



Rural Health Care Committee

Briefing Book

Monday, January 24, 2022

10:55 a.m. – 11:45 a.m. Eastern Time

Available for Public Use

USAC Offices

700 12th Street NW, Suite 900

Washington, D.C. 20005

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

**Monday, January 24, 2022
10:55 a.m. – 11:45 a.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 25, October 28, and December 16, 2021 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>	5
Chair	a2. Recommendation for Election of Committee Chair and Vice Chair	5
Mark	a3. Approval of Rural Health Care Support Mechanism 2nd Quarter 2022 Programmatic Budget and Demand Projection for the January 31, 2022 FCC Filing	5
Teleshia	i1. Information on One USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports <i>(For Information Only)</i>	–
Mark	i2. Rural Health Care Business Update <ul style="list-style-type: none"> • Accomplishments <ul style="list-style-type: none"> ○ Update on FY2021 Application Processing ○ Outreach ○ HCF Automation First Release • Plans for Next Quarter <ul style="list-style-type: none"> ○ HCF Automation Releases ○ Outreach • Roadmap 	20

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Mark	i3. Rural Health Care Business Update <i>(Continued, if needed)</i>	5
Mark	a4. Approval of Rural Health Care Support Mechanism 2022 Annual Programmatic Budget	10

Next Scheduled USAC Rural Health Care Committee Meeting

**Monday, April 25, 2022
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 October 25 and 28; and December 16, 2021 (*see Attachments A-1, A-2, and A-3*).

- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i3** – Rural Health Care Business Update (*Continued, if needed*). USAC management recommends that this item be discussed in *Executive Session* because it may involve discussion of *specific internal controls or confidential company data or 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 2022 Annual Programmatic Budget. USAC management recommends that this item be discussed in *Executive Session* because this matter 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 Rural Health Care Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of October 25 and 28; and December 16, 2021; and (2) discussion in *Executive Session* of the items noted above.

Available for Public Use

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

RURAL HEALTH CARE COMMITTEE MEETING
Monday, October 25, 2021

(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 25, 2021. A virtual meeting platform was available to the general public for *Open Session* to accommodate the need for increased physical distancing on site due to the COVID-19 pandemic. Dr. Kathy Wibberly, Committee Chair, called the meeting to order at 1:17 p.m. Eastern Time, with a quorum of seven of eight Committee members present:

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

Members of the Committee not present:

Waller, Jeff

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer – *by telephone*
Butler, Stephen – Vice President of Shared Services – *by telephone*
Buzacott, Alan – Member of the Board
Delmar, Teleshia – Vice President of Audit and Assurance – *by telephone*
Gaither, Victor – Vice President of High Cost – *by telephone*
Garber, Michelle – Vice President and Chief Financial Officer
Gillan, Joe – Member of the Board
Gregory, Amber – Member of the Board – *by telephone*
Hughet, Pamela – Vice President of Lifeline – *by telephone*
Hutchinson, Kyle – Vice President of IT and Chief Information Officer – *by telephone*
Mason, Ken – Member of the Board
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.

Skrivan, Michael – Member of the Board – *by telephone*
 Sweeney, Mark – Vice President of Rural Health Care

Others present:

<u>NAME</u>	<u>COMPANY</u>
Birdsell, Traci – <i>by telephone</i>	Maximus
Mitchell, Tamika – <i>by telephone</i>	USAC
Nuzzo, Patsy	USAC
Owens, Mike – <i>by telephone</i>	Maximus
Pace, Regina – <i>by telephone</i>	USAC
Phillippi, Megan	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Shorewood, Nicole – <i>by telephone</i>	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 Rural Health Care Committee Meeting Minutes of July 26 and September 10, 2021.
- B.** Approval of moving all *Executive Session* items into *Executive Session*:
- (1) **i1** – Information Regarding Rural Health Care Support Mechanism 1st Quarter 2022 Programmatic Budget and Demand Projection for the November 2, 2021 FCC Filing (*Continued*). USAC management recommended that this item be discussed in *Executive Session* because it relates to discussion of *pre-decisional matters pending before the FCC*.
 - (2) **i3** – Rural Health Care Business Update (*Continued*). USAC management recommended 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.

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

RESOLVED, that the Rural Health Care Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of July 26 and September 10, 2021; and (2) discussion in *Executive Session* of the items noted above.

- i1. **Information Regarding Rural Health Care Support Mechanism 1st Quarter 2022 Programmatic Budget and Demand Projection for the November 2, 2021 FCC Filing.** Mr. Sweeney presented this item for discussion. Mr. Sweeney and Ms. Williams noted that further discussion of this item would be moved to *Executive Session* because the matter related to *pre-decisional matters pending before the FCC*.
- i2. **Rural Health Care Business Update.** Mr. Sweeney presented PowerPoint slides to the Committee covering the following items:
 - Accomplishments and Plans
 - Metrics
 - Appeals
 - Outreach
 - Plans for Next Quarter
 - Funding Year 2022 Preparation
 - Roadmap
 - Systems Update

At 1:38 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

- i1. **Information Regarding Rural Health Care Support Mechanism 1st Quarter 2022 Programmatic Budget and Demand Projection for the November 2, 2021 FCC Filing. (Continued).** Mr. Sweeney presented this item for discussion. Mr. Sweeney noted that the Committee would receive a request later in the week to approve, via unanimous written consent, the 1st quarter 2022 programmatic budget and demand projection for the Rural Health Care Support Mechanism for submission to the FCC in USAC's November 2, 2021 quarterly filing because the information was undergoing revisions in response to FCC direction at the time of the Committee's scheduled quarterly meeting.
- i3. **Rural Health Care Business Update (Continued).** Mr. Sweeney and Ms. Sekar presented a PowerPoint presentation that included an update on the CEO Roundtable and modernization efforts.

OPEN SESSION

At 2:22 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 items i1 and i3.

On a motion duly made and seconded, the Committee adjourned at 2:23 p.m. Eastern Time.

/s/ Olivia Wein
Secretary

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

RURAL HEALTH CARE COMMITTEE MEETING
Thursday, October 28, 2021

(DRAFT) MINUTES¹

During the quarterly Rural Health Care Committee (Committee) meeting held on Monday, October 25, 2021, the Committee was notified that a vote by unanimous written consent for the approval of the revised 1st quarter 2022 programmatic budget and demand projection for the November 2, 2021 FCC filing would be forthcoming.

- a1. **Approval of Revised Rural Health Care Support Mechanism 1st Quarter 2022 Programmatic Budget and Demand Projection for the November 2, 2021 FCC Filing** On October 27, 2021, briefing papers were distributed to the Committee requesting members to vote electronically for this matter pursuant to Article II, Section 9 of USAC's By-laws.² Responses to approve the revised Rural Health Care 1st quarter 2022 programmatic budget and demand projection for the November 2, 2021 FCC Filing were timely received on October 28, 2021, providing unanimous consent from all 8 of the committee members. The Committee adopted the following resolutions:

RESOLVED, that the USAC Rural Health Care Committee approves a 1st Quarter 2022 Rural Health Care Support Mechanism direct program budget of \$3.63 million; and.

RESOLVED, FURTHER, that the USAC Rural Health Care Committee, having reviewed at its meeting on October 28, 2021 the 1st Quarter 2022 Rural Health Care Support Mechanism demand estimate of \$11.72 million, hereby directs USAC staff to proceed with the required November 2, 2021 filing to the Federal Communications Commission 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.

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

² See USAC By-laws, Article II, § 9 ("Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.").

/s/ Olivia Wein
Secretary

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

**RURAL HEALTH CARE COMMITTEE MEETING
Thursday, December 16, 2021**

(DRAFT) MINUTES¹

Due to USAC’s maximum telework allowance in response to the COVID-19 pandemic, the non-quarterly meeting of the Rural Health Care Committee (Committee) was conducted by web conference on Thursday, December 16, 2021. Dr. Kathy Wibberly, Committee Chair, called the meeting to order at 1:13 p.m. Eastern Time, with a quorum of 8 of the 8 Committee members present:

Feiss, Geoff	Wade, Dr. Joan
Fontana, Brent – Vice Chair	Waller, Jeff
Freeman, Sarah	Wein, Olivia
Sekar, Radha – Chief Executive Officer	Wibberly, Dr. Kathy – Chair

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer
Choroser, Beth – Member of the Board
Domenech, Dr. Dan – Member of the Board
Gillan, Joe – Member of the Board
Gregory, Amber – Member of the Board
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Mason, Ken – Member of the Board
Schell, Julie Tritt – Member of the Board
Skrivan, Michael – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care

Others present by telephone:

<u>NAME</u>	<u>COMPANY</u>
Nuzzo, Patsy	USAC
Pace, Regina	USAC
Phillippi, Megan	USAC
Tiwari, Tanya	USAC
Williams, Erin	USAC

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.

OPEN SESSION

- a1. **Consideration of Contract Award for Rural Health Care and Connected Care Pilot Program Business Process Outsourcing Services for Applications Processing.** 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 Committee adopted the following resolution:

RESOLVED, that the Rural Health Care Committee approves discussion of this item in *Executive Session*.

At 1:14 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 listed above.

EXECUTIVE SESSION

- a1. **Consideration of Contract Award for Rural Health Care and Connected Care Pilot Program Business Process Outsourcing Services for Applications Processing.** Mr. Beyerhelm presented this item to the Committee. The presentation included a written summary and report detailing USAC management's recommendation to award a contract to Maximus for business process outsourcing application processing services for the Rural Health Care Program and the Connected Care Pilot Program.

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

RESOLVED, that the USAC Rural Health Care Committee of the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management, subject to required Federal Communications Commission approval, to award a contract to Maximus Federal Services, Inc. for business process outsourcing application processing and support services for the Rural Health Care Program and Connected Care Pilot Program for a total not-to-exceed amount of \$3,513,059.00 (plus applicable taxes) over a twelve (12) month base period, with the ability to exercise three (3) additional one-year option terms, for a four (4) year total not-to-exceed amount of \$13,661,375.00 (plus applicable taxes) over the base year and three (3) one-year option terms. Exercise of options to extend the contract beyond the initial twelve (12) month term are subject to Federal Communications Commission and Committee approval.

OPEN SESSION

At 1:22 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 discussed and took action on item a1.

On a motion duly made and seconded, the Committee adjourned at 1:22 p.m. Eastern Time.

/s/ Olivia Wein
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 25, 2022.

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 25, 2021, the Board elected Dr. Kathy Wibberly as Chair and Brent Fontana as Vice Chair of the Rural Health Care Committee.

At their January 24, 2022 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 25, 2022.

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 Revised Rural Health Care Support Mechanism
2nd Quarter 2022 Programmatic Budget and
Demand Projection for the January 31, 2022 FCC Filing**

Action Requested

The Rural Health Care Committee (Committee) of the USAC Board of Directors (Board) is requested to approve the 2nd Quarter 2022 (2Q2022) 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, 2022 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 2Q2022 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>	1Q2022	Increase/ (Decrease)	2Q2022	Notes
Steady State:				
Program Funding Requirement	\$147.07	(\$0.13)	145.19	See Note 1 and Table B
Adjustments	(147.07)	(0.13)	(145.19)	See Note 2
New Requirements:				
N/A	0.00	0.00	0.00	
Total Program Funding Requirement	\$0.00	\$0.00	\$0.00	
Prior Period Adjustments (difference between projections and actuals):				
Billings	13.08	(19.64)	(\$6.56)	
Bad Debt Expense	(1.36)	0.30	(1.06)	
Total Prior Period Adjustments	\$11.72	(\$19.34)	(\$7.62)	
USAC Administrative Expenses ³	\$0.00	\$0.00	\$0.00	See Note 2 and Table D
Total Funding Requirement	\$11.72	(\$19.34)	(\$7.62)	

Note 1: On March 19, 2021, the Commission announced a funding cap for Funding Year 2021 of \$612.02 million.⁴ The Program Funding Requirement represents one quarter of the Funding Year 2021 cap, less USAC administrative costs. See Table B below for additional detail.

Note 2: On October 25, 2021, the Commission directed USAC to use available carry forward funds to reduce collections for 1Q2022 and subsequent quarters after first reserving sufficient funds to meet demand above the cap for Funding Year 2021 and reserving \$50 million to carry forward to subsequent funding years. Based on current projected demand for Funding Year 2021, no collections are required for 2Q2022. The total program funding requirement and USAC Administrative Expenses have been adjusted to reflect this change.

Table B. Funding Year 2021 Program Funding Requirement

<i>(in millions)</i>	Fund Year 2021	Notes
Funding Year 2021 Cap	\$612.02	See Note 1
Quarterly Funding Requirement for Funding Year 2021	\$153.01	
Less USAC Administrative Costs, which are covered within the Funding Cap	(7.82)	
2Q2022 Program Funding Requirement	\$145.19	

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 2021*, CC Docket No. 02-6, WC Docket No. 02-60, Public Notice, 36 FCC Rcd 5670 (2021).

Note 3: Table C is an annual schedule that is updated once a year for the April Board meeting. The Funding Year 2021 filing window closed on June 1, 2021. The Commission directed USAC to carry-forward the funds noted in Table C to the extent necessary to cover Funding Year 2021 Rural Health Care Program demand.⁵ Additionally, on October 25, 2021, the Commission directed USAC to use remaining available funds to reduce quarterly collections for 1Q2022 and subsequent quarters after first reserving \$50 million to carry forward to subsequent funding years. USAC used \$153.01 million to reduce quarterly collections for Funding Year 2021 program demand and administrative expenses in 1Q2022 and proposes to use an additional \$153.01 million to reduce quarterly collections for program demand and administrative expenses in 2Q2022.

Table C. Funding Year 2021 Available Roll Forward

<i>(in millions)</i>	Net Change
Unused Funds	
Available Funds	\$802.78
Disbursements	(520.63)
Reserved Funds	
a. Pending Applications to Process	159.17
b. Unliquidated Obligations (ULOs)	(55.07)
c. Appeals Reserve - USAC Appeals	46.13
d. Appeals Reserve - FCC Appeals	(52.41)
Total Unused Funds	\$379.97

⁵ See *Wireline Competition Bureau Announces the Availability of Unused Funds to Increase Rural Health Care Program Funding for Funding Year 2021*, WC Docket No. 02-60, Public Notice, DA 21-742 (2021).

Based on the projected burn rate, USAC estimates the following 2Q2022 programmatic budget:

Table D. Quarterly Programmatic Budget

<i>(in millions)</i>	1Q2022 Budget	Increase/ (Decrease)	2Q2022 Budget	Notes
Direct Program Costs				
Employee Expenses	\$1.60	(\$0.13)	\$1.73	
Professional Services	0.90	0.59	1.49	
General & Administrative	0.01	(0.01)	0.00	See Note 4
Total Direct Program Costs	\$2.51	\$0.71	\$3.22	
Direct Assigned Costs				
Employee Expenses	\$0.37	\$0.00	\$0.37	
Professional Services	0.50	1.29	1.79	
General & Administrative	0.25	(0.01)	0.24	See Note 4
Total Direct Assigned Costs	\$1.12	\$1.28	\$2.40	
Total Direct Program & Direct Assigned Costs	\$3.63	\$1.99	\$5.62	
Common Allocated Costs	\$2.31	(\$0.11)	\$2.20	
Total Programmatic Budget	\$5.94	\$1.88	\$7.82	

Note 4: General & Administrative expenses include meetings & conferences and reference materials.

A comparison of actual expenditures to the budget for the twelve months ending December 31, 2021 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Committee approve the 2Q2022 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 2022 Rural Health Care Support Mechanism direct program budget of \$5.62 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee, having reviewed at its meeting on January 24, 2022 the 2nd Quarter 2022 Rural Health Care Support Mechanism demand estimate of negative \$7.62 million, hereby directs USAC staff to proceed with the required January 31, 2022 filing to the Federal Communications Commission 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, 2021

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	45	53	8	\$6.03	\$7.17	\$1.14
Professional Services (Note 5)				2.56	1.91	(0.65)
General & Administrative (Note 6)				0.00	0.01	0.01
Total Direct Program Costs				\$8.59	\$9.09	\$0.50
Direct Assigned Costs						
Employee Expenses	9	9	0	\$1.56	\$1.60	\$0.04
Professional Services (Note 5)				3.88	4.21	0.33
General & Administrative (Note 6)				0.24	0.00	(0.24)
Total Direct Assigned Costs				\$5.68	\$5.81	\$0.13
Total Direct Program & Direct Assigned Costs	54	62	8	\$14.27	\$14.90	\$0.63
Common Allocated Costs (Note 7)				\$8.56	\$10.24	\$1.68
Total Programmatic Budget				\$22.83	\$25.14	\$2.31

Note 5: Direct Program Professional Services include business process outsourcing (BPO) and rates database support. Direct Assigned Professional Services include beneficiary & contribution audit program audits and IT contract labor.

Note 6: General & Administrative expenses include printing & postage and reference materials.

Note 7: 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. Actual common allocated costs reflect a reduction for costs allocated to the appropriated programs.



Rural Health Care Committee Meeting

Rural Health Care Business Update

Open Session

January 24, 2022



Universal Service
Administrative Co.

Agenda

- Accomplishments
 - Update on FY2021 application processing
 - Outreach
 - HCF Automation first release
- Plans for Next Quarter
 - HCF Automation releases
 - Outreach
- Roadmap

RHC Accomplishments

- **FY2021 Application Processing**
 - Completed 95% of all workable applications by December 22
 - Target to complete all workable applications in Q1
- **Outreach Highlights**
 - 230 participants attended the FY2022 HCF Funding Request Best Practices webinar on Nov. 10 with an overview of the new automation impacting the FCC Form 462.
 - Virtual Site Visit - Southwest Telehealth Access Grid Consortium (Nov. 16)
- **HCF Automation**
 - Phase 1 Release 1 completed on Nov. 18
 - Stakeholder access to prepare draft submissions on Nov. 23
 - Window open for submissions on Dec. 1

Plans for 1Q 2022 – HCF Automation

- **Phase 1 – Release 2**

- Form 462 Review, Target release date: March 18
- Automated Funding Decision Generation, File Generation and Transfer to Finance, Funding Commitment Letter (FCL) Generation, and Reporting (through the new system and Open Data/Tableau), Target release date: April 30

- **Phase 2**

- Scope: FCC Form 460 and FCC Form 461
- Status: Target release date is TBD

Plans for 1Q 2022 (Continued)

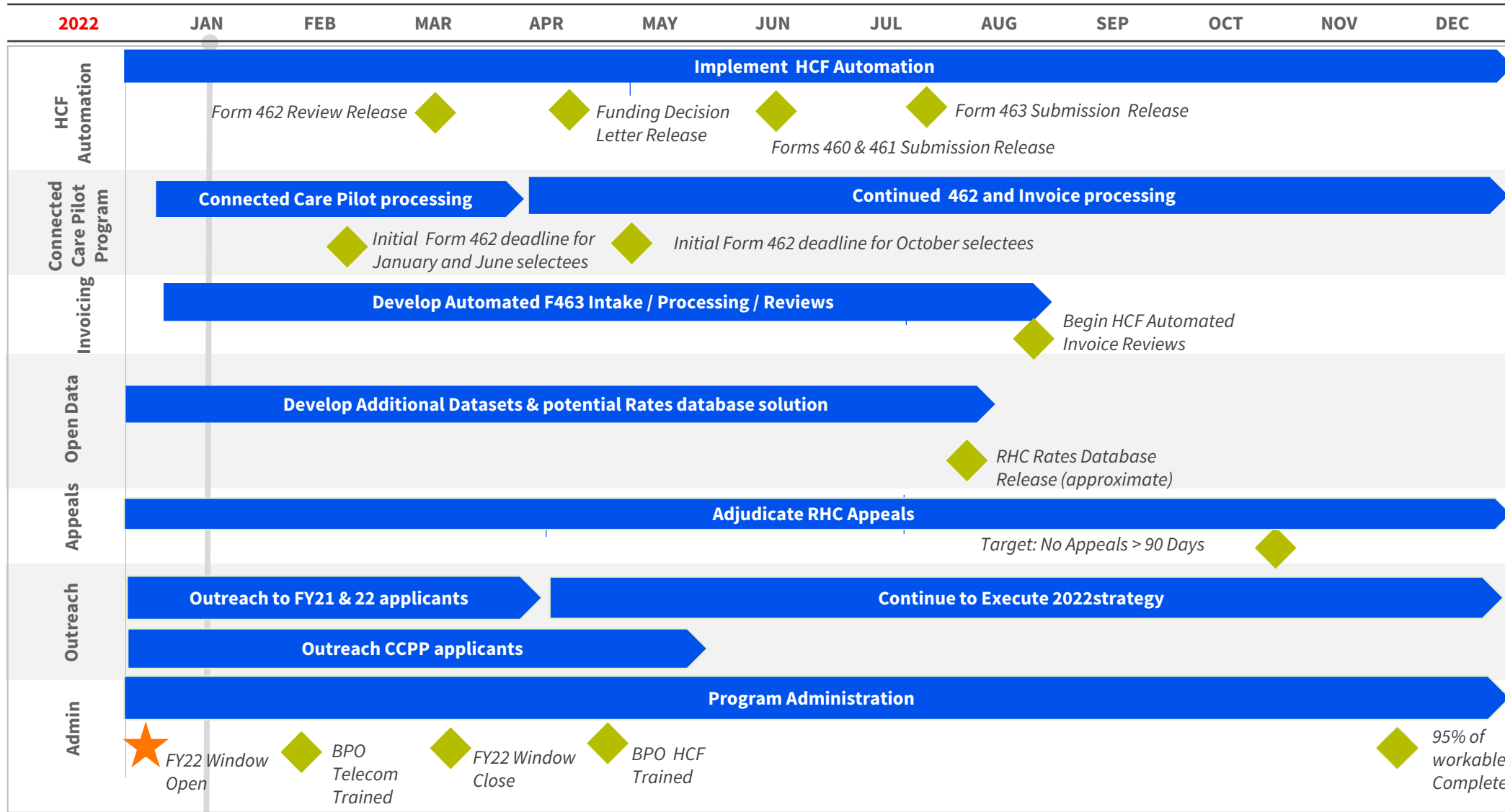
- **Outreach**

- HCF Office Hours Webinar – January 13, 2022
- CCPP Request for Services Webinar – January 19
- CCPP Funding Request Webinar – January 23
- 1Q2022 RHC Stakeholders Group Touch Base Webinar – TBD
- Extended Help Desk hours for close of filing window on April 1, 2022

- **Operations**

- Complete workable FY 2021 funding request forms by end of Q12022
- Introduce BPO vendor and begin FY 2022 forms processing

Roadmap



Milestone Legend

- At Risk
- On Track
- Completed



**Universal Service
Administrative Co.**