



Rural Health Care Committee

Audit Report Briefing Book

Monday, July 26, 2021

Available For Public Use

Universal Service Administrative Company Offices

700 12th Street, NW, Suite 900

Washington, DC 20005

Summary of Rural Health Care Support Mechanism Beneficiary Audit Reports Released: April - May 2021

Entity Name	Number of Findings	Significant Findings	Amount of Support	Monetary Effect*	USAC Management Recovery Action**	Commitment Adjustment	Entity Disagreement
Olmsted Medical Center Attachment A	0	• Not applicable.	\$136,890	\$0	\$0	\$0	N
Sumter Regional Hospital Attachment B	0	• Not applicable	\$146,036	\$0	\$0	\$0	N
Total	0		\$282,926	\$0	\$0	\$0	

* The Monetary Effect amount represents the actual dollar effect of the finding(s) without taking into account any overlapping exceptions that exist in multiple findings. Thus, the total Monetary Effect may exceed the Amount of Support disbursed to the Beneficiary.

**The Monetary Effect amount may exceed the USAC Management Recovery Action and/or Commitment Adjustment, as there may be findings that may not warrant a recommended recovery or commitment adjustment or had overlapping exceptions that exist in multiple findings.

Attachment A

RH2019BE010

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Olmsted Medical Center

Performance Audit on Compliance with the Federal Universal Service Fund Rural
Health Care Support Mechanism Healthcare Connect Fund Program Rules
USAC Audit No. RH2019BE010

TABLE OF CONTENTS

Executive Summary 1

Purpose, Scope, Background, and Procedures..... 3

EXECUTIVE SUMMARY

April 2, 2021

Ms. Kristine Riess, Director of Information Technology
Olmsted Medical Center
717 3rd Avenue SE
Rochester, MN 55904

Dear Ms. Riess:

DP George & Company, LLC (DPG) audited the compliance of Olmsted Medical Center (Beneficiary), Health Care Provider Number (HCP) 47453, using regulations and orders governing the federal Universal Service Rural Health Care Support Mechanism, Healthcare Connect Fund program set forth in 47 C.F.R. Part 54, as well as other program requirements (collectively, the Rules). Compliance with the Rules is the responsibility of the Beneficiary's management. DPG's responsibility is to make a determination regarding the Beneficiary's compliance with the Rules based on our audit.

DPG conducted the audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States (2018 Revision). Those standards require that DPG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The audit included examining, on a test basis, evidence supporting the competitive bidding process undertaken to select service providers, the type and amount of services received, physical inventory of equipment purchased and maintained, as well as performing other procedures DPG considered necessary to make a determination regarding the Beneficiary's compliance with the Rules. The evidence obtained provides a reasonable basis for DPG's findings and conclusions based on the audit objectives.

Based on the test work performed, our examination did not disclose any areas of non-compliance with the Rules that were in effect during the audit period.

Certain information may have been omitted from this report concerning communications with USAC management or other officials and/or details about internal operating processes or investigations. This report is intended solely for the use of USAC, the Beneficiary, and the Federal Communications Commission (FCC) and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of those procedures for their purposes. This report is not confidential and may be released to a requesting third party.

We appreciate the cooperation and assistance extended by your staff during the audit.

Sincerely,

DP George & Company, LLC

DP George & Company, LLC
Alexandria, Virginia

cc: Teleshia Delmar, USAC Vice President, Audit and Assurance Division
Radha Sekar, USAC Chief Executive Officer
Mark Sweeney, USAC Vice President, Rural Health Care Division

PURPOSE, SCOPE, BACKGROUND, AND PROCEDURES

PURPOSE

The purpose of the audit was to determine whether the Beneficiary complied with the Rules.

SCOPE

The following chart summarizes the overall Healthcare Connect Fund (HCF) program support amounts committed and disbursed to the Beneficiary for Funding Year 2017 (audit period):

Service Type	Amount Committed	Amount Disbursed
Ethernet	\$205,335	\$136,890
Total	\$205,335	\$136,890

Note: The amounts committed and disbursed reflect funding year activity as of the date of the commencement of the audit.

The committed total represents one FCC Form 462 application with one Funding Request Number (FRN). DPG selected the one FRN¹ issued in Funding Year 2017 which represents all \$205,335 of the funds committed and all of the \$136,890 of the funds disbursed during the audit period, to perform the procedures enumerated below with respect to the Funding Year 2017 application submitted by the Beneficiary.

BACKGROUND

The Beneficiary represents a network of 18 health care providers in southeastern Minnesota. Funding provided by the HCF program is used to support telehealth services to rural locations as well as e-visit services. The communications network also supports the transfer of electronic medical records and images across the 18 locations.

PROCEDURES

DPG performed the following procedures:

A. Application Process

DPG obtained an understanding of the Beneficiary's processes relating to the Rural Health Care (RHC) HCF program application process. Specifically, DPG obtained and reviewed the FCC Form(s) 460 and related attachments to determine whether the Beneficiary identified the participating HCPs in the network. DPG conducted inquiry and interviews to confirm its understanding of the Beneficiary's FCC Form 460 application process and related controls, the role of the Consortium Leader in the application process, and any outside support received from third parties with respect to the application process.

DPG obtained and reviewed documentation to determine whether the Consortium Leader obtained the appropriate Letters of Agency or Letters of Exemption for the consortium members and/or consortium HCPs authorizing the Consortium Leader to act on their behalf and participate in the network.

¹ The FRN included in the scope of this audit was: FRN 17195861.

B. Competitive Bid Process

DPG obtained an understanding of the Beneficiary's competitive bidding process. Specifically, DPG conducted inquiry and interviews to confirm its understanding of the Beneficiary's FCC Form 461 preparation process, bid posting and bid receipt process, and bid review and evaluation process, including related controls.

DPG obtained and reviewed documentation to determine whether the Beneficiary followed a fair and open process in selecting a service provider that provided eligible services. DPG used inquiry and review of documentation to determine whether the Beneficiary established evaluation criteria where no factor was weighted more heavily than price, properly considered and declared any assistance provided, prepared a request for proposal (where required), prepared a network plan, and posted the appropriate bidding documents to the USAC website. DPG obtained evidence that the Beneficiary waited the required 28 days from the date the FCC Form 461 was posted on USAC's website before selecting a service provider and met the requirements for any contracting exemptions applied. DPG evaluated the services requested and purchased for cost-effectiveness.

C. Funding Request Process

DPG obtained an understanding of the Beneficiary's funding request process. Specifically, DPG conducted inquiry and interviews to confirm its understanding of the Beneficiary's FCC Form 462 and related Network Cost Worksheet (NCW) preparation processes and related controls.

DPG obtained and reviewed the FCC Forms 462 and the FCC Forms 462 attachments to determine whether the Beneficiary identified the participating HCPs and documented the allocation of eligible costs related to the provision of health care services. DPG also obtained and reviewed the NCWs to determine whether ineligible costs, if any, were identified and ineligible entities, if any, paid their fair share. DPG used inquiry, direct observation, and inspection of documentation to determine whether the Beneficiary used funding as indicated in its NCWs.

DPG used inquiry, direct observation, and inspection of documentation to determine whether the Beneficiary's eligible HCPs were public or non-profit eligible health care providers and that a fair share allocation was properly considered for any ineligible entities, data centers, or off-site administrative offices. DPG determined whether the eligible HCPs physical addresses were the same as listed on the FCC Form 462 applications and NCWs. DPG used inquiry and inspection of documentation to determine whether funding requested for any non-rural hospital sites with 400 or more licensed patient beds was consistent with the Rules. DPG used inquiry and reviewed documentation to determine whether the HCPs participating in the HCF consortium were funded for the same services funded by the RHC Telecommunications program. DPG also obtained and reviewed documentation to determine whether more than 50 percent of the eligible HCP sites were in a rural area within three years from its first request for RHC HCF support.

D. Health Care Provider Location

DPG determined through inquiry, direct observation, and inspection of documentation whether the services provided existed and were functional. DPG also determined through inquiry, direct observation, and inspection of documentation whether the supported services for eligible HCPs were used for purposes reasonably related to the provision of health care services and in accordance with the Rules.

E. Invoicing Process

DPG obtained an understanding of the Beneficiary’s invoicing process. Specifically, DPG conducted inquiry and interviews to confirm its understanding of the Beneficiary’s FCC Form 463 preparation and submission process.

DPG obtained and reviewed a sample of invoices for which payment was disbursed by USAC to determine whether the services identified on the FCC Form 463 service provider invoices submitted to the RHC program and the corresponding service provider bills submitted to the Beneficiary were consistent. DPG obtained and reviewed documentation to determine whether the Beneficiary paid its required 35 percent minimum contribution and that the required contribution was from eligible sources. DPG also obtained and reviewed documentation to determine whether the RHC program disbursements did not exceed 65 percent of the total eligible costs.

F. Reporting Process

DPG obtained and reviewed documentation to determine whether the Beneficiary timely submitted its annual reports to the RHC program and that the reports included the required information. DPG obtained and reviewed the Sustainability Plan, if applicable, and Network Plan(s) to determine whether it included the required content. DPG did not assess the reasonableness of the Sustainability Plan or whether the Beneficiary could meet or maintain the objectives described in that plan since the Rules do not define how to assess the reasonableness of the content in the Sustainability Plan.

Attachment B

RH2019BE009

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Sumter Regional Hospital

Performance Audit on Compliance with the Federal Universal Service Fund Rural
Health Care Support Mechanism Healthcare Connect Fund Program Rules
USAC Audit No. RH2019BE009

TABLE OF CONTENTS

Executive Summary 1

Purpose, Scope, Background, and Procedures..... 3

EXECUTIVE SUMMARY

May 4, 2021

Mr. Ross Youngdale, Technical Director – Security Officer, Information Systems
Sumter Regional Hospital
126 Hwy 280 W
Americus, GA 31719

Dear Mr. Youngdale:

DP George & Company, LLC (DPG) audited the compliance of Sumter Regional Hospital (Beneficiary), Health Care Provider (HCP) Number 15831, using regulations and orders governing the federal Universal Service Rural Health Care Support Mechanism, Healthcare Connect Fund program set forth in 47 C.F.R. Part 54, as well as other program requirements (collectively, FCC Rules). Compliance with FCC Rules is the responsibility of the Beneficiary's management. DPG's responsibility is to make a determination regarding the Beneficiary's compliance with the FCC Rules based on our audit.

DPG conducted the audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States (2018 Revision). Those standards require that DPG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The audit included examining, on a test basis, evidence supporting the competitive bidding process undertaken to select service providers, the type and amount of services received, physical inventory of equipment purchased and maintained, as well as performing other procedures DPG considered necessary to make a determination regarding the Beneficiary's compliance with FCC Rules. The evidence obtained provides a reasonable basis for DPG's findings and conclusions based on the audit objectives.

Based on the test work performed, our audit did not disclose any areas of non-compliance with FCC Rules that were in effect during the audit period.

Certain information may have been omitted from this report concerning communications with USAC management or other officials and/or details about internal operating processes or investigations. This report is intended solely for the use of USAC, the Beneficiary, and the Federal Communications Commission (FCC) and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of those procedures for their purposes. This report is not confidential and may be released to a requesting third party.

We appreciate the cooperation and assistance extended by your staff during the audit.

Sincerely,

DP George & Company, LLC

DP George & Company, LLC
Alexandria, Virginia

cc: Teleshia Delmar, USAC Vice President, Audit and Assurance Division
Radha Sekar, USAC Chief Executive Officer
Mark Sweeney, USAC Vice President, Rural Health Care Division

PURPOSE, SCOPE, BACKGROUND, AND PROCEDURES

PURPOSE

The purpose of the audit was to determine whether the Beneficiary complied with FCC Rules.

SCOPE

The following chart summarizes the overall Healthcare Connect Fund (HCF) program support amounts committed and disbursed to the Beneficiary for Funding Year 2017 (audit period):

Service Type	Amount Committed	Amount Disbursed
Ethernet	\$204,620	\$129,728
Internet	\$ 12,314	\$ 12,314
ISDN	\$ 3,994	\$ 3,994
Total	\$220,928	\$146,036

Note: The amounts committed and disbursed reflect funding year activity as of the date of the commencement of the audit.

The committed total represents six FCC Form 462 applications with six Funding Request Numbers (FRNs). DPG selected four FRNs¹, which represent \$199,998 of the funds committed and \$125,107 of the funds disbursed during the audit period, to perform the procedures enumerated below with respect to the Funding Year 2017 applications submitted by the Beneficiary.

BACKGROUND

The Beneficiary is part of the Phoebe-Putnam Health System but requested HCF funding as an individual HCP. The Beneficiary is a rural hospital located in Americus, Georgia. Funding provided by the HCF program is used to support telehealth services, medical records access, and communications with the Phoebe-Putnam Health System network.

PROCEDURES

DPG performed the following procedures:

A. Application Process

DPG obtained an understanding of the Beneficiary's processes relating to the Rural Health Care (RHC) HCF program application process. Specifically, DPG obtained and reviewed the FCC Form(s) 460 and related attachments to determine the location of the entity and eligibility type. DPG conducted inquiry and interviews to confirm its understanding of the Beneficiary's FCC Form 460 application process and related controls, and any outside support received from third parties with respect to the application process.

¹ The FRNs included in the scope of this audit were: FRNs 17143611, 17143631, 17143651, and 17235991.

B. Competitive Bid Process

DPG obtained an understanding of the Beneficiary's competitive bidding process. Specifically, DPG conducted inquiry and interviews to confirm its understanding of the Beneficiary's FCC Form 461 preparation process, bid posting and bid receipt process, and bid review and evaluation process, including related controls.

DPG obtained and reviewed documentation to determine whether the Beneficiary followed a fair and open process in selecting a service provider that provided eligible services. DPG used inquiry and review of documentation to determine whether the Beneficiary established evaluation criteria where no factor was weighted more heavily than price, properly considered and declared any assistance provided, and posted the appropriate bidding documents to the USAC website. DPG obtained evidence that the Beneficiary waited the required 28 days from the date the FCC Form 461 was posted on USAC's website before selecting a service provider and met the requirements for any contracting exemptions applied. DPG evaluated the services requested and purchased for cost-effectiveness.

C. Funding Request Process

DPG obtained an understanding of the Beneficiary's funding request process. Specifically, DPG conducted inquiry and interviews to confirm its understanding of the Beneficiary's FCC Form 462 and related Network Cost Worksheet (NCW) preparation processes and related controls.

DPG obtained and reviewed the FCC Forms 462 and the FCC Forms 462 attachments to determine whether the Beneficiary identified the participating HCP and documented the allocation of eligible costs related to the provision of health care services. DPG also obtained and reviewed the NCWs to determine whether ineligible costs, if any, were identified and ineligible entities, if any, paid their fair share. DPG used inquiry, direct observation, and inspection of documentation to determine whether the Beneficiary used funding as indicated in its NCWs.

DPG used inquiry, direct observation, and inspection of documentation to determine whether the Beneficiary was a public or non-profit eligible HCP and that a fair share allocation was properly considered for any ineligible entities, data centers, or off-site administrative offices. DPG determined whether the eligible HCP's physical address was the same as listed on the FCC Form 462 applications and NCWs. DPG used inquiry and reviewed documentation to determine whether the HCP was funded for the same services funded by the RHC Telecommunications program.

D. Health Care Provider Location

DPG determined through inquiry, direct observation, and inspection of documentation whether the services provided existed and were functional. DPG also determined through inquiry, direct observation, and inspection of documentation whether the supported services for the HCP were used for purposes reasonably related to the provision of health care services and in accordance with FCC Rules.

E. Invoicing Process

DPG obtained an understanding of the Beneficiary's invoicing process. Specifically, DPG conducted inquiry and interviews to confirm its understanding of the Beneficiary's FCC Form 463 preparation and submission process.

DPG obtained and reviewed a sample of invoices for which payment was disbursed by USAC to determine whether the services identified on the FCC Form 463 invoices submitted to the RHC program and the corresponding service provider bills submitted to the Beneficiary were consistent. DPG obtained and reviewed documentation to determine whether the Beneficiary paid its required 35 percent minimum contribution and that the required contribution was from eligible sources. DPG also obtained and reviewed documentation to determine whether the RHC program disbursements did not exceed 65 percent of the total eligible costs.