



## Rural Health Care Committee

### Audit Report Briefing Book

Monday, January 26, 2026

Available For Public Use

Universal Service Administrative Company

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

Washington, D.C. 20005

Summary of the Rural Health Care Support Mechanism Beneficiary Audit Report Released: November 2025.

Entity Name	Number of Findings	Significant Findings	Amount of Support	Monetary Effect	USAC Management Recovery Action	Commitment Adjustment	Entity Disagreement
<b>Attachment A</b> Billings Clinic Consortium	0	• Not applicable.	\$551,561	\$0	\$0	\$0	N/A
<b>Total</b>	<b>0</b>		<b>\$551,561</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**INFO Item: Audit Released November 2025**  
**Attachment A**  
**1/26/2026**

**Attachment A**

**RH2025LR002**



# Billings Clinic Consortium

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Limited Review Performance Audit on Compliance with the Federal  
Universal Service Fund Rural Health Care Support Mechanism Rules

USAC Audit No. RH2025LR002



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## EXECUTIVE SUMMARY

May 30, 2025

Justin Ott, Chief Information Officer  
Billings Clinic Consortium  
2800 10<sup>th</sup> Ave N  
Billings, MT 59101

Dear Mr. Ott:

The Universal Service Administrative Company (USAC or Administrator) Audit and Assurance Division (AAD) audited the compliance of Billings Clinic Consortium (Beneficiary), Health Care Provider (HCP) Number 114092, using the regulations set forth in 47 C.F.R. Part 54, and orders and other program requirements governing the federal Universal Service Rural Health Care Support Mechanism (collectively, the Federal Communications Commission (FCC) Rules). Compliance with the FCC Rules is the responsibility of the Beneficiary. AAD's responsibility is to make a determination regarding the Beneficiary's compliance with the FCC Rules based on the limited review performance audit.

AAD conducted the audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States (2018 Revision, as amended). Those standards require that AAD 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 AAD considered necessary to make a determination regarding the Beneficiary's compliance with the FCC Rules. The evidence obtained provides a reasonable basis for AAD'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 the FCC Rules that were examined and in effect during the audit period. USAC's determination is based on the circumstances in this audit and is neither binding nor limiting to any other past or future USAC or FCC verification, audit, or investigation.

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 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 you and your staff during the audit.

Sincerely,



Jeanette Santana-González  
USAC Senior Director, Audit and Assurance Division

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

## PURPOSE, SCOPE, BACKGROUND AND PROCEDURES

### PURPOSE

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

### SCOPE

The following chart summarizes the Rural Health Care (RHC) Healthcare Connect Fund (HCF) program support amounts committed and disbursed to the Beneficiary for Funding Year 2023 (audit period):

Service Type	Amount Committed	Amount Disbursed
Ethernet	\$1,393,798	\$457,651
Dedicated Internet Access (DIA)	\$18,447	\$18,447
T1/DS1	\$46,274	\$46,274
ISDN	\$8,327	\$8,327
Internet Access	\$20,537	\$20,537
Installation of Recurring Services	\$325	\$325
<b>Total</b>	<b>\$1,487,708</b>	<b>\$551,561</b>

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

The committed total represents fourteen FCC Form 462 applications with fourteen Funding Request Numbers (FRNs). AAD selected six FRNs,<sup>1</sup> which represent \$1,305,354 of the funds committed and \$408,023 of the funds disbursed during the audit period, to perform the procedures enumerated below with respect to the Funding Year 2023 applications submitted by the Beneficiary.

### BACKGROUND

The Beneficiary provides healthcare services within the state of Montana.

### PROCEDURES

AAD performed the following procedures:

#### **A. Application Process**

AAD obtained an understanding of the Beneficiary's processes relating to the RHC HCF program. AAD examined documentation to support its effective use of funding and that adequate controls exist to determine whether funds were used in accordance with the FCC Rules. AAD conducted inquiries and inspection of documentation to determine whether the Beneficiary used funding as indicated in its Network Cost Worksheets (NCWs).

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<sup>1</sup> The FRNs included in the scope of this audit are: RHC20230024605, RHC20230025146, RHC20230025271, RHC20230025465, RHC20230028014 and RHC20230025153.

AAD examined the FCC Forms 462 and the FCC Form 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. AAD also examined the Network Cost Worksheets (NCW) to determine whether ineligible costs, if any, were identified and ineligible entities, if any, paid their fair share.

**B. Competitive Bid Process**

AAD examined documentation to determine whether the Beneficiary properly selected a service provider to provide eligible services. AAD conducted inquiries and examined documentation to determine whether the Beneficiary considered price. AAD examined evidence that the Beneficiary waited the required 28 days from the date the FCC Form 461 was posted on USAC's website before selecting and signing the contract with the selected service provider. If a contract was executed for the funding year under audit, AAD reviewed the service provider contract to determine whether they were properly executed. AAD evaluated the services requested and purchased to determine whether the Beneficiary selected the most cost-effective option.

**C. Eligibility**

AAD conducted inquiries and direct observations and examined documentation to determine whether the Beneficiary's eligible HCPs were public or non-profit eligible health care providers, and whether the annual limitation on support available to large non-rural hospitals was exceeded. AAD examined documentation to determine whether more than 50 percent of the sites in the consortium were rural HCPs and determined whether the member HCPs' physical addresses were the same as listed on the FCC Form 462 applications and NCWs. AAD conducted inquiries and examined documentation to determine whether the HCPs participating in the consortium received funding in the HCF program for the same services for which they requested support in the RHC Telecommunications program.

**D. Invoicing Process**

AAD examined invoices for which payment was disbursed by USAC to determine whether the services identified on the FCC Form 463 service provider invoices submitted to USAC and the corresponding service provider bills submitted to the Beneficiary were consistent with the terms and specifications of the service provider agreements. AAD examined documentation to determine whether the Beneficiary paid its required 35 percent minimum contribution and that the required contribution was from eligible sources. AAD also examined documentation to determine whether the HCF program disbursements did not exceed 65 percent of the total eligible costs.

**E. Health Care Provider Location**

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

\*\*This concludes the report.\*\*