



# Rural Health Care Committee

## Briefing Book

Monday, July 29, 2024

11:40 am. –12:10 p.m. Eastern Time

Available for Public Use

Universal Service Administrative Company Offices

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

Washington, D.C. 20005

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

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| <p><b>Monday, July 29, 2024</b><br/> <b>11:40 a.m. – 12:10 p.m. Eastern Time</b><br/> <b>USAC Offices</b><br/> <b>700 12th Street, N.W., Suite 900</b><br/> <b>Washington, D.C. 20005</b></p> |
|---|

| <u><b>OPEN SESSION</b></u> |   | <i>Estimated<br/>Duration in<br/>Minutes</i> |
|----------------------------|---|--|
| Chair                      | <p><b>a1.</b> Consent Items (each available for discussion upon request):</p> <p style="padding-left: 20px;"><b>A.</b> Approval of Rural Health Care Committee Meeting Minutes of April 29, 2024</p> <p style="padding-left: 20px;"><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p> | 5  |
| Mark                       | <p><b>a2.</b> Approval of Rural Health Care Support Mechanism 4th Quarter 2024 Programmatic Budget and Demand Projection for the August 2, 2024, FCC Filing</p>   | 5  |
| Teleshia                   | <p><b>i1.</b> Information on Eight USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Report<br/><i>(For Information Only)</i></p>  | –  |
| Mark                       | <p><b>i2.</b> Rural Health Care Business Update</p> <ul style="list-style-type: none"> <li>• Q2 2024 Accomplishments</li> <li>• Fund Year 2024 Demand Analysis</li> <li>• FCC Third Report and Order Update</li> <li>• Plans for Q3 2024</li> <li>• Roadmap</li> <li>• Appendix: Metrics</li> </ul>                                   | 20   |

| <u><b>EXECUTIVE SESSION</b></u><br><b>Confidential – Executive Session Recommended</b> |   | <i>Estimated<br/>Duration in<br/>Minutes</i> |
|--|---|--|
| –  | <p><b>i3.</b> Rural Health Care Business Update <i>(Continued, if needed)</i></p> | –  |

**Next Scheduled USAC Rural Health Care Committee Meeting**

|   |
|---|
| <p><b>Monday, October 28, 2024</b><br/> <b>USAC Offices, Washington, D.C.</b></p> |
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**Universal Service Administrative Company  
Rural Health Care Committee Meeting**

|                    |
|--------------------|
| <b>ACTION ITEM</b> |
|--------------------|

**Consent Items**

**Action Requested**

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

**Discussion**

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

- A. Committee meeting minutes of April 29, 2024 (*see Attachment A*)
- B. Approval of moving the *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, 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 RESOLUTIONS:

**RESOLVED**, that the Rural Health Care Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of April 29, 2024; and (2) discussion in *Executive Session* of the item noted above.

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

**RURAL HEALTH CARE COMMITTEE MEETING**  
**Monday, April 29, 2024**

**(DRAFT) MINUTES<sup>1</sup>**

The quarterly meeting of the Rural Health Care Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C., on Monday, April 29, 2024. Dr. Kathy Wibberly called the meeting to order at 1:15 p.m. Eastern Time, with a quorum of six of the eight committee members present:

|  |                                     |
|--|-------------------------------------|
| Fontana, Brent – Vice Chair            | Skrivan, Michael                    |
| Freeman, Sarah                         | Mona Thompson – <i>by telephone</i> |
| Sekar, Radha – Chief Executive Officer | Wibberly, Dr. Kathy – Chair         |

Members of the Committee not present:

|               |              |
|---------------|--------------|
| Semmler, Kara | Waller, Jeff |
|---------------|--------------|

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer  
Butler, Stephen – Vice President of Shared Services  
Alan Buzacott – Member of the Board  
Chalk, Indra – Member of the Board  
Davis, Craig – Vice President of Schools and Libraries  
Delmar, Teleshia – Vice President of Audit and Assurance  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and Assistant Treasurer  
Gregory, Amber – Member of the Board  
Hutchinson, Kyle – Vice President of IT and Chief Information Officer  
Mason, Ken – Member of the Board  
O'Brien, Tim – Vice President of Lifeline  
Sanquist, Christine – Member of the Board  
Sweeney, Mark – Vice President of Rural Health Care  
Wein, Olivia – Member of the Board  
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

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<sup>1</sup> 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, or to correct grammatical or spelling errors.

Others present:

| <u>NAME</u>                                    | <u>COMPANY</u>             |
|--|----------------------------|
| Albert, Blythe                                 | USAC                       |
| Allison, Sarah                                 | USAC                       |
| Ayer, Catriona – <i>by telephone</i>           | USAC                       |
| Braxton, Carolyn                               | USAC                       |
| Campbell, Jo-Ann                               | USAC                       |
| Claxton, Naomi                                 | USAC                       |
| Goode, Vernell                                 | USAC                       |
| Grant, Ecatarina                               | USAC                       |
| Estrella, Guilianna – <i>by telephone</i>      | USAC                       |
| Green, Kevin                                   | USAC                       |
| Hung, Jennifer                                 | <b>USAC</b>                |
| James, Christine                               | USAC                       |
| King, Ryan                                     | USAC                       |
| Lawmaster-Morris, Rachel – <i>by telephone</i> | Espy Services              |
| McCornac, Carolyn                              | USAC                       |
| Mitchell, Katherine – <i>by telephone</i>      | USAC                       |
| Morgan, Meredith                               | USAC                       |
| Nuzzo, Patsy                                   | USAC                       |
| Schrader, Theresa – <i>by telephone</i>        | Broadband Legal Strategies |
| Smith, Chris                                   | USAC                       |
| Steptoe, Carolyn – <i>by telephone</i>         | USAC                       |
| Walsh, Jeff                                    | USAC                       |
| Willams, Jameka – <i>by telephone</i>          | Merit Network              |

**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 January 29, 2024.
  - B. Approval of moving one *Executive Session* item into *Executive Session*:
    - (1) **i3** – Rural Health Care Business Update – Rural Health Care System Automation. 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, 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 Rural Health Care Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of January 29, 2024; and (2) discussion in *Executive Session* of the item noted above.

- a2. Approval of Rural Health Care Support Mechanism 3rd Quarter 2024 Programmatic Budget and Demand Projection for the May 2, 2024 FCC Filing.** Mr. Sweeny presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Rural Health Care Mechanism 3rd Quarter 2024 programmatic budget and demand projection for the May 2, 2024 quarterly 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 3rd Quarter 2024 Rural Health Care Support Mechanism direct program budget of \$5.25 million; and

**RESOLVED FURTHER**, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$5.25 million for Rural Health Care Support Mechanism administrative costs in the required May 2, 2024, filing to the Federal Communications Commission on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC Rural Health Care Committee, having reviewed at its meeting on April 29, 2024, the 3rd Quarter 2024 Rural Health Care Support Mechanism demand estimate of \$173.33 million, hereby directs USAC staff to proceed with the required May 2, 2024 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.

- i1. Information on One USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Report.** This item was provided for *information purposes only*. No discussion was held. Dr. Wibberly noted that the Rural Health Care Audit Briefing Book would be made public and posted to the

USAC website.

- i2. **Rural Health Care Business Update.** Mr. Sweeney presented PowerPoint slides to the Committee covering the following items:
- Q1 2024 Accomplishments
  - Update on Third Report and Order
  - Rural Health Care Ombudsman
  - Q2 2024 Plans
  - Roadmap
  - Appendix: Program Metrics

At 1:42 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**

- i3. **Rural Health Care Business Update – Rural Health Care System Automation.** Mr. Hutchinson presented a PowerPoint presentation to the Committee that provided an update on the Rural Health Care Rural Health Care system automation.

### **OPEN SESSION**

At 1:53p.m. Eastern Time, the Committee moved out of ***Executive Session*** and reconvened in ***Open Session***, at which time Dr. Wibberly reported that, in ***Executive Session***, the Committee discussed item i3.

On a motion duly made and seconded, the Committee adjourned at 1:54 p.m. Eastern Time.

/s/ Erin Williams  
Assistant Secretary

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

**ACTION ITEM**

**Approval of Rural Health Care Support Mechanism  
4th Quarter 2024 Programmatic Budget and Demand Projection for the  
August 2, 2024 FCC Filing**

**Action Requested**

The Rural Health Care Committee (Committee) of the USAC Board of Directors (Board) is requested to approve a 4th Quarter 2024 (Q4 2024) programmatic budget and demand projection for the Rural Health Care Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2024, quarterly filing.

**Discussion**

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

**Funding Requirement**

USAC estimates the Q4 2024 funding requirement for the Rural Health Care Support Mechanism as follows:

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<sup>1</sup> See 47 C.F.R. § 54.715(c).

<sup>2</sup> See 47 C.F.R. § 54.709(a)(3).



Table A. Program Funding Requirement

| <i>(in millions)</i>   | <b>Q3 2024</b>  | <b>Increase/<br/>(Decrease)</b> | <b>Q4 2024</b>  | <b>Notes</b>           |
|--|-----------------|---------------------------------|-----------------|------------------------|
| Steady State:  |                 |                                 |                 |                        |
| Program Funding Requirement  | \$167.81        | \$0.04                          | \$167.85        | See Note 1 and Table B |
| Adjustments  | (79.76)         | 79.76                           | 0.00            | See Note 2             |
| New Requirements:  |                 |                                 |                 |                        |
| N/A  | 0.00            | 0.00                            | 0.00            |                        |
| <b>Total Program Funding Requirement</b>                               | <b>\$88.05</b>  | <b>\$79.80</b>                  | <b>\$167.85</b> |                        |
| Prior Period Adjustments (difference between projections and actuals): |                 |                                 |                 |                        |
| Billings   | (\$1.84)        | \$6.13                          | \$4.29          |                        |
| Interest Income  | 0.00            | 0.00                            | 0.00            |                        |
| Bad Debt Expense   | (1.56)          | 0.08                            | (1.48)          |                        |
| <b>Total Prior Period Adjustments</b>                                  | <b>(\$3.40)</b> | <b>\$6.21</b>                   | <b>\$2.81</b>   |                        |
| USAC Administrative Expenses <sup>3</sup>                              | \$8.92          | (\$0.04)                        | \$8.88          | See Table D            |
| <b>Total Funding Requirement</b>                                       | <b>\$93.57</b>  | <b>\$85.97</b>                  | <b>\$179.54</b> |                        |

**Note 1:** On March 8, 2024, the Commission announced a funding cap for Funding Year 2024 of \$706.93 million.<sup>4</sup> The Program Funding Requirement represents one quarter of the Funding Year 2024 cap, less USAC administrative costs. See Table B below for additional details.

**Note 2:** The FCC directed USAC to use \$79.76 million of funds available as of April 30, 2024 to reduce required collections for Funding Year 2024 in Q3 2024.

Table B. Funding Year 2024 Program Funding Requirement

| <i>(in millions)</i>   | <b>Fund Year<br/>2024</b> | <b>Notes</b> |
|--|---------------------------|--------------|
| Funding Year 2024 Cap  | \$706.93                  | See Note 1   |
| Quarterly Funding Requirement for Funding Year 2024                      | 176.73                    |              |
| Less USAC Administrative Costs, which are covered within the Funding Cap | (8.88)                    |              |
| <b>Q4 2024 Program Funding Requirement</b>                               | <b>\$167.85</b>           |              |

**Note 3:** Table C is an annual schedule updated once a year for the April Board meeting. The table below has been revised to reflect the available carry forward as of April 30, 2024 of \$161.57 million. Per FCC guidance, USAC reserved \$81.81 million to satisfy demand above the cap and used \$79.76 million in remaining

<sup>3</sup> Administrative costs are covered within the funding cap.

<sup>4</sup> See *Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2023*, CC Docket No. 02-6, WC Docket No. 02-60, Public Notice, DA 23-178 (2023).

available funds to reduce required collections in Q3 2024.

Table C. Funding Year 2024 Available Roll Forward

| <i>(in millions)</i>                           | <b>Net<br/>Change</b> |
|--|-----------------------|
| <b>Unused Funds</b>                            |                       |
| Remaining Available Funds from Prior Fund Year | \$278.11              |
| Reserved Funds                                 |                       |
| a. Pending Applications to Process             | (60.71)               |
| b. Unliquidated Obligations (ULOs)             | (116.67)              |
| c. Appeals Reserve - USAC Appeals              | 1.05                  |
| d. Appeals Reserve - FCC Appeals               | 59.79                 |
| e. Reserve to Carry Forward                    | 0.00                  |
| <b>Total Unused Funds</b>                      | <b>\$161.57</b>       |

Based on the projected burn rate, USAC estimates the following Q4 2024 programmatic budget:

Table D. Quarterly Programmatic Budget

| <i>(in millions)</i>                                    | <b>Q3 2024<br/>Budget</b> | <b>Increase/<br/>(Decrease)</b> | <b>Q4 2024<br/>Budget</b> | <b>Notes</b> |
|---|---------------------------|---------------------------------|---------------------------|--------------|
| <b>Direct Program Costs</b>                             |                           |                                 |                           |              |
| Employee Expenses                                       | \$1.75                    | \$0.12                          | \$1.87                    |              |
| Professional Services                                   | 1.22                      | (0.30)                          | 0.92                      |              |
| General & Administrative                                | 0.00                      | 0.00                            | 0.00                      | See Note 4   |
| <b>Total Direct Program Costs</b>                       | <b>\$2.97</b>             | <b>(\$0.18)</b>                 | <b>\$2.79</b>             |              |
| <b>Direct Assigned Costs</b>                            |                           |                                 |                           |              |
| Employee Expenses                                       | \$0.33                    | \$0.01                          | \$0.34                    |              |
| Professional Services                                   | 1.71                      | (0.01)                          | 1.70                      |              |
| General & Administrative                                | 0.24                      | 0.00                            | 0.24                      | See Note 4   |
| <b>Total Direct Assigned Costs</b>                      | <b>\$2.28</b>             | <b>\$0.00</b>                   | <b>\$2.28</b>             |              |
| <b>Total Direct Program &amp; Direct Assigned Costs</b> | <b>\$5.25</b>             | <b>(\$0.18)</b>                 | <b>\$5.07</b>             |              |
| <b>Common Allocated Costs</b>                           | <b>\$3.67</b>             | <b>\$0.14</b>                   | <b>\$3.81</b>             |              |
| <b>Total Programmatic Budget</b>                        | <b>\$8.92</b>             | <b>(\$0.04)</b>                 | <b>\$8.88</b>             |              |

**Note 4:** General & Administrative expenses include meetings and conferences and software licenses.

A comparison of actual expenditures to the budget for the six months ending June 30, 2024 is provided in **Attachment 1**.

**Recommendation**

USAC management recommends that the Committee approve the Q4 2024 budget and projection of demand as proposed.

**Recommended Rural Health Care Committee Actions**

## APPROVAL OF THE FOLLOWING RESOLUTIONS:

**RESOLVED**, that the USAC Rural Health Care Committee approves a 4th Quarter 2024 Rural Health Care Support Mechanism direct program budget of \$5.07 million; and

**RESOLVED FURTHER**, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$5.07 million for Rural Health Care Support Mechanism administrative costs in the required August 2, 2024, filing to the Federal Communications Commission on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC Rural Health Care Committee, having reviewed at its meeting on July 29, 2024, the 4th Quarter 2024 Rural Health Care Support Mechanism demand estimate of \$179.54 million, hereby directs USAC staff to proceed with the required August 2, 2024 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  
Six Months Ending June 30, 2024

| <i>(\$ in millions)</i>                                 | <b>FTE<br/>Actual</b> | <b>FTE<br/>Budget</b> | <b>FTE<br/>Variance</b> | <b>YTD<br/>Actual</b> | <b>YTD<br/>Budget</b> | <b>Variance</b> |
|---|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------|
| <b>Direct Program Costs</b>                             |                       |                       |                         |                       |                       |                 |
| Employee Expenses                                       | 51                    | 51                    | 0                       | \$3.48                | \$3.46                | (\$0.02)        |
| Professional Services (Note 5)                          |                       |                       |                         | 1.06                  | 1.36                  | 0.30            |
| General & Administrative (Note 6)                       |                       |                       |                         | 0.01                  | 0.00                  | (0.01)          |
| <b>Total Direct Program Costs</b>                       |                       |                       |                         | <b>\$4.55</b>         | <b>\$4.82</b>         | <b>\$0.27</b>   |
| <b>Direct Assigned Costs</b>                            |                       |                       |                         |                       |                       |                 |
| Employee Expenses                                       | 8                     | 7                     | (1)                     | \$0.83                | \$0.64                | (\$0.19)        |
| Professional Services (Note 5)                          |                       |                       |                         | 4.42                  | 3.36                  | (1.06)          |
| General & Administrative (Note 6)                       |                       |                       |                         | 0.51                  | 0.47                  | (0.04)          |
| <b>Total Direct Assigned Costs</b>                      |                       |                       |                         | <b>\$5.76</b>         | <b>\$4.47</b>         | <b>(\$1.29)</b> |
| <b>Total Direct Program &amp; Direct Assigned Costs</b> | <b>59</b>             | <b>58</b>             | <b>(1)</b>              | <b>\$10.31</b>        | <b>\$9.29</b>         | <b>(\$1.02)</b> |
| <b>Common Allocated Costs (Note 7)</b>                  |                       |                       |                         | <b>\$7.61</b>         | <b>\$7.24</b>         | <b>(\$0.37)</b> |
| <b>Total Programmatic Budget</b>                        |                       |                       |                         | <b>\$17.92</b>        | <b>\$16.53</b>        | <b>(\$1.39)</b> |

**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 reference materials and software licenses.

**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 (RHC) Committee

RHC Business Update

*Open Session*

July 29, 2024

# Agenda

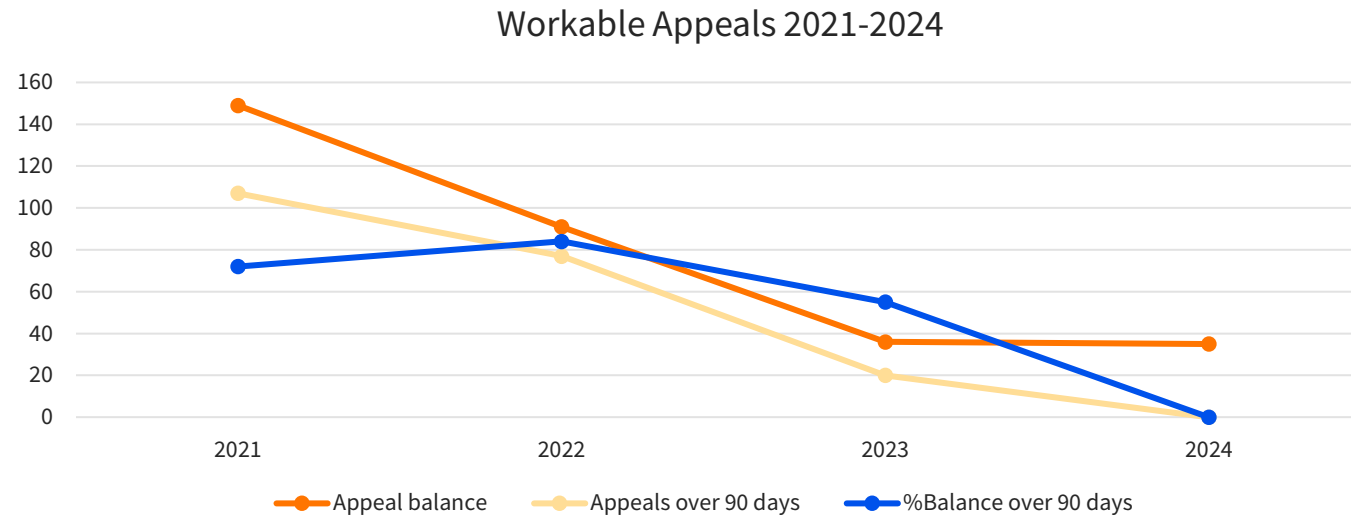
- Q2 2024 Accomplishments
- Funding Year Demand Analysis
  - Gross Demand by Program and Funding Year
  - Number of Participating Health Care Providers by Funding Year
  - Upfront/Multi-Year Demand by Funding Year
- FCC Third Report and Order Update
- Q3 2024 Program Plans
- Roadmap
- Appendix A: Metrics

## Q2 2024 Accomplishments

- Funding Year (FY) 2024 filing window closed on May 1. First commitments of FY2024 began on June 20.
- Demand for RHC programs (\$788.73 million) will be covered without proration according to FCC Public Notes DA 24-573 (June 14), utilizing \$81.81 million from RHC contingency funds to extend the cap of \$706.9 million.
- USAC was ready to implement FCC Forms 460 and 465 in RHC Connect with an associated communications program to support platform change; however, the launch will take place after the FCC receives PRA approval.
- Implemented a communications plan for health care providers (HCPs) to submit Telecom invoices for any undisbursed funding commitments without an applicable invoice deadline.

# Q2 2024 Accomplishments (Continued)

- Appeals - RHC now has zero workable appeals over 90 days old.



- This represents a three-year project to dramatically reduce our backlog of workable appeals without impacting resources or the quality of decisions.
- This success has been achieved while maintaining a focus on current appeals.



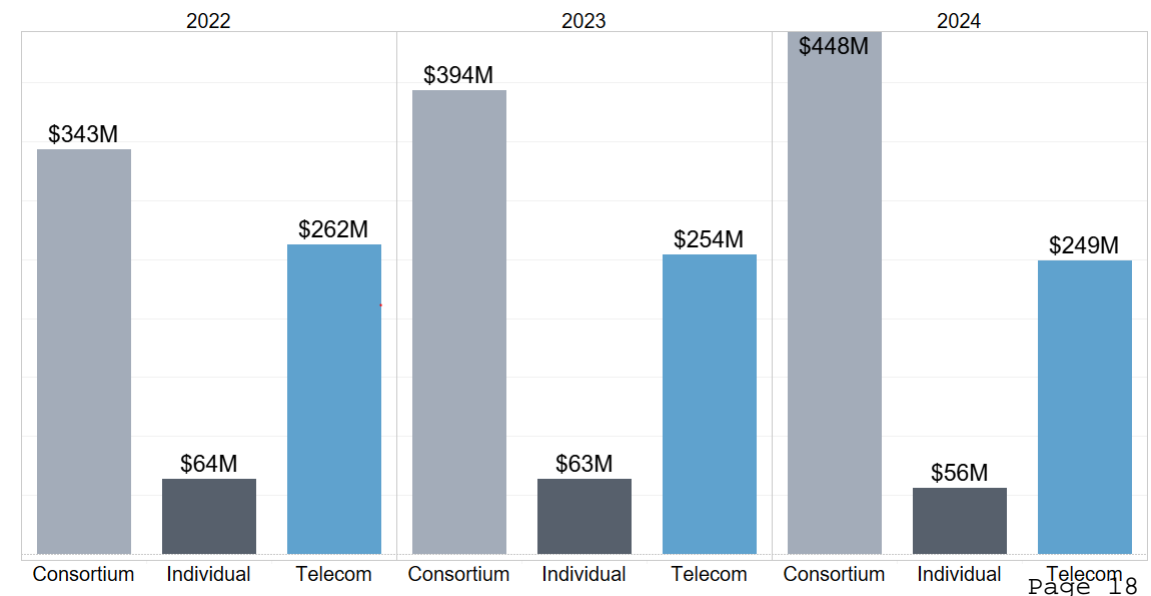
## Q2 2024 Accomplishments (Continued)

- Conducted seven webinars and three site visits, including attendance at the following conferences:
  - MATRC Summit (Mid-Atlantic Telehealth Resource Center) - Pocono Manor, PA
  - NCUIH Annual Conference (National Council of Urban Indian Health) - Washington, DC
  - ATA Nexus (American Telehealth Association) - Phoenix, AZ
- Outreach has been focused on the window close and the redesigned eligibility processes.
- Speaking at, and attending conferences allows us to interact directly with both applicants and potential applicants. For example, at ATA Nexus the team met with a Connected Care Pilot Program applicant, Common Spirit, to help them access their approved funding.

# Gross Demand by Program and Funding Year

- Like last year, the total gross demand in FY2024 decreased in Telecom and increased in HCF.
- Gross demand increased for consortium HCP types, while there was a decrease in individual HCP types.
- HCF's requested funding increased by 10.3 percent (\$50 million) in FY2024.

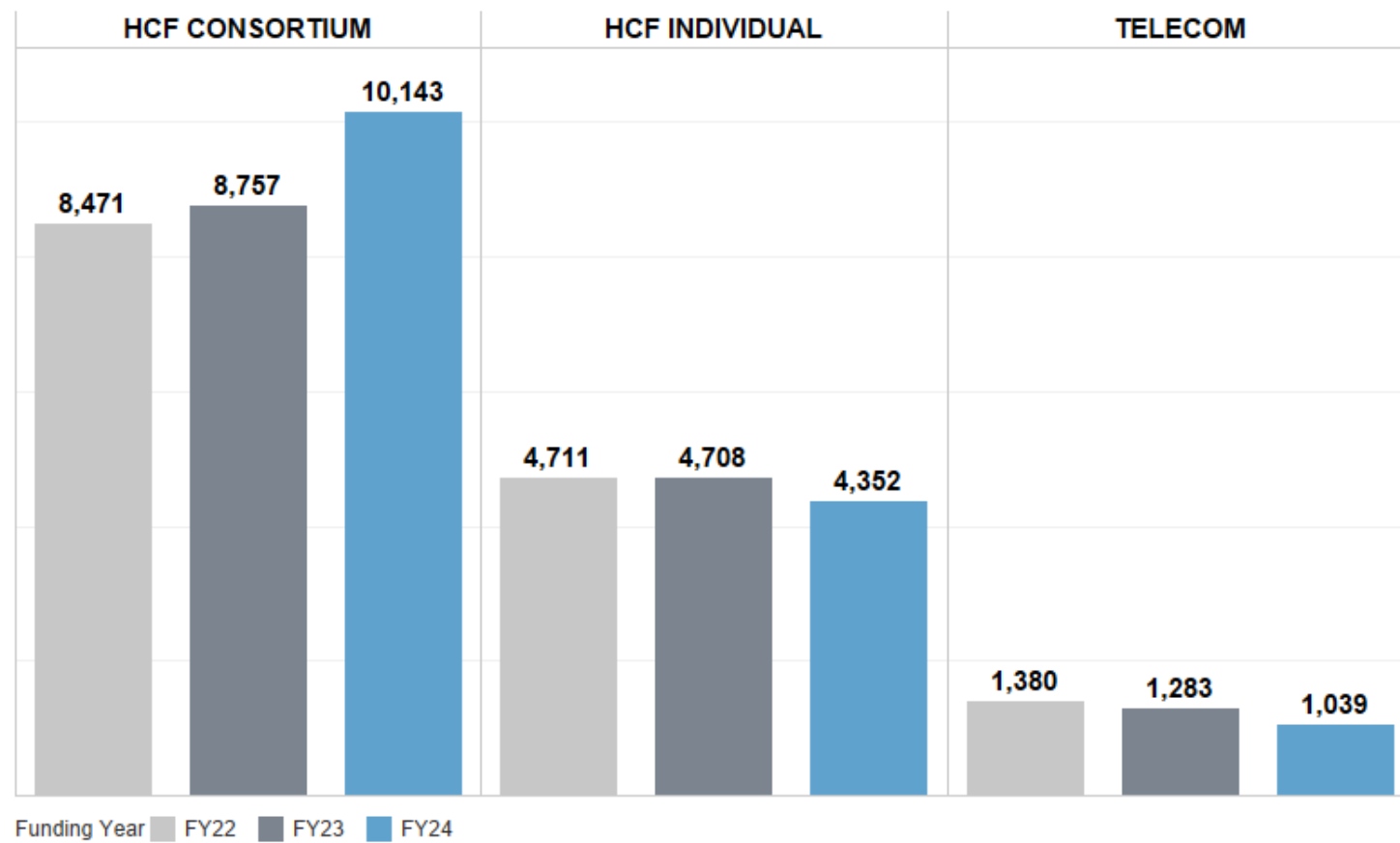
| Program            | Funding Year         |                      |                      |
|--------------------|----------------------|----------------------|----------------------|
|                    | 2022                 | 2023                 | 2024                 |
| HCF                | \$407,227,852        | \$457,213,717        | \$504,010,368        |
| TELECOM            | \$262,476,276        | \$254,207,043        | \$249,049,166        |
| <b>Grand Total</b> | <b>\$669,704,128</b> | <b>\$711,420,760</b> | <b>\$753,059,535</b> |



Dollar values displayed have been rounded. Totals are calculated based on the original (not rounded) figures.

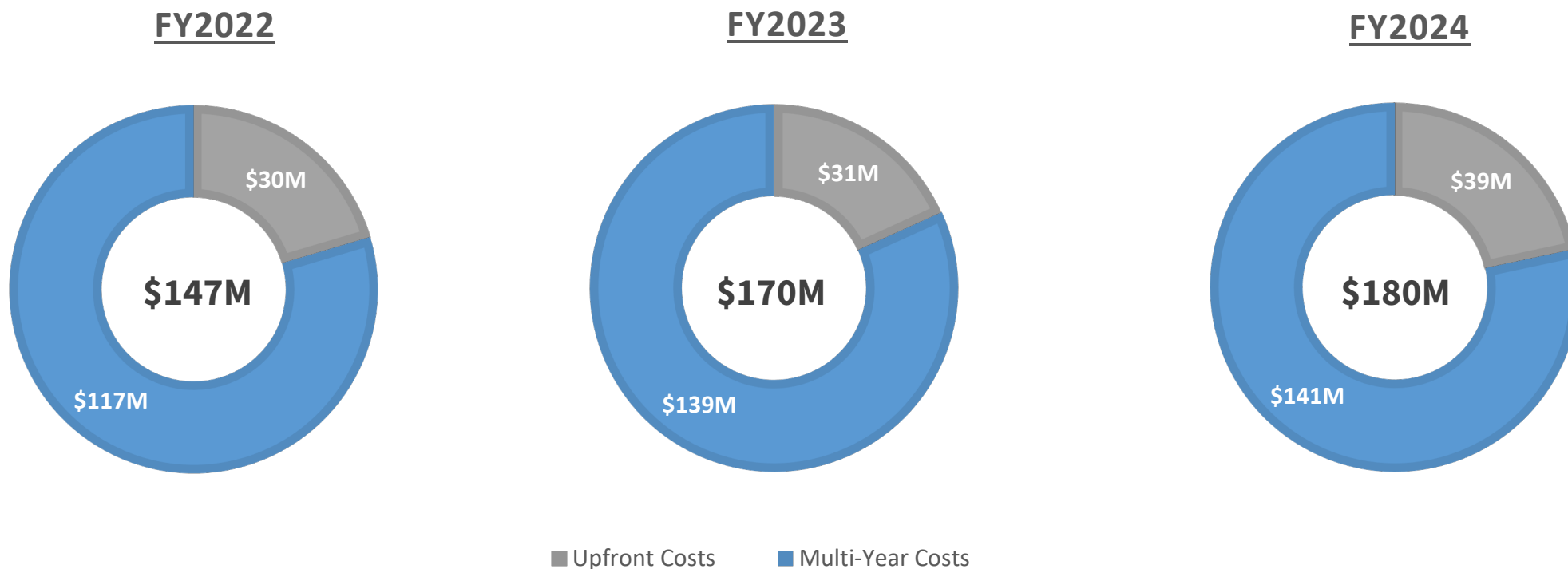
# Number of Participating HCPs by Funding Year

- The number of participating HCPs within HCF consortia increased by 15.8 percent in FY2024. However, HCF individual HCPs decreased by 7.6 percent in FY2024.
- Telecom participation continues to decline, with the number of HCP participants having decreased by 19 percent in FY2024.



*Note: Participation is defined as either member HCPs of a consortium, HCPs that submitted HCF individual funding requests, or HCPs that submitted Telecom funding requests.*

# Upfront/Multi-Year Demand by Funding Year



Note: Figures are based on the initial assessment of gross demand for FRNs subject to the upfront and multiyear cap at the close of the filing window for each funding year.

# FCC Third Report and Order Update

- Issued December 14, 2023, to:
  - Permit conditional approval of eligibility to allow HCPs to initiate competitive bidding
    - **Delayed awaiting PRA approval**
  - Align the SPIN change deadline with the invoice deadline
    - **On track for October 2024**
  - Eliminate the seldom-used “standard urban distance” component of the rule for urban rates
    - **Completed for FY2024**
  - Allow HCPs to request updates to the start and end dates of multi-year contracts
    - **Completed for FY2024**
  - Shift to using a single universal eligibility form for all program participants
    - **Delayed awaiting PRA approval**
  - Implement a deadline for HCPs to submit Telecom invoices for any undisbursed funding commitments without an applicable invoice deadline
    - **Completed July 2024**

## Q3 2024 Program Plans

- Continue commitment of FY2024 funding, working towards a target of 95 percent workable complete by year-end
- Release revised Forms 460 and 465 and complete reviews and decisions of eligibility applications whilst maintaining a backlog of less than 30 days
- Complete de-obligation of outstanding Telecom invoices older than FY2019
- Maintain a zero balance of appeals over 90 days
- Conduct 10 planned webinars, including Applicants, Service Providers, Request for Services and Invoicing Best Practices

# Roadmap



**Milestone Legend** | 
 At Risk  | 
 On Track  | 
 Completed 

# Appendix A: RHC Program Metrics

RHC HCF Pre-Commitment (Data through June 30, 2024)

| Funding Year |      | Q1                    | Q2            | Q3            | Q4           | Total        |               |
|--------------|------|-----------------------|---------------|---------------|--------------|--------------|---------------|
| Requested    | 2024 | Demand                | 8,399         | 4,111         |              |              | 12,510        |
|              |      | Requested Dollars     | \$209,113,746 | \$285,853,757 |              |              | \$494,967,503 |
|              |      | Avg. Days Outstanding | 134           | 70            |              |              |               |
|              | 2023 | Demand                | 8,712         | 4,156         | 14           | 7            | 12,889        |
|              |      | Requested Dollars     | \$155,105,375 | \$297,876,244 | \$705,139    | \$1,433,426  | \$455,120,183 |
|              |      | Avg. Days Outstanding | 426           | 426           |              |              |               |
| Reviewed     | 2024 | Reviewed Apps.        |               | 3,242         |              |              | 3,242         |
|              |      | Reviewed Dollars      |               | \$31,054,875  |              |              | \$31,054,875  |
|              | 2023 | Reviewed Apps.        | 3             | 6,509         | 4,774        | 988          | 12,273        |
|              |      | Reviewed Dollars      |               | \$53,944,164  | \$80,491,229 | \$67,266,458 | \$201,701,851 |

Dollar values displayed have been rounded. Totals are calculated based on the original (not rounded) figures.



# Appendix A: RHC Program Metrics (Continued)

RHC HCF Post-Commitment (Data through June 30, 2024)

| Calendar Year |      |                 | Q1           | Q2           | Q3           | Q4           | Total         |
|---------------|------|-----------------|--------------|--------------|--------------|--------------|---------------|
| Submitted     | 2024 | Invoice Counts  | 4,047        | 2,253        |              |              | 6,300         |
|               |      | Invoice Dollars | \$73,576,269 | \$40,479,482 |              |              | \$114,055,751 |
|               | 2023 | Invoice Counts  | 2,842        | 1,869        | 7,781        | 3,416        | 15,908        |
|               |      | Invoice Dollars | \$46,675,484 | \$23,851,975 | \$89,262,229 | \$51,011,810 | \$210,801,498 |
| Disbursed     | 2024 | Invoice Counts  | 3,935        | 1,997        |              |              | 5,932         |
|               |      | Invoice Dollars | \$61,149,020 | \$18,755,165 |              |              | \$79,904,185  |
|               | 2023 | Invoice Counts  | 2,795        | 1,811        | 7,691        | 3,336        | 15,633        |
|               |      | Invoice Dollars | \$41,763,653 | \$17,549,253 | \$83,692,991 | \$43,234,981 | \$186,240,878 |

*Dollar values displayed have been rounded. Totals are calculated based on the original (not rounded) figures.*

# Appendix A: RHC Program Metrics (Continued)

RHC Telecom Pre-Commitment (Data through June 30, 2024)

| Fund Year |      |                       | Q1            | Q2            | Q3            | Q4           | Total         |
|-----------|------|-----------------------|---------------|---------------|---------------|--------------|---------------|
| Requested | 2024 | Demand                | 1,098         | 753           |               |              | 1,851         |
|           |      | Requested Dollars     | \$124,408,560 | \$127,226,712 |               |              | \$251,635,271 |
|           |      | Avg. Days Outstanding | 426           | 304           |               |              |               |
|           | 2023 | Demand                | 767           | 1,462         | -             | -            | 2,229         |
|           |      | Requested Dollars     | \$22,512,771  | \$239,814,507 | -             | -            | \$262,327,278 |
|           |      | Avg. Days Outstanding |               | 760           |               |              |               |
| Reviewed  | 2024 | Reviewed Apps.        | -             | 837           | 743           | 434          | 2,014         |
|           |      | Reviewed Dollars      | -             | \$8,227,809   | \$160,350,295 | \$80,411,884 | \$248,989,988 |
|           | 2023 | Reviewed Apps.        | -             | 4             | 1,803         | 372          | 2,179         |
|           |      | Reviewed Dollars      | -             | \$1,200       | \$243,534,111 | \$18,392,210 | \$261,927,521 |

Dollar values displayed have been rounded. Totals are calculated based on the original (not rounded) figures.

# Appendix A: RHC Program Metrics (Continued)

RHC Telecom Post-Commitment (Data through June 30, 2024)

| Calendar Year <sup>337</sup> |      | Q1              | Q2            | Q3            | Q4            | Total         |               |
|------------------------------|------|-----------------|---------------|---------------|---------------|---------------|---------------|
| Submitted                    | 2024 | Invoice Counts  | 216           | 179           |               | 395           |               |
|                              |      | Invoice Dollars | \$202,341,680 | 193,016,875   |               | \$395,358,555 |               |
|                              | 2023 | Invoice Counts  | 171           | 133           | 374           | 245           | 923           |
|                              |      | Invoice Dollars | \$178,980,697 | \$177,687,934 | \$227,551,330 | \$211,715,135 | \$795,935,097 |
| Disbursed                    | 2024 | Invoice Counts  | 216           | 121           |               | 337           |               |
|                              |      | Invoice Dollars | \$199,128,513 | \$188,686,447 |               | \$387,814,961 |               |
|                              | 2024 | Invoice Counts  | 171           | 133           | 374           | 245           | 923           |
|                              |      | Invoice Dollars | \$178,106,832 | \$176,963,756 | \$224,532,208 | \$207,723,601 | \$787,326,397 |

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