(b) Rural area. (1) A “rural area” is an area that is entirely outside of a Core Based Statistical Area; is within a Core Based Statistical Area that does not have any Urban Area with a population of 25,000 or greater; or is in a Core Based Statistical Area that contains an Urban Area with a population of 25,000 or greater, but is within a specific census tract that itself does not contain any part of a Place or Urban Area with a population of greater than 25,000. For purposes of this rule, “Core Based Statistical Area,” “Urban Area,” and “Place” are as identified by the Census Bureau.

(2) Notwithstanding the definition of “rural area,” any health care provider that is located in a “rural area” under the definition used by the Commission prior to July 1, 2005, and received a funding commitment from the rural health care program prior to July 1, 2005, is eligible for support under this subpart.

(c) Rural health care provider. A “rural health care provider” is an eligible health care provider site located in a rural area.

§ 54.601 Health care provider eligibility.

(a) Eligible health care providers. (1) Only an entity that is either a public or non-profit health care provider, as defined in this subpart, shall be eligible to receive support under this subpart.

(2) Each separate site or location of a health care provider shall be considered an individual health care provider for purposes of calculating and limiting support under this subpart.

(b) Determination of health care provider eligibility for the Healthcare Connect Fund. Health care providers in the Healthcare Connect Fund may certify to the eligibility of particular sites at any time prior to, or concurrently with, filing a request for services to initiate competitive bidding for the site. Applicants who utilize a competitive bidding exemption must provide eligibility information for the site to the Administrator prior to, or concurrently with, filing a request for funding for the site. Health care providers must also notify the Administrator within 30 days of a change in the health care provider’s name, site location, contact information, or eligible entity type.

§ 54.602 Health care support mechanism.

(a) Telecommunications Program. Rural health care providers may request support for the difference, if any, between the urban and rural rates for telecommunications services, subject to the provisions and limitations set forth in §§ 54.600 through 54.625 and §§ 54.671 through 54.680. This support is referred to as the “Telecommunications Program.”

(b) Healthcare Connect Fund. Eligible health care providers may request support for eligible services, equipment, and infrastructure, subject to the provisions and limitations set forth in §§ 54.600 through 54.602 and §§ 54.630 through 54.680. This support is referred to as the “Healthcare Connect Fund.”

(c) Allocation of discounts. An eligible health care provider that engages in both eligible and ineligible activities or that collocates with an ineligible entity shall allocate eligible and ineligible activities in order to receive pro-rated support for the eligible activities only. Health care providers shall choose a method of cost allocation that is based on objective criteria and reasonably reflects the eligible usage of the facilities.

(d) Health care purposes. Services for which eligible health care providers receive support from the Telecommunications Program or the Healthcare Connect Fund must be reasonably related to the provision of health care services or instruction that the health care provider is legally authorized to provide under the law in the state in which such health care services or instruction are provided.

§ 54.603 Competitive bidding and certification requirements.

(a) Competitive bidding requirement. To select the telecommunications carriers that will provide services eligible for universal service support to it under the Telecommunications Program, each eligible health care provider shall