USDA Rural Development
Health IT & Telehealth
Program Funding
Overview

USDA-HHS Health IT Pilot Initiative

• Expand access to capital and broadband
to support health IT adoption by CAH and
rural hospitals
• Collaboration aims to streamline and
improve the effectiveness of Federal
programs
• IL is part of a five state pilot
• Leveraging resources of the
HHS Reg. Extension Centers
• Engaging broadband stakeholders
USDA’s Commitment to Economic Development

We are committed to helping improve the economy & quality of life in rural America.

- Our financial programs support community facilities such as, health clinics, hospitals, schools, emergency service facilities, libraries; water & sewer systems; housing; businesses, as well as electric & telephone services
- We promote economic development by supporting loans to public entities, non profit organizations, individuals and businesses
- We administered $20 billion in loans, loan guarantees & grants through our programs in the last fiscal year.

USDA Rural Development Programs

- Community Facilities Loan/Grant & Guarantee (CF)
- Rural Economic Development Loan/Grant (REDLG)
- Distance Learning-Telemedicine (DLT)
Community Facilities Programs

USDA Rural Development’s (RD) Community Facilities (CF) programs were established by Congress specifically to provide access to capital for a wide range of critical civic infrastructure facilities & services such as:

- Health Care
- Fire, Rescue, & Public Safety
- Educational
- Public Services

Community Facilities (CF) Eligibility

- Cities & towns of up to 20,000 or Rural areas
- Applicant must be non-profit, public body, special purpose district or Indian tribe
- Eligible purposes include: construction, repairs and renovations, equipment & vehicle purchases including installation and professional services costs
- Eligible project examples: hospitals, clinics, assisted living, nursing homes, libraries, police, fire and rescue, community centers, storm sirens, village halls, various equipment
Community Facilities (CF) Rates & Terms

CF Direct Loan
• Maximum repayment term not to exceed 40 yrs
• Fixed Interest Rates – locked in for life of loan
• Current rate - 3.5%

CF Guaranteed Loan
• Applicant applies to bank, Lender requests guarantee on loan
• Maximum repayment term not to exceed 40 yrs
• Fixed or variable rate negotiated between lender & borrower
• One time 1% Guarantee fee

Community Facilities & Equipment

Rural health care providers may apply for CF funding support for the purchase of equipment, such as a new CT scanner, facility construction (hospital, nursing home, outpatient facility, physician clinic), repairs or renovations.

Health information technology hardware & related software costs are also eligible – but stand alone software investments may not be eligible
Community Facility Loan

- Project Example for health IT
  - Digital imaging equipment
  - Fully integrated electronic patient medical records system, which included computers & software.

Rural Development Process

- Preapplication
  - Determine project & applicant eligibility
- Application
- Approve funding (lock in funds & rates)
- Closing (title work, bidding, closing)
- Construction/complete project

- Loan specialist available to help you step-by-step through our process
Preapplication Process

Applicant
• Legal name, legal authority (organization)
• Public bodies – state statutes organized under
• NFP – Articles of Incorporation & current By-laws
• Location and service area

Project
• Scope, purpose, need
• Cost of Project

Preapplication Process (cont.)
• Submit application form and supporting documentation (IL Guide 0)
• Eligibility determination – no more than 45 days from complete preapplication
  - Applicant eligibility
  - Project eligibility (eligible purpose)
  - Service area eligibility
  - Other credit determination
• Invite to file full application for funding.
How do you start?

- Preapplications are accepted year around
- You work with your professional consultants to develop your project
- Technical assistance provided by the RD Office in your area
- We can meet you at your facility to discuss the process
- For more information - http://www.rurdev.usda.gov/IL_CommunityPrograms.html

Rural Economic Development Loan and Grant Program (REDLG)
REDLG

Purpose
• Promote rural economic development
• Create jobs

Eligible Applicants
• Electric Cooperatives
• Telephone Cooperatives
• Municipalities that provide electric services in a rural area (20,000 inhabitants)

REDLG

RED Loan Eligible Projects
• Medical facilities and equipment
• Business expansions and startups
  • Buildings, equipment, machinery, land, site development, and working capital
• Community infrastructure and facilities necessary for economic development
REDLG

RED Loan Eligible Projects

- Educational facilities and equipment to provide training and job enhancement skills
- Advanced telecommunications or computer networks to facilitate medical or educational services
- Technical assistance and project feasibility studies

REDLG

RED Grant Eligible Recipients & Projects

- Non-profit entities and public bodies (Initial Funds)
  - Community development or community facility projects that:
    - Will create or save employment; and
    - Are open to and serve all Rural residents, and are owned by the UR
- Business incubators
- Medical facilities and equipment
REDLG

RED Grant Eligible Recipients & Projects

• Educational facilities and equipment to provide training and job enhancement skills
• Advanced telecommunications or computer networks to facilitate medical or educational services
• Technical assistance and project feasibility studies

REDLG

• Loan
  • Maximum - $2 million

• Grant
  • Maximum - $300,000
  • Funds will be used to establish a revolving loan fund

*Monthly funding cycle
REDLG

• Rate
  • Loan – 0% to intermediary & ultimate recipient
  • Grant – initial loan to ultimate recipient is 0%

• Term
  • Maximum 10 years (includes deferral period)
  • Optional Payment Deferral
    • 2 years for a start-up or CF project
  • Monthly payments

• Fee
  • Intermediary can charge a
    1% fee (based on outstanding loan balance)

USDA

REDLG

Supplemental Funds

• Loans
  • Minimum of 20% of loan amount
    • Usually provided by the ultimate recipient
    • Equity injection, loan from financial institution, etc.
  • Must be in the form of cash

• Grants
  • Intermediary must match 20% of grant into fund
  • Match must stay with the fund for the life of the RLF

USDA
REDLG

REDLG Funds Available
• Loan
  • Total Remaining in FY 2013
    • $48,250,227

• Grant
  • Total Remaining in FY 2013
    • $1,587,682

Projects Funded
• Community Online Resource Directory
  • Interactive, web-based listing of programs & services provided by health & social services

• MedAssist
  • Purchased computers to support online application process for free medications for qualified clients

• Digital Mammography equipment
REDLG

Resources
• Program Website
  • http://www.rurdev.usda.gov/BCP_redlg.html

• Program Regulation

*The application must be submitted to RD prior to the project being started. Expenses incurred prior to the date of the application cannot be used as supplemental funding.

Distance Learning & Telemedicine Program (DLT)
Distance Learning and Telemedicine (DLT) Grant Program

Definitions and Purpose

DLT Grants are not just a way to obtain educational technology or medical equipment. The focus is on using the unique capabilities of telecommunications to connect rural areas to each other and to the world, thus overcoming the effects of remoteness and low population density.

Distance learning means a curriculum delivered via telecommunications and stresses the connection of students and teachers at remote sites.

Telemedicine means the delivery of health care from medical professionals at one site to patients at other sites via telecommunications. Telemedicine shows benefit to rural residents either in reduced travel or access to services.

RUS Telecommunications Program

FY 2012 Results and FY 2013 CR

*Available funding includes authorized budget and amounts carried over from previous fiscal year
DLT Grant Program - Eligible Applicants

- Corporation or a partnership; tribal nation or organization a state or local unit of government; a consortium; or other legal entity. For or not-for profit able to contract with the US Government.

- Operate a rural community facility or deliver DLT services to entities that operate a rural community facility or to residents of rural areas at rates calculated to ensure that the benefit of the financial assistance passes through to such entities or to residents of rural areas.

DLT Grant Program - Eligible Purposes

- Serving rural communities of 20,000 or less

- Deliver distance learning or telemedicine services for the term of the grant.

- Purposes must meet the grant definition of distance learning and/or telemedicine.

- No planning studies, research projects, or short-term demonstration projects.
DLT Grant Program - Eligible Equipment

• This list is not exhaustive and does not convey automatic eligibility. To be eligible in full, items must be primarily for DLT eligible purposes.
  - Audio and video equipment
  - Computer hardware and software
  - Computer network components
  - Terminal equipment
  - Data terminal equipment
  - Interactive audio/video equipment
  - OEM or OEM-authorized warranties on eligible equipment up to the 3-year life of the grant
  - Inside wiring

DLT Grant Program

• Grant funds cannot be used to purchase:
  - Salaries and benefits
  - Administrative expenses (overhead)
  - Telecommunications transmission equipment
  - Recurring costs, including telecommunications
  - Medical equipment
  - Equipment owned by telecom provider (LECs, CLECs, etc.)
  - Duplication of facilities
  - Costs incurred before the application deadline
DLT Grant Program Scoring

Scoring: 220 Points possible in 8 scoring categories:

1. Rurality (population density) – 45 points
2. National School Lunch Program (economic need) – 35 points
3. Leveraging (matching funds) – 35 points
4. USDA-designated Empowerment Zones – 10 points
5. Additional National School Lunch Program – 10 points
6. Need for Services and Project Benefits – 45 points
7. Innovativeness – 15 points
8. Cost Effectiveness – 35 points

DLT Grant Program

Typical Projects

- Video-conferencing is the most common for distance learning
- Telemedicine:
  - Visiting nurse links from patient homes to health professionals elsewhere
  - Tele-radiology
  - Tele-dentistry
  - Tele-pharmacy
  - Virtual ICU
  - Tele-(Stroke/Psych/Derm/ER/other functions remotely)
DLT Project Examples

• Schuyler County Hospital District
  • Implemented Digital Mammography providing “real time” diagnostics and electronic records allowing results to be accessed by other medical physicians. Allowed for faster reviews decreasing patient diagnosis time. Decreases storage requirements compared to legacy systems.

2013 DLT Grant Program - Information and Application
APPLICATION DEADLINE – AUGUST 12, 2013

• Website: http://www.rurdev.usda.gov/UTP_DLT.html
  • 2013 Application Guide and Resources

• Subscription Service:
  https://public.govdelivery.com/accounts/USDARD/subscriber/new

• Webinars: To be announced

• Application: www.grants.gov
  or Paper
  (Must be Postmarked by deadline)
DLT Grant Program - Information and Application

- 2013 Available Funding - $17.5 M
- Min grant $50,000 – Max grant $500,000
- Min Match: 15% of grant requested (Project Costs = Grant + Match)
- Competitive nationwide grant program

Contact Information

Telecommunications Program
1400 Independence Ave.
Washington, DC 20250
http://www.rurdev.usda.gov/RUSTelecomProgram.html

Christopher L. Collins
General Field Representative
601 Business Loop 70W, Suite 235
Columbia, MO 65203
chris.collins@wdc.usda.gov
USDA Rural Development is here to help!

- RD, ICAHN, REC are available to assist
- Start your request for funding as soon as possible
- Contact the office in your area or one of the presenters to review your individual projects and we can determine what program(s) may work for you
- Being prepared and open communication will allow for more timely processing of your request

USDA Supporting HIT & Telehealth

Presenters

Mike Wallace – USDA, CP Director
michael.wallace@il.usda.gov

Mary Warren – USDA, BP Specialist
mary.warren@il.usda.gov

Christopher Collins – USDA, Gen. Field Rep
chris.collins@wdc.usda.gov

Roger Holloway – IL HIT REC
rholloway@niu.edu