only commits you to follow the Pilot Program policies, procedures and rules of the FCC as set forth by the LOA should you elect to participate.*

**I don't qualify for the Rural Health Care Pilot Program funding, but I would still like to participate/join the network. Do I need to complete an LOA?**

*Health care entities who would like to participate, but who are not eligible for funded participation in the network should also submit an LOA so they can be included in the network design and planning. Sites who don't qualify for USAC funding are still permitted to connect to the network, but will be required to pay their “fair share” of the telecommunications connection cost. These sites will likely be able to take advantage of the bulk purchase pricing that we anticipate receiving, but no additional funding reimbursement from USAC will be permitted. The California Telehealth Network will be working on development of costs and procedures for connecting sites to the network who do not qualify for USAC funding/reimbursement.*

## What is the time frame for obtaining a telecommunications connection to the California Telehealth Network?

*The Rural Health Care Pilot Program is a new program for the FCC, USAC and us as well, so we are all learning as we go along. Some things may take longer than expected and some things may take less time. Below is a very general timeline of what we anticipate based on our current forecast and understanding of the Pilot Program.*

<b>June-July</b>	Obtain LOAs from interested sites
<b>August</b>	Complete the Request for Proposals (RFP) for the CTN telecommunications
<b>August</b>	Submit LOAs, 465 form and final RFP to USAC for review and posting
<b>October</b>	Telecommunications providers respond to RFP and USAC reviews LOAs and site eligibility
<b>November</b>	RFP responses scored and provider(s) is/are selected
<b>Nov – Dec</b>	USAC approves selected bid and Funding Commitment Letter (FCL) for year 1 is issued
<b>Dec – Feb</b>	Begin installing sites for year 1

## What does each item I am signing mean?

Below we have attempted to clarify each of the points in the LOA, which was provided as the standard LOA template for HCPs by USAC. We further explain some of the points as they relate to the process within the California Telehealth Network.

- a) **[Health Care Provider Name]** certifies that it is a non-profit or public entity.

*The program requires that participants be non-profit or public entities. By agreeing to item a) you are certifying that you meet this requirement.*

- b) **Health Care Provider Name]** certifies that it has followed any applicable State or local procurement rules.

*The key word is applicable. To the extent the HCP is participating in the procurement, the HCP must follow the rules as they relate to the HCP, in the California Telehealth Network involvement in the procurement will be minimal. If there are certain rules in the HCP's region or jurisdiction that the HCP is subject to that CTN would not be aware of, these would need to be brought to our attention. For example state entities must select vendors that are certified or licensed to provide services in the State of California (i.e. have a California Business License).*

*If the applicable procurement procedures allow the HCP to avail themselves of the CTN process and sign the LOA, then there should never be an issue. The key issue is documentation. If there are procurement procedures that the HCP must observe, then the HCP must make sure those are followed in signing up for the CTN. Those procedures need not be followed by CTN as CTN is responsible for following its own procurement rules for purchasing the communication services.*

- c) **[Health Care Provider Name]** certifies that telecommunications services and network capacity provided to it as a result of its participation in the Pilot Program will be used solely for purposes reasonably related to the provision of health care service or instruction that it is legally authorized to provide under the law of the state in which the services are provided and will not be sold, resold, or transferred in consideration for money or any other thing of value.

*The telecommunications connection provided through the California Telehealth Network must be used for the provision of health care services. The HCP is certifying that it will be using the telecommunications connection for services that it is legally authorized to provide (i.e. the facility is licensed to provide the health care service) and will use the connection for the provision of health care. More details on allowed uses can be found in the FCC Rural Health Care Pilot Program Order (see [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-278991A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-278991A1.pdf)).*

*For those unfamiliar with telemedicine, there is no additional license (above those that health providers are traditionally required to carry for various services) to provide telemedicine consultations or receive telemedicine consultations within the State of California. When telemedicine occurs across state lines additional licensure rules may apply. It is advised that providers with an expressed interest in telemedicine across state lines or between different countries consult the Center for Telemedicine and eHealth Law or the applicable regulatory body (i.e. medical board or pharmacy board) to determine which laws and regulations are applicable to the services they are interested in providing or receiving.*

*Regarding the resale of telecommunications, the California Telehealth Network will follow the rules as they apply to the organization acquiring the telecommunications services on behalf of the Health Care Providers. It is the HCP's responsibility to commit that they will not resell the telecommunications services they are receiving from their participation in the California Telehealth Network or transfer the services for anything of value to a third party.*

- d) **[Health Care Provider Name]** certifies that it will retain documentation of its purchases of service related to the Pilot Program for five years from the end of the funding year.

*HCP's may receive copies of documentation from providers as it relates to their site, even though the payment for services will be provided by CTN. This may include invoices, service reports, annual statements of services provided, etc. Under the USAC auditing rules, they are required to retain all such records for five years.*

*Excerpt from USAC e-mail from our USAC "coach":*

*"For the purposes of an OIG Audit, both beneficiary and service provider are requested to provide 'full access to all accounting systems records, reports and source documents of itself and its employees, contractors, and other agents in addition to all other internal and external audit reports that are involved, in whole or in part, in the administration of this Pilot Program.' Further, if you consider the breadth of the Quarterly Data Report, the FCC also requests that supporting documentation for those reports be kept for five years.*

*More specifically for HCPs, anything that supports and documents the eligible and ineligible use (and allocation thereof) of pilot program funds is especially key. A site visit or audit of a h/c site would zero in on whether funded products and services are 1) actually in place as invoiced and 2) are being used for eligible purposes as specified/certified on pilot program forms."*

*The best course in dealing with USAC and the FCC's auditors is to make sure all participants know that they should retain all documentation related to CTN for five years. We know this isn't the most efficient process, but we want to make sure all HCPs do not jeopardize funding over a relatively straight-forward records retention requirement.*

- e) **[Health Care Provider Name]** acknowledges that FCC rules provide that individual health care facilities participating in the Pilot Program that have been convicted of a felony, indicted, suspended, or debarred from award of federal or state contracts or are not in compliance with the FCC's rules and regulations, are not be eligible for discounts under the Pilot Program.

*The HCP certifies that it complies with the rules indicate in this statement and in the FCC Pilot program directive (See FCC Pilot Program Order [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-278991A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-278991A1.pdf)).*

- f) **[Health Care Provider Name]** certifies that, to the best of its knowledge, the non-discount portion of the costs for eligible services will not be paid by the service provider.

*The vast majority of programs intend that the individual HCP's will pay the non-reimbursable 15%, creating the possibility that some HCP's may independently negotiate informal side agreements with vendors for defrayal of the non-reimbursable component. USAC requires this statement, as it is used in other programs and provides a baseline level of responsibility at the entity level to ensure that no fraud is occurring in the program.*

*As a practical matter, the clause stipulates: "to the best of its knowledge." Under CTN administrative organization we are trying to provide a transparent process that will allow every HCP to be sure that they can make this certification. Given the subjective nature of the certification and the transparency of the CTN process this should not be problematic for any HCP.*

*Since the intent of the California Telehealth Network is to simplify the process by defraying and avoiding any payment by the HCP during the program, the California Telehealth Network will not initially be set-up for funding partially eligible telecommunications connections (i.e. telecom lines); therefore, the telecommunications connection must be used for the purposes stated in the FCC Rural Pilot Program Order related to the provision of health care. For example if you are a school and you have determined that half the line or bandwidth will be used for non-health care communications, while the other half will be used for health care purposes we are not currently set-up to allow you to pay the non-eligible portion and would request that other arrangements are made for your non-eligible telecommunications needs.*

- g) **[Health Care Provider Name]** acknowledges that the provision, by the provider of a supported service, of free services or products unrelated to the supported service or product constitutes a rebate of some or all of the cost of the supported services.

*For the California Telehealth Network this will be more applicable to the organization acquiring the service (the University of California). The intent of this clause is to advise the HCP that it may not accept additional "free" services from a CTN service provider, since FCC and USAC will interpret such gratuities as rebates or "kickbacks." This restriction is completely equivalent to the Stark Provisions, commonly enforced in the healthcare arena.*

- h) **[Health Care Provider Name]** certifies that **[name of person authorized to sign LOA]** is authorized to sign this Letter of Agency and is authorized to act on behalf of **[Health Care Provider Name]** in matters related to the Pilot Program. **[Authorized Person]**'s contact information is provided below.

*This item certifies that the person signing this LOA is authorized and has authority to do so in this matter and allows the California Telehealth Network to act on its behalf related to the Pilot Program, including acquiring and purchasing the telecommunications connection, submitting usage statistics (i.e. number of telemedicine consultations) and other reporting information to the FCC as required under the Pilot Program. If you are the authorized person for more than one physical location please check the box at the end of the LOA and attach the name and physical address for each location.*

- i) **[Health Care Provider Name]** acknowledges that it shall be subject to audit by the FCC and, if necessary, investigated by the FCC, to determine compliance with the Pilot Program, FCC rules and orders as well as section 254 of the Communications Act of 1934, as amended.

*The clause contains the limitation that the investigation would be to determine compliance with the pilot program, FCC rules and orders and the universal service statute.*

*Participation in the RHCPP subjects the HCP to broad responsibilities for audit extending to areas directly related to RHCPP services (See response from USAC regarding audit liability in section d). The clause does not by its terms, nor does it seek to, extend any sort of authority to the FCC that it does not already have under its rules related to the RHCPP, it is simply an acknowledgement of those rules by the HCP.*

- j) **[Health Care Provider Name]** certifies that: 1) the FCC Rural Health Care Pilot Program eligibility requirements have been reviewed and 2) to the best of its knowledge **[Health Care Provider Name]** qualifies for participation in the Rural Health Care Pilot Program.

*Certifies that the site has reviewed the eligibility requirements and to the best of its knowledge qualifies to participate in the Pilot Program. If an HCP is currently participating in the standard USAC program, they are eligible under the RHCPP program. CTN will endeavor to assist HCPs in assessing their eligibility under the RHCPP; however, the LOA acknowledges the fact that the individual HCP bears ultimate responsibility for affirming their eligibility. HCP's are encouraged to consult with USAC directly, in the event of any uncertainty regarding eligibility (please consult directly with the USAC resources mentioned in the FAQ introduction).*

### **Information Resources**

1. *Universal Services Administrative Company (USAC)*  
*Customer Service Support Center 1-800-229-5476* <http://www.usac.org/rhc/>
2. *FCC RHCPP* <http://www.usac.org/rhc-pilot-program/default.aspx>
3. *General FAQ responses from the FCC and USAC* <http://www.fcc.gov/cgb/rural/rhcp.html#faqs>
4. *California Telehealth Network* <http://www.caltelehealth.org/>
5. *California Telehealth Network Information Line (at UC Davis Health System)*  
(916) 734-3008  
[ctn@ucdmc.ucdavis.edu](mailto:ctn@ucdmc.ucdavis.edu)

### **Terms:**

*Rural Health Care Pilot Program- RHCPP or “Pilot Program”*

*Rural Health Care Program- RHC or “Regular Program”*

*Universal Services Administrative Company- USAC*

*Letter of Agency-LOA*

*California Telehealth Network-CTN*

*Health Care Provider-HCP or provider site*

*Funding Commitment Letter-FCL*

*Chief Executive Officer-CEO*

*Office of the Inspector General-OIG*