

FCC's Connected Care Pilot Program expands foreshadowing new market opportunities for telehealth vendors

Article

The news: The **Federal Communications Commission (FCC)** [added](#) 36 new pilot projects to its **Connected Care Pilot Program**, which is extending **\$100 million** from its Universal Service Fund to help eligible candidates expand telehealth across the US over the next three years. The new batch of pilots is receiving **\$31 million**; combined with the 23 projects the FCC approved earlier this year, the agency has already doled out more than \$57 million of the funding pool for projects spanning 30 states.

The Connected Care Pilot Program unpacked: The program is designed to help provider organizations implement the infrastructure necessary to extend telehealth services and remote patient monitoring to underserved populations and rural areas.

Selected provider organizations can use the funds to cover the majority of costs needed to provide certain telehealth services, expand broadband connectivity, and supply network equipment. The program will **cover 85%** of these costs. Participants of the program also have to go through a lengthy process of selecting vendors, requesting funding, and other administrative tasks.

Approved projects will tackle a variety of healthcare issues like maternal health, chronic disease, mental health, and opioid dependency.

- For example, California-based **Frank R. Howard Memorial Hospital** is planning to use its allocated **\$504,900** to bring remote patient monitoring services to low-income patients with chronic disease and mental health conditions.
- In another case, **Boone Memorial Health Services** of West Virginia is planning to use its **\$394,400** of Connected Care Pilot Program funds to provide patient-based, internet-connected remote monitoring, broadband connectivity, and video visits for 75% of its patient population, which is made up of low-income individuals and veterans.

What's next? This pilot program could be a precursor to more active efforts by telehealth vendors to bridge the connectivity divide—but it could be years before we see the outcomes of this program.

This program isn't the government's first attempt at broadening telehealth infrastructure in the US:

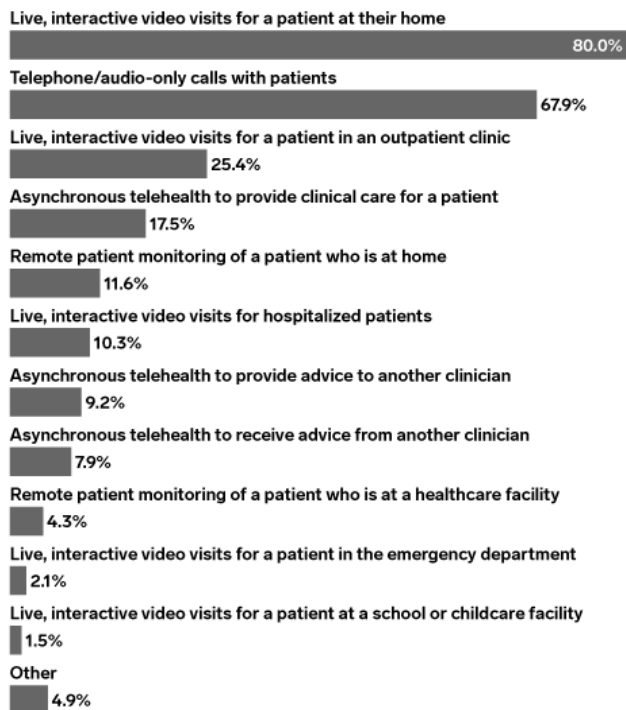
- For example the March 2020 [CARES Act](#) allocated **\$275 million** for rural hospitals to expand their telehealth programs

- And in July, the FCC [cushioned](#) the **Rural Health Care Program** with almost **\$200 million** in extra funds to support building out stronger telehealth infrastructure in the rural US.
- Despite these funding hauls, we have yet to see the magnitude of their impact or clear examples of how additional monetary support translates into improved telehealth infrastructure.

However, unlike grants, the FCC isn't just throwing money at the connectivity divide. Its [pilot program](#) is testing multiple connected care projects across the US and assessing how projects actually bear the fruits of increased access to healthcare and better patient outcomes. This could encourage more telehealth vendors to dip into new rural telehealth market opportunities, especially if the FCC-supported telehealth infrastructure proves to be impactful for these provider organizations. Even still, considering the lengthy process of the program (which [involves](#) paperwork for all funding requests, invoices, and reimbursements, and a competitive bidding process to select services and devices needed), it could be several years before any actionable results surface.

Types of Telehealth US Physicians and Healthcare Practitioners Are Using to Provide Clinical Care, Aug 2020

% of respondents



Source: The COVID-19 Healthcare Coalition, "Physician Survey Analysis," Oct 22, 2020

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