



Rural Health Care Committee

Briefing Book

Monday, January 27, 2020

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, January 27, 2020
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 October 28, 2019 B. Approval of moving all Executive Session items into Executive Session	5
Chair	a2. Recommendation for Election of Committee Chair and Vice Chair	5
Mark	a3. Approval of Rural Health Care Support Mechanism 2nd Quarter 2020 Programmatic Budget and Demand Projection for the January 31, 2020 FCC Filing	5
Mark	i1. Rural Health Care Business Update: <ul style="list-style-type: none"> • 2019 Rural Health Care Accomplishments • Addressing 2019 Challenges • Rural Health Care Reform Order • Rural Health Care Program Road Ahead • 2020 Looking Forward • Rural Health Care Program at a Glance • Q4 2019 Update on Rural Health Care Administration (<i>For Information Only</i>) 	20

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Mark	i2. Rural Health Care Business Update (<i>Continued</i>): <ul style="list-style-type: none"> • Rural Health Care Dashboard • Key Program Metrics • 2018 RHC PQA Assessment Results • RHC Business and Operations Assessment Status • Reform Order Implementation • Discussion Topic: <ul style="list-style-type: none"> ○ Rural Health Care Special Compliance Review 	20

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Mark	a4. Approval of Rural Health Care Support Mechanism 2020 Annual Programmatic Budget	5

Next Scheduled USAC Rural Health Care Committee Meeting

<p>Monday, April 27, 2020 1:00 p.m. – 2:00 p.m. USAC Offices, Washington, D.C.</p>

**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 October 28, 2019 (*see Attachment A*).
- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i2** – Rural Health Care Business Update (*Continued*). USAC management recommends that this item be discussed in *Executive Session* because it involves *specific internal controls or confidential company data*, and *internal rules and procedures* concerning the administration of the universal service support mechanisms; discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - (2) **a4** – Approval of Rural Health Care Support Mechanism 2020 Annual Programmatic Budget. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

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 October 28, 2019; and (2) discussion in *Executive Session* of the agenda item noted above.

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

RURAL HEALTH CARE COMMITTEE MEETING
Monday, October 28, 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, October 28, 2019. Dr. Kathy Wibberly, Committee Chair, called the meeting to order at 1:02 p.m. Eastern Time, with a quorum of six of the eight Committee members present:

Freeman, Sarah	Wade, Dr. Joan
Sekar, Radha – Chief Executive Officer	Wein, Olivia
Kinser, Cynthia	Wibberly, Dr. Kathy – Chair

Committee members not present:

Fontana, Brent – Vice Chair
Tinic, Atilla

Other Board members and officers of the corporation present:

Ayer, Catriona – Vice President of Schools and Libraries
Bocher, Bob – Member of the Board
Davis, Craig – Vice President of Procurement and Strategic Sourcing
Delmar, Teleshia – Vice President of Audit Assurance Division
Feiss, Geoff – Member of the Board
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
Hutchinson, Kyle – Vice President of Information Technology and Chief Information Officer
Lubin, Joel – 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

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.

Others present:

<u>NAME</u>	<u>COMPANY</u>
Albert, Blythe	USAC
Bah Bello, Fatoumata	USAC
Barrett, Henry	USAC
Bethel, Tameca	USAC
Braxton-Johnson, Kianna	USAC
Burgess, Melody	USAC
Butler, Stephen	USAC
Contreras, Jennifer	USAC
Faunce, Donna	USAC
Hughet, Pamela	USAC
James, Christine	USAC
Kim, Allen	USAC
Kim, Joanne	USAC
Kolachina, Roja	USAC
Lawson, Suzanne	USAC
McCornac, Carolyn	USAC
Mohammed, Rehana	USAC
Morning, Kimberly	USAC
Numa, Marcel	USAC
Nuzzo, Patsy	USAC
Park, Sang	USAC
Pradhan, Saumya	USAC
Santana-Gonzalez, Jeanette	USAC
Schecker, Larry	USAC
Smith, Khala	USAC
Squire, Matt	USAC
Tawes, Pauline	USAC
Theodoropoulos, Nikoletta	USAC
Tiwari, Tanya	USAC
Walsh, Jeffery	USAC
Ward, Rashonda	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 July 29, 2019 and August 27, 2019.

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

- (1) **il.** – 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.

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 July 29, 2019 and August 27, 2019; and (2) discussion in *Executive Session* of the agenda item noted above.

- a2.** **Approval of Rural Health Care Support Mechanism 1st Quarter 2020 Programmatic Budget and Demand Projection for the November 1, 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 1st Quarter 2020 programmatic budget and demand projection for the November 1, 2019 FCC filing.

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 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

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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 presented PowerPoint slides covering the following:

1. Rural Health Care Program At A Glance
2. RHC Reform Order
3. Q3 2019 Customer Service
4. Q3 2019 Update on Rural Health Care Administration (For Information Only)

Board members shared feedback from stakeholders expressing both interest and concern regarding the rural/urban rates and how they will be calculated. Ms. Sekar indicated that, while USAC may not be able to disclose the exact source of the data and rates, a concept could be shared at the April 2020 quarterly meeting.

At 1:30 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. Key Performance Metrics
3. Discussion Topic: Reform Order Implementation

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
Rural Health Care Committee Meeting**

ACTION ITEM

**Recommendation for Election of
Committee Chair and Vice Chair**

Action Requested

The USAC Rural Health Care Committee (Committee) is taking action to bring its Chair and Vice Chair nominations for consideration by the Board of Directors (Board) at the Board meeting to be held on January 28, 2020.

Discussion

The pertinent resolution related to the election of committee chair and vice chair positions was adopted by the Board of Directors on January 25, 2000 and reads as follows:

RESOLVED, That the USAC Board of Directors accepts the recommendations of the USAC Nominating Committee that: (1) in addition to the annual election of officers, all Committee chairs and vice chairs shall also be elected annually; (2) the first election for Committee chairs and vice chairs shall occur at the election of officers at the January 2001 Board of Directors meeting; (3) there shall be no term limits imposed on officer and Committee chair and vice-chair positions; and (4) there shall be no automatic succession of positions.¹

On January 29, 2019, the Board elected Dr. Kathy Wibberly as Chair and Brent Fontana as Vice Chair of the Rural Health Care Committee.

At their January 27, 2020 quarterly meetings, each committee of the Board (including the Audit Committee and the programmatic committees) will nominate Board members to serve as chair and vice chair of their respective committees. Those recommendations will be submitted to the Board at the Board of Directors meeting to be held on January 28 2020.

Recommended USAC Rural Health Care Committee Action

APPROVAL OF THE FOLLOWING RESOLUTION:

¹ USAC Board of Directors Meeting Minutes, at 4 (Jan. 25, 2000), available at <https://www.usac.org/about/leadership/board-minutes/>.

RESOLVED, that the USAC Rural Health Care Committee recommends that the USAC Board of Directors elect _____ as Chair and _____ as Vice Chair of the Committee. The term for each position begins immediately upon the election to such position by the Board and ends at such time as the Chair or Vice Chair (as the case may be): (i) is replaced by a successor selected by the Board, (ii) resigns from the Committee or the Board, (iii) is removed by resolution of the Board, or (iv) is no longer a member of the Board (whichever comes first).

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

ACTION ITEM

**Approval of Rural Health Care Support Mechanism
2nd Quarter 2020 Programmatic Budget and
Demand Projection for the January 31, 2020 FCC Filing**

Action Requested:

The Rural Health Care Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the 2nd Quarter 2020 (2Q2020) programmatic budget and demand projection for the Rural Health Care Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's January 31, 2020 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 2Q2020 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>	1Q2020	Increase/ (Decrease)	2Q2020	Notes
Steady State:				
Program Funding Requirement	\$143.54	(\$0.41)	\$143.13	See Note 1 and Table B
New Requirements:				
N/A	0.00	0.00	0.00	
Total Program Funding Requirement	\$143.54	(\$0.41)	\$143.13	
Prior Period Adjustments (difference between projections and actuals):				
Billings	0.35	(0.68)	(0.33)	
Interest Income	0.00	0.00	0.00	
Bad Debt Expense	(1.51)	0.17	(1.34)	
Total Prior Period Adjustments	(\$1.16)	(\$0.51)	(\$1.67)	
USAC Administrative Expenses ³	5.00	0.41	5.41	See Table D
Total Funding Requirement	\$147.38	(\$0.51)	\$146.87	

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	(445.53)	
Remaining Funding Year 2019 Collection Requirement	\$148.54	
Quarterly Funding Requirement for Remaining Quarters in Funding Year 2019	\$148.54	
Less USAC Administrative Costs, which are covered within the Funding Cap	(5.41)	
2Q2020 Program Funding Requirement	\$143.13	

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 2Q2020 Rural Health Care Support Mechanism programmatic budget of \$5.41 million represents approximately 27% of the 2020 annual Rural Health Care Support Mechanism programmatic budget of \$20.02 million.

Table D. Quarterly Programmatic Budget

<i>(in millions)</i>	1Q2020	Increase/ (Decrease)	2Q2020 Budget	Notes
Direct Program Costs				
Employee Expenses	\$1.63	(\$0.04)	\$1.59	
Professional Services	0.31	0.15	0.46	
General & Administrative	0.00	0.01	0.01	See Note 2
Total Direct Program Costs	\$1.94	\$0.12	\$2.06	
Direct Assigned Costs				
Employee Expenses	0.37	0.00	0.37	
Professional Services	0.88	0.29	1.17	
General & Administrative	0.00	0.00	0.00	See Note 2
Total Direct Assigned Costs	\$1.25	\$0.29	\$1.54	
Total Direct Program & Direct Assigned Costs	\$3.19	\$0.41	\$3.60	
Common Allocated Costs	\$1.81	\$0.00	\$1.81	
Total Programmatic Budget	\$5.00	\$0.41	\$5.41	

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

⁶ See *id.*

A comparison of actual expenditures to the budget for the twelve months ending December 31, 2019 is provided in **Attachment 1**.

Recommendation:

USAC management recommends that the Committee approve the 2Q2020 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 2nd Quarter 2020 Rural Health Care Support Mechanism direct program budget of \$3.60 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$3.60 million for Rural Health Care Support Mechanism administrative costs in the required January 31, 2020 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 January 27, 2020 the 2nd Quarter 2020 Rural Health Care Support Mechanism demand estimate of \$146.87 million, hereby directs USAC staff to proceed with the required January 31, 2020 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
Twelve Months Ending December 31, 2019

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	47	46	(1)	\$5.64	\$5.40	(\$0.24)
Professional Services (Note 3)				0.37	0.50	0.13
General & Administrative (Note 4)				0.00	0.04	0.04
Total Direct Program Costs				\$6.01	\$5.94	(\$0.07)
Direct Assigned Costs						
Employee Expenses	9	9	0	\$1.40	\$1.54	\$0.14
Professional Services (Note 3)				1.32	1.97	0.65
General & Administrative (Note 4)				0.00	0.00	0.00
Total Direct Assigned Costs				\$2.72	\$3.51	\$0.79
Total Direct Program & Direct Assigned Costs	56	55	(1)	\$8.73	\$9.45	\$0.72
Common Allocated Costs (Note 5)				\$5.02	\$6.14	\$1.12
Total Programmatic Budget				\$13.75	\$15.59	\$1.84

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.

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Rural Health Care Business Update

January 27, 2020



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Agenda: Rural Health Care

Topic	Description	Purpose	Presenter	Length
Business Update				
October 2019 RHC Committee Recap	There were no follow up items from the October Board meeting	Informational	Mark Sweeney	
RHC Accomplishments	Summary of key accomplishments in 2019	Informational	Mark Sweeney	5 min
Addressing 2019 Challenges	Summary of main challenges and mitigation strategies in 2019	Informational	Mark Sweeney	5 min
RHC Reform Order	Overview of key elements in FCC Order 19-78	Informational	Mark Sweeney	5 min
2020 Looking Forward	Key goals and milestones for 2020	Informational	Mark Sweeney	5 min
RHC Program At A Glance	RHC activities for 2020	Informational	Mark Sweeney	5 min
Appendix				
Appendix A: Glossary of Acronyms and Projects				
Appendix B: Q4 2019 Update on Rural Health Care Administration				

RHC 2019 Accomplishments

RHC made major strides in optimizing operations during 2019 and had many significant accomplishments

Key Accomplishments

- Implemented RHC Division reorganization and increased headcount from 46 to 50 to help improve appeals velocity and change management
- Completed FY18 workable commitments in June, which included implementing FCC Order 19-45 on multi-year/upfront applications in under 10 days
- Successfully opened and closed FY19 filing window
- Began issuing single year FY19 commitments in December
- Launched RHC Open Data offering, adding two datasets (commitments and disbursements, and posted services)
- Began assessment of RHC business and operations, which will inform longer term operational and system strategies
- Created comprehensive strategy to implement 2019 RHC Program Reform Order, utilizing project management best practices and incorporating lessons learned from other programs
- Maintained Help Desk abandonment rate under 3% for all of 2019, with 8 months under 2%, ensuring applicants receive timely responses to questions
- Significantly expanded and improved resources and training by participating in 10 conferences, offering training session during E-Rate Service Provider Training, adding audience-tailored resources, launching new website content, and executing 13 webinars (including 4 new webinars)
- Engaged stakeholders consistently throughout the year to get input on new initiatives and effectiveness of communications
- Documented all major processes and launched internal knowledge management portal, helping with onboarding and operational consistency

Addressing 2019 Challenges

RHC faced many challenges in 2019 and addressed them through slightly increasing headcount and optimizing internal operations.

Key Challenges	Mitigation Strategies
Appeals: The number of appeals continued to increase	<ul style="list-style-type: none"> • Worked with other USAC teams to build standard process • Added two FTEs for a total of four team members to increase velocity
Knowledge Management: Overhauling RHC documentation	<ul style="list-style-type: none"> • Added one FTE to manage knowledge management portfolio • Leveraged lessons learned from other departments to build out resources
Processing FY 2019 Applications: Volume of funding requests	<ul style="list-style-type: none"> • Developed resource and review plans • Developed individual and team benchmarks to meet review goals
FCC Order Implementation: Multiple FCC orders issued in 2019	<ul style="list-style-type: none"> • Formalized process for order intake and assessment • Increased outreach and communications efforts, based on input, to ensure stakeholders understand changes • Added Manager of Communications to better manage portfolio • Implementing specific 2019 RHC Reform Order directions, including: <ul style="list-style-type: none"> ○ Creation of urban/rural rate database for FY2021 launch ○ Finalizing written procedures for submission to the FCC, using E-Rate procedures as a structural foundation

RHC Reform Order

During the third quarter 2019, the FCC issued a new Order reforming the RHC Program

FCC Report and Order 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.
- Updated HCF and Telecom Program Rules to take effect in FY20 and FY21, subject to OMB approval where required.
- The Order does not change any rules or requirements for FY19.
- On December 10, 2019, the FCC released [Public Notice DA 19-1253](#), providing guidance on the implementation schedule for reforms set forth by FCC Report and Order 19-78.
- As a result, certain reforms originally slated for FY2020 will now be implemented for FY2021.
- FCC Report and Order 19-78; resources on USAC website have been updated to reflect changes to implementation timeline from the Public Notice DA 19-1253.
- Full time Project Manager with FCC experience managing the project work, including weekly calls with FCC and weekly updates to FCC and USAC leadership on progress towards milestones and achievements.

2020 Looking Forward

The primary programmatic goals and objectives of RHC in 2020 are to optimize program experience through operations and administration efficiencies, while successfully implementing the RHC Reform Order.

Key Milestones

Program Administration

- Open and close funding request filing window successfully and review FY2020 funding requests
- Complete issuing FY2019 workable commitments
- Update and Document 2020 Procedures

Reform Order Implementation

- Implement necessary changes to My Portal through fund years 2020 and 2021
- Build and deploy rates database

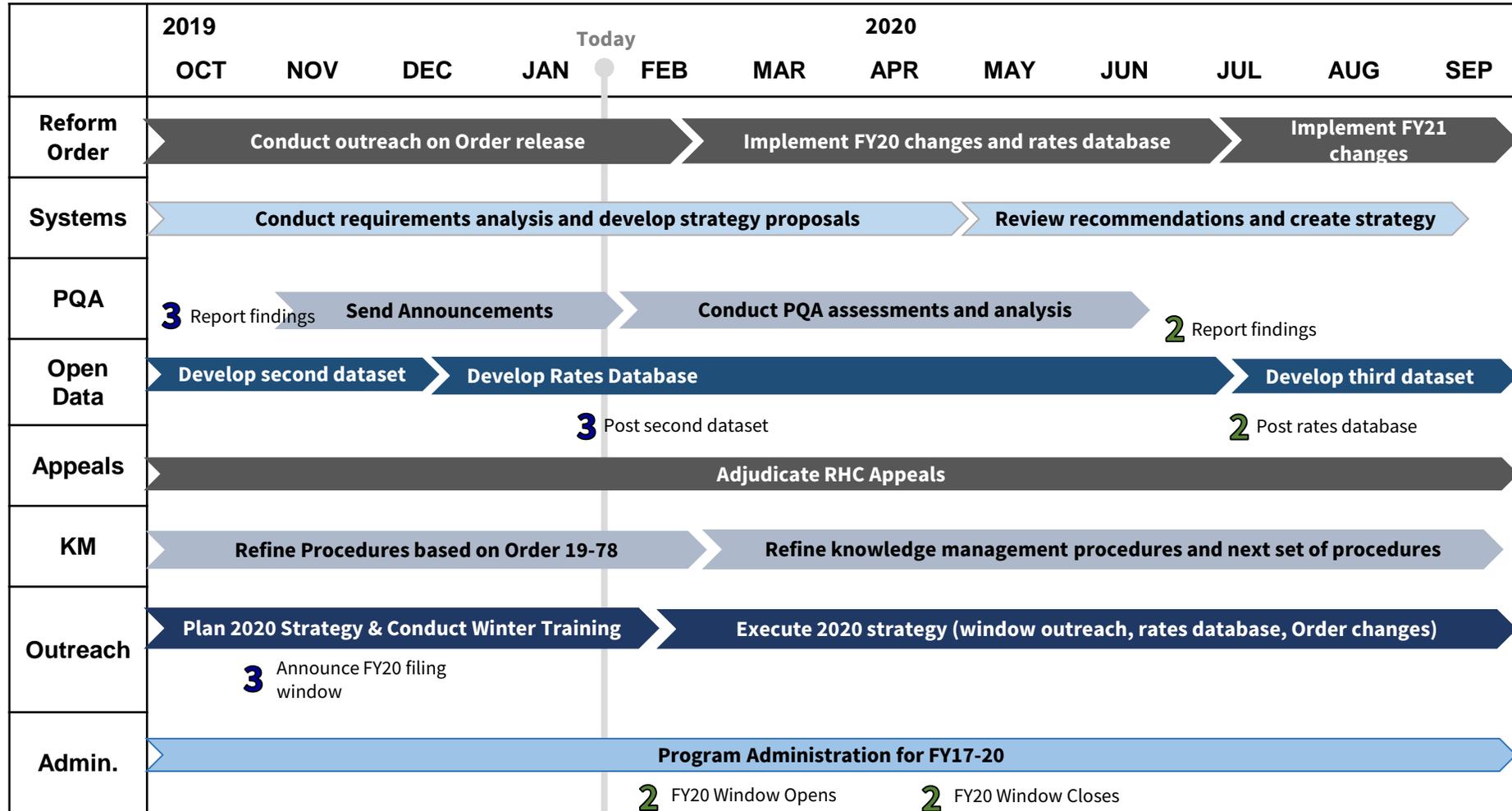
Appeals and Audits

- Complete all PQA Corrective Action Plans
- Support expanded BCAP program
- Accelerate Appeals velocity

Long Term Planning

- Complete Business and Operations Assessment
- Use assessment results to inform RHC strategy and planning, especially with regards to IT roadmap

RHC Program At A Glance



Milestone Legend

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

Completed Milestones:

- Systems – Award contract for Business Requirements
- Outreach – Outreach on FCC Order 19-78, FY20 Kickoff, Request for Services
- Admin. – FY19 Commitments started
- Open Data – Posted services dataset launched

Note: Refer to Appendix B for 4th quarter accomplishments, planned activities, and metrics

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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 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.

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

INFORMATION ITEM

APPENDIX B

**Rural Health Care Business Update
Q4 2019 Update on Rural Health Care Administration**

Overall Summary for Q4 2019:

The Rural Health Care (RHC) Division had a very strong fourth quarter, which focused on program integrity, operational efficiency, and outreach. The RHC Division began issuing single year commitments for FY 2019 for all eligible amounts requested (i.e., without proration). The FCC issued Public Notice DA 19-1253, which provides additional guidance on implementation timeframes for the requirements in FCC Report and Order 19-78 (Reform Order). The RHC Division updated implementation strategies and plans created in Q3 to implement the Reform Order, and began executing against these plans. We also started the RHC business and operations assessment, which will be completed in April 2020. In the program integrity area, all Corrective Action Plans are still within the 90-day target for completion, and 56 appeals were resolved, while 5 new appeals were received. As part of our outreach, we conducted multiple webinars and outreach activities to update FY 2019 applicants and train and prepare FY 2020 applicants.

In the first quarter, the focus will be on implementing the Reform Order requirements, continuing the business requirements assessment, reviewing FY 2019 funding requests, and opening the FY 2020 filing window.

RHC Program Updates & Accomplishments:

- *Operations* – RHC Operations began issuing FY 2019 commitments for single year requests.
- *My Portal Modifications* – RHC/IT released the first batch of My Portal changes related to the Reform Order and planned future releases. A new multi factor authentication security feature was also rolled out in Q4 2019.
- *Appeals* – RHC received 5 new appeals in Q4 2019, and resolved 56 appeals.
- *Eligibility* – RHC identified all HCPs that submitted FY 2019 funding requests and have expired Third Party Authorizations (TPAs). RHC will ensure that HCPs have current and valid TPAs. RHC also continued processing eligibility requests to help FY 2020 applicants prepare to submit competitive bidding forms.
- *Procedures* – RHC developed and compiled all procedures required by the Reform Order. These procedures will be submitted to the FCC in early February.

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- *Webinars* – RHC held three webinars for program participants: FY2020 Kickoff Webinar, FY2018 Invoicing Best Practices Webinar, and FY2020 Request for Services Webinar.
- *Conference Attendance* – RHC staff attended the NOSORH conference, MD Rural Health Conference, and SHLB Conference to present on the RHC Program and gather participant feedback.

Planned Activities for Q1 2020:

- *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.
- *FY2020 Funding Requests* – RHC will open the FY2020 filing window, while supporting applicants through training and resources.
- *Business Requirements Assessment* – RHC will continue work on the operational and systems assessment.
- *Procedures* – RHC will submit all procedures required by the Reform Order 19 to the FCC.
- *Employee Engagement* – RHC's management team developed a management action plan for 2019 and will continue executing the plan.