Universal Service Administrative Co.

Rural Health Care Committee

Briefing Book

Monday, July 29, 2019

1:00 p.m. - 2:00 p.m. Eastern Time

Universal Service Administrative Company

700 12th Street, N.W., Suite 900

Washington, D.C. 20005

Universal Service Administrative Company
Rural Health Care Committee Quarterly Meeting Agenda

Monday, July 29, 2019
1:00 p.m. – 2:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

	OPEN SESSION		*Estimated Duration in Minutes*
Chair	**a1.**	Consent Items (each available for discussion upon request): **A.** Approval of Rural Health Care Committee Meeting Minutes of April 29, 2019 **B.** Approval of moving all Executive Session items into Executive Session	5
Mark	**a2.**	Approval of Rural Health Care Support Mechanism 4th Quarter 2019 Programmatic Budget and Demand Projection for the August 2, 2019 FCC Filing	10
Mark	**i2.**	Rural Health Care Business Update • Program At a Glance • Implementation of Recent FCC Actions • Customer Service • Q2 2019 Summary (*For Information Only*)	20

	EXECUTIVE SESSION **Confidential – *Executive Session Recommended***		*Estimated Duration in Minutes*
Mark	**i2.**	Rural Health Care Business Update (*Continued*) • Rural Health Care Dashboard • Collections and Net Demand • Key Performance Metrics • Rural Health Care Business and Systems Assessment	25

Next Scheduled USAC Rural Health Care Committee Meeting

Monday, October 28, 2019 **1:00 p.m. – 2:00 p.m.** **USAC Offices, Washington, D.C.**

Universal Service Administrative Company
Rural Health Care Committee Meeting

ACTION ITEM

Consent Items

Action Requested

The Rural Health Care Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the consent items listed below.

Discussion

The Committee is requested to approve the following items using the consent resolution below:

    A. Committee meeting minutes of April 29, 2019 (*see* **Attachment A**).

    B. Approval of moving all *Executive Session* items into *Executive Session*:

        (1) **i2** – Rural Health Care Support Mechanism Business Update (*Continued*). USAC management recommends this item be discussed in *Executive Session* because it relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.

Upon request of a Committee member, any one or more of the above items are available for discussion by the Committee.

Recommended USAC Rural Health Care Committee Action

APPROVAL OF THE FOLLOWING RESOLUTION:

          RESOLVED, that the USAC Rural Health Care Committee hereby approves: (1) the Committee meeting minutes of April 29, 2019; and (2) discussion in *Executive Session* of the agenda item noted above.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

RURAL HEALTH CARE COMMITTEE MEETING
Monday, April 29, 2019

(DRAFT) MINUTES[1]

The quarterly meeting of the Rural Health Care Committee (Committee) of the USAC
Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday,
April 29, 2019. Dr. Kathy Wibberly, Committee Chair, called the meeting to order at
1:01 p.m. Eastern Time, with a quorum of all eight Committee members present:

Fontana, Brent – Vice Chair – *by telephone*	Tinic, Atilla
Freeman, Sarah	Wade, Dr. Joan
Kinser, Cynthia	Wein, Olivia
Sekar, Radha – Chief Executive Officer	Wibberly, Dr. Kathy – Chair

Other Board members and officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management
Davis, Craig – Vice President of Procurement and Strategic Sourcing
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Gerst, Matthew – Member of the Board
Gillan, Joe – Member of the Board
Jacobs, Ellis – Member of the Board
Lubin, Joel – Member of the Board
Mason, Ken – Member of the Board
Salvator, Charles – Vice President, Chief Financial Officer, and Assistant
    Treasurer
Schell, Julie Tritt – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care

Others present:

NAME	**COMPANY**
Anderson, Latoya	USAC
Barrett, Henry	USAC
Bethel, Tameca	USAC

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[1] Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate,
non-substantive changes have been made to the resolutions set forth herein to clarify language, where
necessary, or to correct grammatical or spelling errors.

NAME	COMPANY
Boden, Jerry	USAC
Braxton-Johnson, Kianna	USAC
Brown, Eric	California Telehealth Network
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Contreras, Jennifer	USAC
Curtis, Shaun	USAC
Daniels, Joel	USAC
Faunce, Donna	USAC
Hughet, Pamela	USAC
Hutchinson, Kyle	USAC
Jang, Yun	USAC
Lawson, Suzanne	USAC
Luton, Smith	Avitecture
Little, Chris	USAC
McCornac, Carolyn	USAC
Mitchell, Jeff	Fletcher, Heald & Hildreth
Mohammed, Rehana	USAC
Numa, Marcel	USAC
Nuzzo, Patsy	USAC
Park, Sang	USAC
Pilgrim, Lisa	USAC
Pradhan, Saumya	USAC
Schwetz, Tori	USAC
Smith, Chris	USAC
Smith, Khala	USAC
Squire, Matt	USAC
Theodoropoulos, Nikoletta	USAC
Thompson, Arianna	USAC
Thompson, Kia	USAC
Tiwari, Tanya	USAC
Williams, Erin	USAC

OPEN SESSION

All materials from Open Session can be found on the USAC website.

a1.   **Consent Items.** Dr. Wibberly presented this item to the Committee.

    A.   Approval of Committee Meeting Minutes of January 28, 2018.

    B.   Approval of Moving all *Executive Session* Items into *Executive Session*:

(1) **i2** – Rural Health Care Business Update (*Continued*). USAC management recommended this item be discussed in *Executive Session* because this matter relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

> **RESOLVED**, that the USAC Rural Health Care Committee hereby approves: (1) the Committee meeting minutes of January 28, 2019; and (2) discussion in *Executive Session* of the agenda item noted above.

a2. **Approval of Rural Health Care Support Mechanism 3rd Quarter 2019 Programmatic Budget and Demand Projection for the May 2, 2019 FCC Filing.** Mr. Sweeney presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Rural Health Care Support Mechanism 3rd Quarter 2019 programmatic budget and demand projection for the May 2, 2019 FCC filing. The Committee requested an assessment of demand and denials against the demand.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolutions:

> **RESOLVED,** that the USAC Rural Health Care Committee approves a 3rd Quarter 2019 Rural Health Care Support Mechanism direct program budget of $2.25 million; and

> **RESOLVED FURTHER,** that the USAC Rural Health Care Committee, having reviewed at its meeting on April 29, 2019 a summary of the 3rd Quarter 2019 Rural Health Care Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required May 2, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Rural Health Care Support Mechanism is equal to or less than $1 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than $1 million, but not more than $2 million.

i1. **Information on One USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Report.** The Committee received a report with information on one USAC Audit and Assurance Division Rural Health Care Support Mechanism beneficiary audit reports. The report was provided for informational purposes; no discussion was held on this item.

i2. **Rural Health Care Business Update.** Mr. Sweeney presented PowerPoint slides covering the following:
1. Overview of Rural Health Care activities for 2019

2. Discussion of RHC's Customer Centric Approach

At 1:26 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential item noted above.

EXECUTIVE SESSION

i2.   **Rural Health Care Business Update** *(continued).* Mr. Sweeney and Ms. Mohammed continued the presentation and discussed the following:
1. Dashboard – Overview of Rural Health Care Program Results
2. RHC System Environment
3. RHC Business and System Assessment

OPEN SESSION

At 2:05 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Wibberly reported that, in *Executive Session*, the Committee discussed item i2.

On a motion duly made and seconded, the Committee adjourned at 2:05 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

Universal Service Administrative Company
Rural Health Care Committee Meeting

ACTION ITEM

Approval of Rural Health Care Support Mechanism
4th Quarter 2019 Programmatic Budget and
Demand Projection for the August 2, 2019 FCC Filing

Action Requested:

The Rural Health Care Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the 4th Quarter 2019 (4Q2019) programmatic budget and demand projection for the Rural Health Care Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2019 quarterly filing.

Discussion:

On a quarterly basis, USAC is required to submit to the FCC each program's budget[1] and projected demand for the upcoming quarter.[2]

Funding Requirement

USAC estimates the 4Q2019 funding requirement for the Rural Health Care Support Mechanism as follows:

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[1] *See* 47 C.F.R. § 54.715(c).
[2] *See* 47 C.F.R. § 54.709(a)(3).

Table A. Program Funding Requirement

(in millions)	**3Q2019**	**Increase/ (Decrease)**	**4Q2019**	**Notes**
Steady State:				
Program Funding Requirement	$144.56	$0.23	$144.79	See Note 1 and Table B
New Requirements:				
N/A	0.00	0.00	0.00	
Total Program Funding Requirement	**$144.56**	**$0.23**	**$144.79**	
Prior Period Adjustments (difference between projections and actuals):				
Billings	0.29	0.77	1.06	
Interest Income	(0.02)	.07	0.05	
Bad Debt Expense	(2.30)	0.40	(1.90)	
Total Prior Period Adjustments	*$(2.03)*	*$1.24*	*$(0.79)*	
USAC Administrative Expenses[3]	3.89	(0.14)	3.75	See Table D
Interest Income	(0.07)	0.07	0.00	
Total Funding Requirement	**$146.35**	**$1.40**	**$147.75**	

Note 1: On March 8, 2019, the Commission announced a funding cap for Funding Year 2019 of $593.78 million.[4] On June 10, 2019, the Commission announced a revised funding cap for Funding Year 2019 of $594.07 million.[5] The Program Funding Requirement is based on the revised funding cap of $594.07 million for Fund Year 2019. See Table B below for additional detail.

Table B. Funding Year 2019 Program Funding Requirement

(in millions)	**Fund Year 2019**	**Notes**
Revised Funding Year 2019 Cap	**$594.07**	See Note 1
Less Funds Previously Collected	(148.45)	
Remaining Funding Year 2019 Collection Requirement	**$445.62**	
Quarterly Funding Requirement for Remaining Quarters in Funding Year 2019	**$148.54**	
Less USAC Administrative Costs, which are covered within the Funding Cap	(3.75)	
4Q2019 Program Funding Requirement	**$144.79**	

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[3] Administrative costs are covered within the funding cap.

[4] *See Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2019,* CC Docket No. 02-6, WC Docket No. 02-60, Public Notice, DA 19-170 (2019).

[5] *See Wireline Competition Bureau Announces the Availability of Unused Funds to Increase Rural Health Care Program Funding for Funding Year 2019,* WC Docket No. 02-60, Public Notice, DA 19-540 (2019).

For Funding Year 2019, the Commission directed USAC to carry-forward unused funds from prior funding years to the extent necessary to cover Funding Year 2019 Rural Health Care Program demand.[6] Available roll forward for Funding Year 2019 is as follows:

Table C. Funding Year 2019 Available Roll Forward

(in millions)	Net Change
Roll Forward	
Available Funds	$581.28
Disbursements	(325.87)
Reserved Funds	
a. Pending Applications to Process	(90.76)
b. Unliquidated Obligations (ULOs)	59.34
c. Appeals Reserve - USAC Appeals	(115.94)
d. Appeals Reserve - FCC Appeals	(24.83)
Total Roll Forward	**$83.22**

The 4Q2019 Rural Health Care Support Mechanism programmatic budget of $3.75 million represents approximately 24% of the 2019 annual Rural Health Care Support Mechanism programmatic budget of $15.59 million.

Table D. 4Q2019 Quarterly Programmatic Budget

(in millions)	4Q2019 Budget	Notes
Direct Program Costs		
Employee Expenses	$1.38	
Professional Services	0.00	
General & Administrative	0.01	See Note 2
Total Direct Program Costs	**$1.39**	
Direct Assigned Costs		
Employee Expenses	0.38	
Professional Services	0.45	
General & Administrative	0.00	See Note 2
Total Direct Assigned Costs	**$0.83**	
Total Direct Program & Direct Assigned Costs	**$2.22**	
Common Allocated Costs	**$1.53**	
Total Programmatic Budget	**$3.75**	

Note 2: General & Administrative expenses include printing & postage and meetings & conferences.

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[6] *See id.*

A comparison of actual expenditures to the budget for the six months ending June 30, 2019 is provided in **Attachment 1.**

Recommendation:

USAC management recommends that the Committee approve the 4Q2019 budget and projection of demand as proposed.

Recommended Rural Health Care Committee Actions:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

> **RESOLVED,** that the USAC Rural Health Care Committee approves a 4th Quarter 2019 Rural Health Care Support Mechanism direct program budget of $2.22 million; and

> **RESOLVED FURTHER**, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of $2.22 million for Rural Health Care Support Mechanism administrative costs in the required August 2, 2019 filing to the FCC on behalf of the Committee; and

> **RESOLVED FURTHER,** that the USAC Rural Health Care Committee, having reviewed at its meeting on July 29, 2019 the 4th Quarter 2019 Rural Health Care Support Mechanism demand estimate of $147.75 million, hereby directs USAC staff to proceed with the required August 2, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Rural Health Care Support Mechanism is equal to or less than $1 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than $1 million, but not more than $2 million.

ATTACHMENT 1

Rural Health Care Administrative Costs and Headcount
Comparison of Actual Expenditures and Headcount to the Budget for the
Six Months Ending June 30, 2019

($ in millions)	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	45	46	1	$2.59	$2.66	$0.07
Professional Services (Note 3)				0.18	0.50	0.32
General & Administrative (Note 4)				0.00	0.02	0.02
Total Direct Program Costs				**$2.77**	**$3.18**	**$0.41**
Direct Assigned Costs						
Employee Expenses	8	9	1	$0.65	$0.76	$0.11
Professional Services (Note 3)				0.72	1.04	0.32
General & Administrative (Note 4)				0.00	0.00	0.00
Total Direct Assigned Costs				**$1.37**	**$1.80**	**$0.43**
Total Direct Program & Direct Assigned Costs	53	55	2	**$4.14**	**$4.98**	**$0.84**
Common Allocated Costs (Note 5)				**$2.47**	**$2.97**	**$0.50**
Total Programmatic Budget				**$6.61**	**$7.95**	**$1.34**

Note 3: Direct Program Professional Services include contract labor to perform application reviews and system requirements gathering (no spending for systems requirements to date). Direct Assigned Professional Services include beneficiary & contribution audit program audits and IT contract labor.

Note 4: General & Administrative expenses include printing & postage and meetings & conferences.

Note 5: Common costs include costs not directly attributable to a program and are allocated based on the Cost Allocation Methodology, which allocates costs based 50% on direct program costs in the prior year and 50% on program demand in the prior year.

Rural Health Care Business Update

July 29, 2019

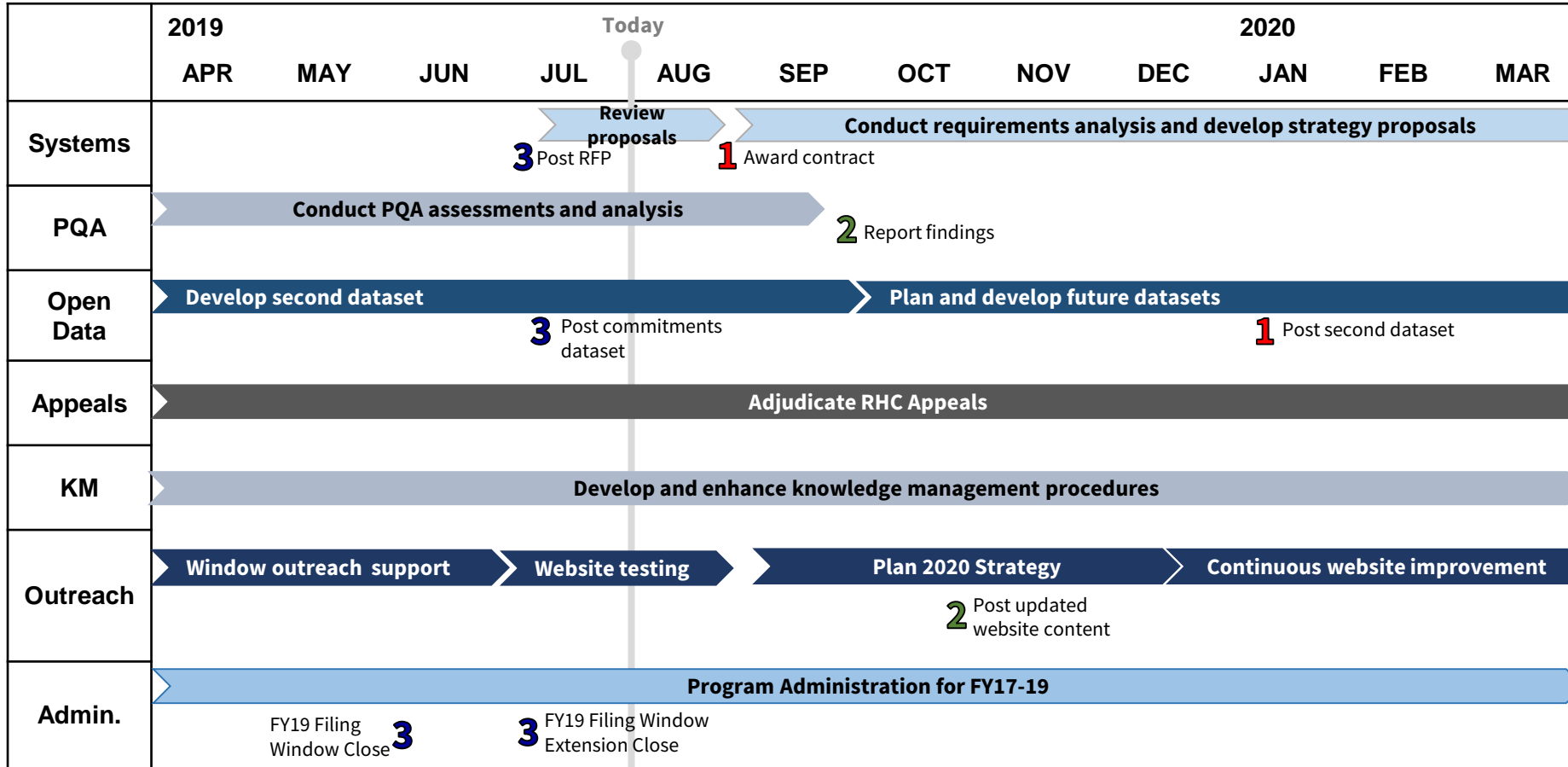**Universal Service**
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Agenda: Rural Health Care

Topic	Description	Purpose	Presenter	Length
Business Update				
April Board Recap	List of follow up items from past Board meeting and current status	Informational	Mark Sweeney	5 min
RHC Program At A Glance	Overview of RHC activities for 2019	Informational	Mark Sweeney	5 min
Implementation of Recent FCC Actions	Discussion of RHC's implementation of two FCC items issued last quarter and analysis of two draft items issued in July	Informational	Mark Sweeney	5 min
Customer Service	Discussion of RHC's efforts to improve customer service	Informational	Mark Sweeney	5 min
Appendix				
Appendix A: Glossary of Acronyms and Projects				
Appendix B: 2019 FCC Docket Monitoring – Rural Health Care				
Appendix C: Q2 2019 Update on Rural Health Care Administration				

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April Board Recap

Action items and updates from previous Rural Health Care Committee meetings

Activity	Status	Due Date	Owner
RHC IT Systems RFP: With respect to the upcoming RFP to conduct an assessment of the Rural Health Care business requirements, some committee members requested that this be announced in a newsletter (once the RFP is public).	RHC put a notice on the website to let stakeholders know after it was posted.	7/29	RHC
Demand: Can we provide a historical assessment of cancellations and denials against demand? (Similar as to what is done in the Schools and Libraries Demand Paper)	This is included in the presentation and Demand Papers.	7/29	RHC/ USAC Finance

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RHC Program At a Glance

	2019									2020		
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Systems				Review proposals		Conduct requirements analysis and develop strategy proposals						
				3 Post RFP		**1** Award contract						
PQA	Conduct PQA assessments and analysis					**2** Report findings						
Open Data	Develop second dataset					Plan and develop future datasets						
				3 Post commitments dataset						**1** Post second dataset		
Appeals	Adjudicate RHC Appeals											
KM	Develop and enhance knowledge management procedures											
Outreach	Window outreach support		Website testing			Plan 2020 Strategy			Continuous website improvement			
						2 Post updated website content						
Admin.	Program Administration for FY17-19											
		3 FY19 Filing Window Close		**3** FY19 Filing Window Extension Close								

Milestone Legend

3 Completed
2 On Track
1 At Risk

Completed Milestones:
- Systems – Prepared for assessment
- Outreach – FY19 Training
- Admin. – FY19 Filing Window opens
- Open Data – Post commitments datasets

Delayed Milestone:
- Systems – Review proposals

All other milestones are on track

Note: Refer to Appendix C for 2nd quarter accomplishments, planned activities, and metrics

Implementation of Recent FCC Actions

During the past quarter, RHC implemented an FCC Order and an FCC Public Notice:

Order Implementation

- Order on Multi-Year and Upfront Payment Requests (FCC Order 19-45)
    - Posted a notice on Latest News on May 20th – the same day the Order was issued.
    - RHC provided additional resources to assist applicants in determining if the extension applied to them:
        - Targeted emails – began on May 21st
        - FRN lookup tool – posted on May 24th
        - Website content
        - Tip sheet
    - All FY18 commitments related to these affected HCPs were issued by May 29th.
    - RHC created draft FY19 forms for affected HCPs to make submitting their new FCC Form 462s a quicker process – these were made available in My Portal on May 29th.
    - RHC held a webinar to clarify the Order requirements and talk through the tools and guidance provided on May 30th.
    - The Order was fully implemented within 10 days of issuance.

- Public Notice on Rollover of Prior Year Funds (FCC DA-19-540)
    - Directs USAC to carry forward unused funds ($83.22 million) from prior funding years, to the extent necessary to cover FY19 program demand.
    - Sets the RHC program funding cap for FY19 at $594,066,116, which represents a 2.2% inflation-adjusted increase from FY18.

Analysis of July FCC Actions

In July, the FCC issued an NPRM and a Draft Report and Order, both of which RHC is currently analyzing.

Draft Report and Order on RHC Program Reform
• The Commission will vote on the proposal on August 1st. After that point, RHC will begin communicating about requirements and developing implementation plans.
• If adopted as currently written, the major changes will be to:
• Prioritize funding based on rurality
• Change how rural and urban rates are determined
• Shorten invoicing deadlines
• Expand site and service substitutions
• Shorten the deadline for meeting consortium rurality requirements
• Align competitive bidding and gift rules
• Allow additional time for competitive bidding
• Require the filing window to close before May 1st each year
• Create a formal review process for procedures each year
• Improve the form submission process in the future

Connected Care Pilot NPRM
• The NPRM proposes establishing a new three year pilot program tentatively named the "Connected Care Pilot," which would help fund the connection of health care providers to the at-home patient directly.
• The main proposals are to:
• Fund the pilot at $100 million
• Support the HCPs using current eligibility standards, with FCC approving projects
• Provide an 85% discount

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Customer Service

Second Quarter Improvements

- Order implementation for multi-year and upfront requests ($150M Cap)
  - Extended window for ALL potentially impacted applicants until June 30th 2019.
  - Implemented FCC requirements, but also created draft forms for applicants to use.
  - Provided pre-populated FY19 FCC Forms 462 for impacted applicants to certify and submit.

- Began RHC site visits
  - Visits were started this year; will continue visits in 2020.

- Open Data Initial Release
  - On July 5th the RHC commitment/disbursement data for committed applications became available on the RHC Open Data platform.
  - Communications and outreach plans are in place to support the Open Data initiative.

- Tip Sheet on Denial Reasons
  - Lists denial reasons that are included on denial letters and provides additional context and plain language descriptions.
  - Helps applicants better understand why they are denied and how they can better prepare compliant forms.

- Frequent feedback
  - Convene feedback group calls at least once per quarter.
  - Hold feedback sessions at conferences around the country.
  - Will hold training and feedback session for service providers attending the Schools and Libraries training in August 2019.

- Website Updates
  - Created new content, layout, navigation, and pages.
  - Edited content to simplify and streamline.
  - Compliant with Section 508 accessibility requirements.

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Appendix A: Glossary of Acronyms and Projects

Acronyms / Terms	Definition
BCAP	Beneficiary and Contributor Audit Program (BCAP). The BCAP is designed to assess beneficiary and contributor compliance with the FCC rules and requirements (collectively, FCC Rules).
HCF	Healthcare Connect Fund. A program administered by Rural Health Care Division that provides a 65% discount to eligible healthcare providers for qualifying services.
KM	Knowledge Management. USAC-wide initiative to centralize and formalize information and documentation regarding USAC programs, processes, and procedures.
My Portal	Systems used by the Rural Health Care Division to collect FCC forms submitted by program applicants and aggregate this data.
PQA	Payment Quality Assurance. PQA is designed to assess the accuracy of Universal Service Fund (USF) disbursements and determine whether improper payments exist, and assists the FCC in meeting its reporting obligations under the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).
RFP	Request for Proposal. A document that solicits proposal, often made through a bidding process, by a company interested in procurement of a commodity or service to potential suppliers to submit business proposals. It is submitted early in the procurement cycle.
RHC	Rural Health Care Division. An organization within USAC with the mission to administer the HCF and Telecom programs, as well as any FCC programs or directives impacting rural healthcare.
SOW	Statement of Work. A portion of the RFP that describes the work that will be taking place.
Telecom	Telecommunications Program. A program administered by Rural Health Care Division that provides a discount to eligible healthcare providers for qualifying services based on the urban/rural rate differential.
WCB	Wireline Competition Bureau. WCB is a component of the FCC that works to ensure that all Americans have access to robust, affordable broadband and voice services. Its programs help ensure access to affordable communications for schools, libraries, healthcare providers, and rural and low-income consumers.

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Appendix B: 2019 FCC Docket Monitoring – Rural Health Care

There were 28 items in the RHC docket in the 2nd quarter of 2019. Those with administrative impact are shown below.

FCC Order/ Mandate	Release Date	Description	Impact to RHC
N/A	May 6, 2019	RHC sent a letter to the FCC with data about the multi-year and upfront requests in the HCF program, which exceeded the $150 million cap for FY18.	Produced data and letter to FCC.
FCC 19-45	May 20, 2019	WCB issued an Order directing USAC to fully fund all eligible services requested for FY18, and to reduce multi-year requests to single year. The Order also extended the window for certain HCF applicants until June 30, 2019.	Outreach emails, webinar, training materials, newsletter, IT implementation, window extension.
DA 19-540	June 10, 2019	WCB issued a Public Notice directing USAC to carry forward unused funds from prior funding years to cover FY19 demand.	Outreach performed, impact will vary based on FY19 demand.
FCC 19-64	July 11, 2019	The FCC issued a Notice of Proposed Rulemaking (NPRM) proposing to establish a three-year, $100 million Connected Care Pilot program that would support bringing telehealth services directly to low-income patients and veterans. The proposed Connected Care Pilot would provide an 85% discount on connectivity for broadband-enabled telehealth services that connect patients directly to their doctors and are used to treat a wide range of health conditions. These services can facilitate the effective treatment of chronic conditions outside of the doctor's office, at significant savings for patients and health care providers.	RHC is assessing the impacts
FCC-CIR1908-03	July 11, 2019	WCB issued a draft Report and Order regarding Promoting Telehealth in America. The Draft Report and Order would overhaul the Rural Health Care Program by streamlining and simplifying the way health care providers apply for and calculate universal service support amounts, promoting transparency and predictability in the program, and taking new steps to guard against waste, fraud, and abuse.	RHC is assessing the impacts

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Universal Service Administrative Company
Rural Health Care Committee Meeting

INFORMATION ITEM

APPENDIX C

Rural Health Care Business Update
Q2 2019 Update on Rural Health Care Administration

<u>Overall Summary for Q2 2019</u>:

The Rural Health Care (RHC) Division had a very strong second quarter, which focused on program integrity, operational efficiency, and outreach. In the program integrity area, all Corrective Action Plans are still within the 90-day target for completion, and 36 appeals were adjudicated, while 74 new appeals were received. The new appeals were driven by operational performance, specifically, the program operations team issued commitments for the remaining HCF funding requests after the FCC issued FCC Order 19-45 in May. As part of our outreach, we conducted multiple webinars and outreach activities to help applicants submit funding requests for the Funding Year (FY) 2019 filing window and to help those affected by FCC Order 19-45.

In the third quarter, the focus will be on starting a systems assessment, rolling out significant website updates, reviewing FY19 funding requests, working with the Audit and Assurance Division on the Payment Quality Assurance testing, and planning for implementing the RHC Reform Order.

<u>RHC Program Updates & Accomplishments</u>:

- *Operations* – RHC Operations completed all workable FY2018 funding request decisions in Q1 and completed all FY2018 HCF funding request decisions in Q2 based on guidance from the FCC.
- *2019 Systems Roadmap* – RHC/IT is currently 3-4 weeks ahead of schedule for its maintenance work on My Portal. The team is also ahead of schedule for planned enhancements to the Third-Party Authorizations (TPA) and Letters of Authorization (LOA) management features, which will be rolled out this year.
- *Appeals* – RHC received a total of 74 new appeals in Q1 2019, and adjudicated 36 appeals. RHC is on track to resolve all appeals submitted in calendar year 2018 (70 appeals) by Q3 2019.
- *Eligibility* – RHC identified all HCPs that submitted FY2019 funding requests and have expired TPAs. RHC will be doing outreach to these HCPs to ensure they have current and valid TPAs before their funding commitment letters are issued.
- *Stakeholder Engagement Webinar* – We held a webinar with stakeholders who expressed interest in giving RHC feedback. RHC asked for specific input on training content and

resources that stakeholders would like to see, specifically related to open data. This will help inform upcoming trainings and future planning.

- *Filing Window Closing* – We conducted significant outreach to remind stakeholders of the FY2019 window closing and provide resources. This included a separate campaign, webinar, and set of resources related to FCC Order 19-45, which helped applicants affected by that Order.
- *Conference Attendance* – RHC outreach team members attended the National Rural Health Association Conference in Atlanta, GA; the Great Plains Telehealth Resource Center Conference in Minneapolis, MN; and the TexLa Telehealth Resource Center Conference in Austin, TX, to provide information on the RHC Program and gather participant feedback.

Planned Activities for Q3 2019:

- *FY2017 and 2018 Funding Requests* – As non-workable funding requests remaining from FY2017 and FY2018 become workable, they will be advanced through the review process.
- *FY2019 Funding Requests* – FY2019 application filing window closed and processing of FY2019 funding requests has begun.
- *System Assessment* – RHC will begin work on the operational and systems assessment.
- *Knowledge Management* – RHC will continue to reformat and update all funding request procedure documents.
- *Employee Engagement* – RHC's management team has developed a management action plan for 2019 and will continue executing against the plan.
- *Website Updates* – RHC will be updating several pages on the RHC website, along with the navigation, to make resources more intuitive and accessible.

Performance Metrics:

	Metric	Target	April Actual	May Actual	June Actual	Variance	
1	Call Ctre A/R	3.0%	1.4%	1.1%	1.0%	2.0%	✓
2	Total Pending RHC Appeals	N/A	197	210	208	N/A	
3	Average age of RHC Appeals	90	192.12	186.06	185.5	-95.5	🚩
4	Number of open appeals over 90 days	0	104	116	141	-141	🚩

Key	
✓	Meeting Target
🚩	Not Meeting Target