COMMONWEALTH OF KENTUCKY
Steven L. Beshear
Governor

July 22, 2013

To: Kentucky Healthcare Organizations

Subject: Commonwealth Healthcare Network Fund

Purpose
The purpose of this correspondence is to inform you of the new **Commonwealth Healthcare Network Fund (CHNF)** that will be sponsored and administered by the Office of Broadband Outreach and Development (OBOD) within the Kentucky Finance and Administration Cabinet located in Frankfort. The Broadband Office is partnering with the Kentucky TeleHealth Network, Commonwealth Office of Technology and the Cabinet for Health and Family Services to form a consortium to take advantage of a significant federal funding opportunity that will be made available to not-for-profit healthcare entities across the Commonwealth later this year.

This correspondence is intended to measure the level of interest in joining the consortium to take advantage of this funding opportunity. If you, and enough other healthcare organizations respond positively, the consortium will gather specific data from you and respond to a federal Request for Proposal that will be issued in the next few months. Initial review of the regulations associated with this funding opportunity, includes the following general requirements for each participant:

1. Sign a "Letter of Agency" authorizing the consortium to apply for the Healthcare Connect Fund on their behalf
2. Conduct a site-specific inventory of existing broadband services
3. Develop a plan for the "optimal broadband capacity" needed for each participant site(s)
4. Agree to use the Kentucky Information Highway contract and associated rate structure for network connectivity

Federal Healthcare Connect Fund Opportunity
Starting in January of 2014, the Healthcare Connect Fund (HCF) will provide a **65% subsidy** on eligible expenses related to broadband connectivity for not-for-profit healthcare facilities that are aligned for participation through a consortium. Since the Commonwealth has a competitively bid statewide contract (KIH3) for network connectivity in place, the Broadband Office will serve as the consortium lead for the participants that agree to utilize this master contract. Participants will be able to receive the discounted rates for broadband service and may receive additional funding to upgrade existing on-site telecomm equipment.

Eligibility Criteria to Participate in the Consortium

1. Non-profit rural healthcare facilities. "Rural area" is defined based on the location of a Health Care Provider (HCP) site relative to a Core Based Statistical Area (CBSA), a geographic area based around an urban center of at least 10,000 people.
2. As part of the Kentucky Consortium application, rural administrative offices and data centers for rural, non-profit healthcare facilities may also be included.
3. As part of the Kentucky Consortium application, urban, non-profit healthcare facilities, administrative offices and data centers may participate in the subsidy program if more than 50% of the facilities in the application are considered rural.
4. 400+ bed urban hospital subsidies will be limited to no more than $30,000/year and no more than $70,000 in any 5-year period of time.

Background on the Kentucky Information Highway (KIH3) Contract

The Kentucky Information Highway (KIH3) was initially established in 1991 through competitive bid. The main purpose of the network infrastructure was to afford equalized access to Commonwealth government entities, as well as provide a cost-effective means for communities and citizens in each of Kentucky's 120 counties to access numerous services (Internet, systems, messaging, etc.) related to state and local government, education, health care, economic development and public safety. The KIH3 contract provides a single point of contact (SPOC) with the Commonwealth's carrier for ordering, provisioning, troubleshooting and supporting the KIH3 telecom circuits statewide. This is especially important since the current infrastructure is comprised of multiple companies with geographically dispersed telecomm networks that currently serve over 4,000 public facilities/locations across the Commonwealth. The contract provides for circuit speeds from 64 Kbps to 10 Gbps with a flat monthly rate for any location in the state.

Interested Participants – Letter of Interest

In order to determine whether there is enough interest in this program to warrant the effort to submit a response to the RFP, we request that each organization submit a non-binding "**Letter of Interest**" (attached) that confirms the level of interest and profiles the locations (name and address) that are targeted for participation. The completed letter with participating locations should be mailed to the address listed below or sent electronically to chnf@ky.gov. The deadline for providing a **"Letter of Interest"** for your organization/location(s) is **August 9, 2013**.

Commonwealth Office of Technology
Office of Broadband Outreach and Development
702 Capitol Avenue, Room 393
Frankfort, Kentucky 40601

Point of Contact and Frequently Asked Questions

Although the detailed requirements, terms and conditions for this program and subsidy are not known at this time, the Office of Broadband Outreach and Development (OBOD) will serve as a point of contact via email. The OBOD email address is provided above and a short list of **Frequently Asked Questions** has also been developed and is housed at: http://finance.ky.gov/initiatives/Broadband/Pages/chnf.aspx.

Informational Sessions
The consortium leaders will also host three (3) one-hour statewide audio conferences with question and answer sessions for interested applicants to learn more about this initiative. These will take place on:

August 1, 2013	3:30 - 4:30 pm EDT / 2:30 – 3:30 pm CDT
August 7, 2013	9:30 - 10:30 am EDT / 8:30 – 9:30 am CDT
August 13, 2013	3:30 - 4:30 pm EDT / 2:30 – 3:30 pm CDT

To access the conferencing bridge you may either dial 502-782-2663 or 502-564-9110. You will be prompted to enter a participant code. The participant code is 41635. A PowerPoint presentation will be available for the conferences on the CHNF website at:
http://finance.ky.gov/initiatives/Broadband/Pages/chnf.aspx.

In Closing
A recent national survey shows that Kentucky ranks #47 in broadband usage. We are in hopes that healthcare organizations across the state will join the consortium's effort to obtain additional funding to improve bandwidth speeds and capabilities for healthcare professionals and facilities throughout the Commonwealth.

If you have questions about the program, please forward them to chnf@ky.gov. We will either call or email you with a response.

Sincerely,

Audrey Tayse Haynes

Audrey Tayse Haynes, Secretary
Cabinet for Health and Family Services

Sincerely,

Lori H. Flanery

Lori Flanery, Secretary
Finance and Administration Cabinet

Attachment