



Rural Health Care Committee

Briefing Book

Monday, October 28, 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, October 28, 2019
1:00 p.m. – 2:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of Rural Health Care Committee Meeting Minutes of July 29, 2019 and August 27, 2019 B. Approval of moving all Executive Session items into Executive Session	5
Mark	a2. Approval of Rural Health Care Support Mechanism 1st Quarter 2020 Programmatic Budget and Demand Projection for the November 1, 2019 FCC Filing	10
Mark	ii. Rural Health Care Business Update <ul style="list-style-type: none"> • Rural Health Care Program At a Glance • Rural Health Care Reform Order • Q3 2019 Customer Service • Q3 2019 Summary (<i>For Information Only</i>) 	20

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Mark	ii. Rural Health Care Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • Rural Health Care Dashboard • Key Performance Metrics • Reform Order Implementation 	25

Next Scheduled USAC Rural Health Care Committee Meeting

**Monday, January 27, 2020
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 July 29, 2019 and August 27, 2019 (*see Attachments A1 and A2*).
- 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*. In addition, this item may include discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

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 July 29, 2019 and August 27, 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, July 29, 2019

(DRAFT) MINUTES¹

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, July 29, 2019. Dr. Kathy Wibberly, Committee Chair, called the meeting to order at 1:00 p.m. Eastern Time, with a quorum of seven of the eight Committee members present:

Fontana, Brent – Vice Chair	Wade, Dr. Joan
Freeman, Sarah – <i>by telephone</i>	Wein, Olivia
Sekar, Radha – Chief Executive Officer	Wibberly, Dr. Kathy – Chair
Tinic, Atilla	

Committee members not present:

Kinser, Cynthia

Other Board members and officers of the corporation present:

Ayer, Catriona – Vice President of Schools and Libraries
Bocher, Bob – Member of the Board
Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management
Buzacott, Alan – Member of the Board
Delmar, Teleshia – Vice President of Audit Assurance Division
Davis, Craig – Vice President of Procurement and Strategic Sourcing
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Gillan, Joe – Member of the Board
Hutchinson, Kyle – Vice President of Information Technology and Chief Information Officer
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

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.

Sweeney, Mark – Vice President of Rural Health Care

Others present:

<u>NAME</u>	<u>COMPANY</u>
Albert, Blythe	USAC
Bah Bello, Fatoumata	USAC
Beaver, Tracey	USAC
Bethel, Tameca	USAC
Braxton-Johnson, Kianna	USAC
Carpenter, Nikki-Blair	USAC
Daniels, Joel	USAC
Faunce, Donna	USAC
Hughet, Pamela	USAC
Jones, Peggy	USAC
Lawson, Suzanne	USAC
Little, Chris	USAC
McCornac, Carolyn	USAC
Mitchell, Tamika	USAC
Mixon, Sparkle	USAC
Mohammed, Rehana	USAC
Neal, Denise	Espy Services
Numa, Marcel	USAC
Nuzzo, Patsy	USAC
Pradhan, Saumya	USAC
Schwetz, Tori	USAC
Smith, Chris	USAC
Smith, Khala	USAC
Sohn, Kihoon	USAC
Squire, Matt	USAC
Theodoropoulos, Nikoletta	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 April 29, 2018.

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

(1) **ii** – Rural Health Care 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.

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 April 29, 2019; and (2) discussion in *Executive Session* of the agenda item noted above.

- a2. **Approval of Rural Health Care Support Mechanism 4th Quarter 2019 Programmatic Budget and Demand Projection for the August 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 4th Quarter 2019 programmatic budget and demand projection for the August 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 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.

- i1. **Rural Health Care Business Update.** Mr. Sweeney noted that Rural Health Care now has open data available on the website, and presented PowerPoint slides covering the following:
1. Recap of action items and updates from the April 2019 Rural Health Care Committee meetings

2. Rural Health Care Program At A Glance
3. Implementation of Recent FCC Actions
4. Analysis of July FCC Actions
5. Customer Service Q2 Improvements

At 1:24 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

i1. Rural Health Care Business Update (*continued*). Mr. Sweeney continued the presentation and discussed the following:

1. Rural Health Care Dashboard – FY2017, FY2018, FY2019
2. Collections and Net Demand FY2016-FY2019
3. Carry Forward (Net Change for past 12 months)
4. Rural Health Care Key Performance Metrics
5. RHC Business and Systems Assessment

OPEN SESSION

At 1:49 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 i1.

On a motion duly made and seconded, the Committee adjourned at 1:50 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

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

Washington, D.C. 20005

RURAL HEALTH CARE COMMITTEE MEETING

Tuesday, August 27, 2019

(DRAFT) MINUTES¹

A 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 Tuesday, August 27, 2019. Dr. Kathy Wibberly, Board Chair, called the meeting to order at 4:07 p.m. Eastern Time, with a quorum of five the eight Committee members present:

Fontana, Brent – Vice Chair – *by telephone*

Wein, Olivia – *by telephone*

Freeman, Sarah – *by telephone*

Wibberly, Dr. Kathy – Chair – *by telephone*

Sekar, Radha – Chief Executive Officer

Members of the Committee not present:

Kinser, Cynthia

Tinic, Atilla

Wade, Dr. Joan

Officers of the corporation present:

Davis, Craig – Vice President of Procurement and Sourcing Strategy

Salvator, Charles – Vice President of Finance, Chief Financial Officer and
Assistant Treasurer

Sweeney, Mark – Vice President of Rural Health Care

Others present:

NAME

Williams, Erin

Nuzzo, Patsy

Tiwari, Tanya

COMPANY

USAC

USAC

USAC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

¹ Draft resolutions were presented to the Board prior to the Board 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.

- a1. **Consideration of Contract Award for the RHC Business and Operations Assessment.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the USAC Rural Health Care Committee determines that the discussion of this item be conducted in *Executive Session*.

At 4:08 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

- a1. **Consideration of Contract Award for the RHC Business and Operations Assessment.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposed contract award for the Rural Health Care Business and Operations Assessment.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the Rural Health Care Committee of the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to required FCC approval, to award the RHC Business and Operations Assessment contract to Oasys International Consulting for a total not-to-exceed price of \$538,230 (plus applicable taxes).

OPEN SESSION

At 4:19 p.m. Eastern Time, on a motion duly made and seconded, 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 took action on item a1.

On a motion duly made and seconded, the Committee adjourned at 4:19 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
1st Quarter 2020 Programmatic Budget and
Demand Projection for the November 1, 2019 FCC Filing**

Action Requested:

The Rural Health Care Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the 1st Quarter 2020 (1Q2020) programmatic budget and demand projection for the Rural Health Care Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's November 1, 2019 quarterly filing.

Discussion:

On a quarterly basis, USAC is required to submit to the FCC each program's budget¹ and projected demand for the upcoming quarter.²

Funding Requirement

USAC estimates the 1Q2020 funding requirement for the Rural Health Care Support Mechanism as follows:

¹ See 47 C.F.R. § 54.715(c).

² See 47 C.F.R. § 54.709(a)(3).

Table A. Program Funding Requirement

<i>(in millions)</i>	4Q2019	Increase/ (Decrease)	1Q2020	Notes
Steady State:				
Program Funding Requirement	\$144.79	(\$1.25)	\$143.54	See Note 1 and Table B
New Requirements:				
N/A	0.00	0.00	0.00	
Total Program Funding Requirement	\$144.79	(\$1.25)	\$143.54	
Prior Period Adjustments (difference between projections and actuals):				
Billings	1.06	(.71)	0.35	
Interest Income	0.05	(.05)	0.00	
Bad Debt Expense	(1.90)	0.39	(1.51)	
Total Prior Period Adjustments	\$(0.79)	\$(0.37)	\$(1.16)	
USAC Administrative Expenses ³	3.75	1.25	5.00	See Table D
Total Funding Requirement	\$147.75	\$(0.37)	\$147.38	

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

<i>(in millions)</i>	Fund Year 2019	Notes
Revised Funding Year 2019 Cap	\$594.07	See Note 1
Less Funds Previously Collected	(296.99)	
Remaining Funding Year 2019 Collection Requirement	\$297.08	
Quarterly Funding Requirement for Remaining Quarters in Funding Year 2019	\$148.54	
Less USAC Administrative Costs, which are covered within the Funding Cap	(5.00)	
1Q2020 Program Funding Requirement	\$143.54	

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

<i>(in millions)</i>	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 1Q2020 Rural Health Care Support Mechanism programmatic budget of \$5.00 million represents approximately 25% of the preliminary 2020 annual Rural Health Care Support Mechanism programmatic budget of \$19.99 million.

Table D. 1Q2020 Quarterly Programmatic Budget

<i>(in millions)</i>	1Q2020 Budget	Notes
Direct Program Costs		
Employee Expenses	\$1.63	
Professional Services	0.31	
General & Administrative	0.00	See Note 2
Total Direct Program Costs	\$1.94	
Direct Assigned Costs		
Employee Expenses	0.37	
Professional Services	0.88	
General & Administrative	0.00	See Note 2
Total Direct Assigned Costs	\$1.25	
Total Direct Program & Direct Assigned Costs	\$3.19	
Common Allocated Costs	\$1.81	
Total Programmatic Budget	\$5.00	

Note 2: General & Administrative expenses include meetings & conferences and reference materials.

⁶ *Id.*

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

Recommendation:

USAC management recommends that the Committee approve the 1Q2020 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 1st Quarter 2020 Rural Health Care Support Mechanism direct program budget of \$3.19 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$3.19 million for Rural Health Care Support Mechanism administrative costs in the required November 1, 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 October 28, 2019 the 1st Quarter 2020 Rural Health Care Support Mechanism demand estimate of \$147.38 million, hereby directs USAC staff to proceed with the required November 1, 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
 Nine Months Ending September 30, 2019

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	47	46	(1)	\$3.99	\$4.02	\$0.03
Professional Services (Note 3)				0.22	0.50	0.28
General & Administrative (Note 4)				0.00	0.03	0.03
Total Direct Program Costs				\$4.21	\$4.55	\$0.34
Direct Assigned Costs						
Employee Expenses	8	9	1	\$0.98	\$1.16	\$0.18
Professional Services (Note 3)				1.00	1.52	0.52
General & Administrative (Note 4)				0.00	0.00	0.00
Total Direct Assigned Costs				\$1.98	\$2.68	\$0.70
Total Direct Program & Direct Assigned Costs	55	55	0	\$6.19	\$7.23	\$1.04
Common Allocated Costs (Note 5)				\$3.67	\$4.61	\$0.94
Total Programmatic Budget				\$9.86	\$11.84	\$1.98

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.

Briefing book excludes all materials discussed in Executive Session.

Rural Health Care Business Update

October 28, 2019



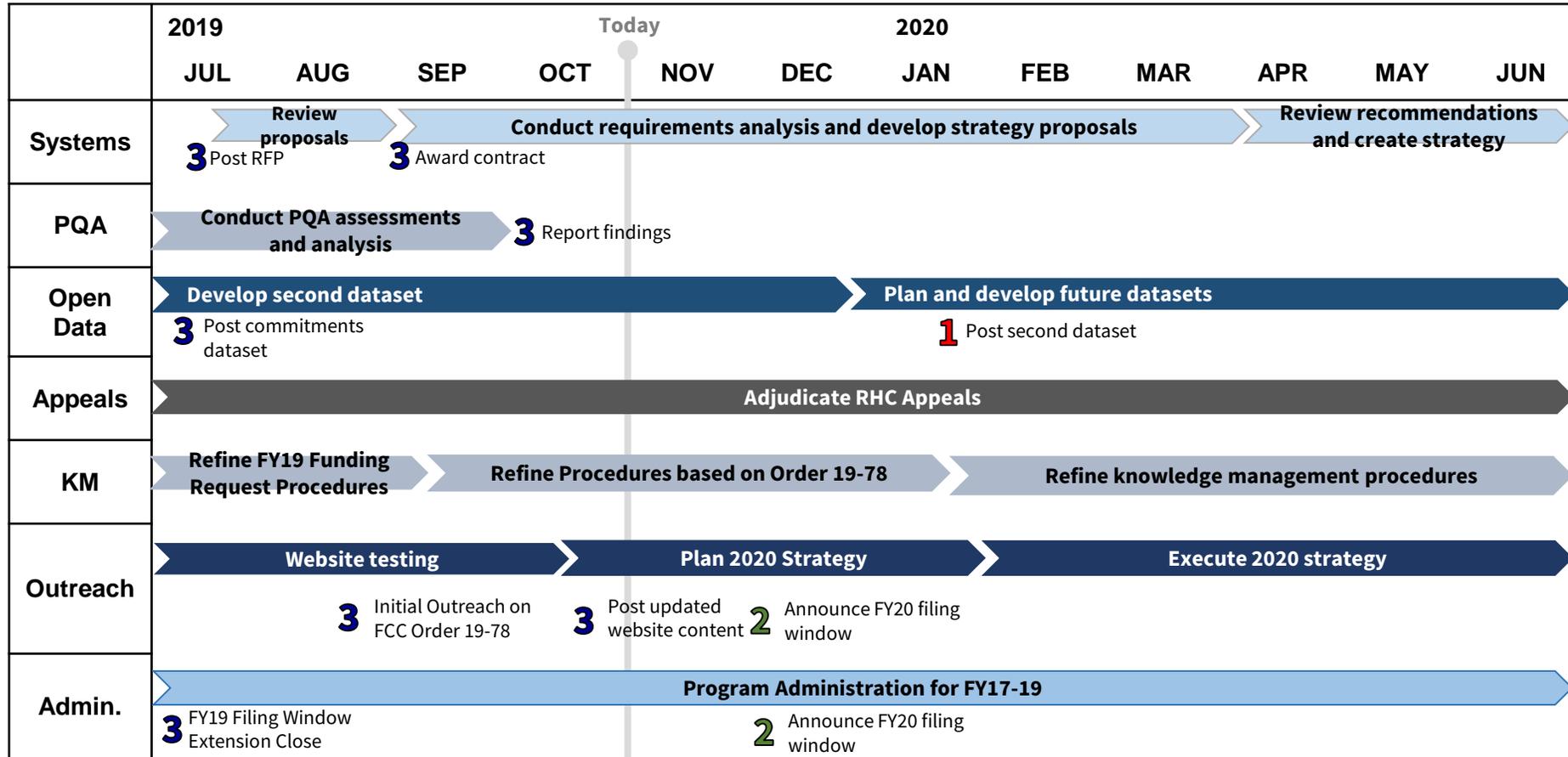
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Administrative Co.

Available for Public Use

Agenda: Rural Health Care

Topic	Description	Purpose	Presenter	Length
Business Update				
Open Session				
July Board Recap	There were no follow up items from the July Board meeting	Informational	Mark Sweeney	
RHC Program At A Glance	RHC activities for 2019	Informational	Mark Sweeney	5 min
FCC Reform Order	Overview of key elements in FCC Order 19-78	Informational	Mark Sweeney	5 min
Q3 2019 Customer Service	Summary of major customer service activities from Q3	Informational	Mark Sweeney	5 min
Appendix				
Appendix A: Glossary of Acronyms and Projects				
Appendix B: 2019 FCC Docket Monitoring – Rural Health Care				
Appendix C: Q3 2019 Update on Rural Health Care Administration				

RHC Program At a Glance



Milestone Legend

- 3** Completed
- 2** On Track
- 1** At Risk

Completed Milestones:

- Systems – Award contract
- Outreach – Outreach on FCC Order 19-78
- Admin. – FY19 Filing Window Extension Close
- Open Data – Post commitments datasets

Note: Refer to Appendix C for 3rd quarter accomplishments, planned activities, and metrics

Available for Public Use

RHC Reform Order

During the past quarter, the FCC issued a new Order reforming the RHC Program

FCC 19-78

- Order was adopted on August 1, 2019 and released later that month. Published in the Federal Register on October 11, 2019 with an effective date of November 12, 2019.
- The Order provides for the following:
 - Simplifies rural and urban rate determinations by directing USAC to create urban and rural rate databases.
 - Targets and prioritizes RHC Program funding to rural and medically underserved areas.
 - Increases rural participation in HCF Program consortia by requiring consortia to increase the majority-rural requirement by 5% each year that demand exceeds the funding cap (up to 75%) and eliminates the three-year grace period to reach majority-rural.
 - Increases the effectiveness of competitive bidding by requiring RHC Program applicants to specify service needs, harmonizing RHC Program certifications and documentation requirements, codifying certain HCF Program requirements in the Telecom Program, and adopting rules governing gifts and consultants.
 - Improves RHC Program administration by improving the invoicing process, clarifying site and service substitutions, and simplifying the language in the rules.
 - Streamlines the application process and aligns procedures between the E-rate and RHC Programs to ease burden on applicants.
- Updated HCF and Telecom Program Rules take effect in FY20 and FY21, subject to OMB approval where required.
- The Order does not change any rules or requirements for FY19.

Q3 2019 Customer Service

Key Improvements

- Supporting applicants
 - Under 1% abandonment rate in August and September, with only 3 abandoned calls in all of September
 - Additional call center hours held during application filing window closing period
 - Held webinar for consortia applicants to present best practices for successful participation in RHC Program
 - Conducted webinar for FY19 applicants to discuss overall status and next steps, emphasizing the need to respond to information requests
- Frequent feedback
 - Convened feedback group call
 - Presented and held feedback session at Northwest Regional Telehealth Resource Center Conference in Anchorage, AK
 - Held training and feedback session for service providers attending the Schools and Libraries training in August 2019
 - We heard that our applicants like printable PDFs that lay out step by step instructions and clearly identify key information – this feedback has helped RHC build new materials (e.g., consortia webinar) and shape some of the website changes (e.g., homepage layout)
- Website Updates
 - Launching new website with new content, layout, navigation, and pages.
 - New website will be more streamlined and compliant with Section 508 accessibility requirements.
- Reform Order Communication
 - Analyzed Order requirements and created new webpage, summary sheet, and timeline
 - Conducted webinar to inform program participants about future changes

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 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.

Appendix B: 2019 FCC Docket Monitoring – Rural Health Care

There were over 120 items and comments posted in the RHC docket in the 3rd quarter of 2019. Those with administrative impact are shown below.

FCC Order/ Mandate	Release Date	Description	Impact to RHC
N/A	July 9, 2019	RHC sent a letter to the FCC with program data they requested. This data was used by the FCC in their development of FCC 19-78.	Produced data and letter to FCC.
N/A	July 31, 2019	RHC sent a letter to the FCC with additional program data they requested. This data was used by the FCC in their development of FCC 19-78.	Produced data and letter to FCC
FCC 19-78	August 20, 2019	The FCC released an Order reforming the RHC Program. The Order outlines a number of program reforms that are effective in FY2020 and FY2021.	RHC is assessing the impacts and planning implementation

**Universal Service Administrative Company
Rural Health Care Committee Meeting**

INFORMATION ITEM

APPENDIX C

**Rural Health Care Business Update
Q3 2019 Update on Rural Health Care Administration**

Overall Summary for Q3 2019:

The Rural Health Care (RHC) Division had a very strong third quarter, which focused on program integrity, operational efficiency, and outreach. The FCC issued Report and Order 19-78, which reforms the RHC Programs. The RHC Division has analyzed the Order, documented requirements, and developed an initial implementation strategy. In the program integrity area, all Corrective Action Plans are still within the 90-day target for completion, and 32 appeals were adjudicated, while 46 new appeals were received. As part of our outreach, we conducted multiple webinars and outreach activities to update FY 2019 applicants and explain the main components of FCC Order 19-78. We also developed significant website updates, restructuring the RHC pages and changing much of the content.

In the fourth quarter, the focus will be on implementing the FCC Order 19-78 requirements, starting a business requirements assessment, rolling out significant website updates, and reviewing FY19 funding requests.

RHC Program Updates & Accomplishments:

- *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.
- *My Portal Modifications* – RHC/IT assessed the impacts of Order FCC 19-78 and necessary modifications to My Portal to plan for implementation. A new feature to help applicants better manage Letters of Authorization (LOA) was also rolled out in third quarter.
- *Appeals* – RHC received 46 new appeals in Q3 2019, and adjudicated 32 appeals.
Eligibility – RHC identified all HCPs that submitted FY2019 funding requests and have expired Third Party Authorizations (TPAs). RHC will ensure that HCPs have current and valid TPAs.
- *Procedures sent to FCC* – RHC reformatted and updated funding request review procedures and sent them to the FCC.
- *Webinars* – RHC held three webinars for program participants: FY2019 Applicant Webinar, FCC Report and Order 19-78 Information Webinar, and Consortia Best Practices for FY2020 Webinar.

- *Conference Attendance* – RHC staff attended the Northwest Regional Telehealth Resource Center Annual Conference in Anchorage, AK to present on the RHC Program and gather participant feedback. Staff also conducted site visits to RHC participants.

Planned Activities for Q4 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* – RHC will continue to focus on processing FY2019 funding requests.
- *Business Requirements Assessment* – RHC will begin work on the operational and systems assessment.
- *Procedures* – RHC will reformat and update all procedures required by FCC Order 19-78.
- *Employee Engagement* – RHC’s management team has developed a management action plan for 2019 and will continue executing 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	July Actual	August Actual	Sept Actual	Variance	
1	Call Ctre A/R	3.0%	2.0%	0.3%	0.8%	2.7%	
2	Total Pending RHC Appeals	N/A	247	250	231	N/A	
3	Average age of RHC Appeals	90	183.07	205.8	208	-118	
4	Number of open appeals over 90 days	0	172	192	176	-176	

Key	
	Meeting Target
	Not Meeting Target