



**Rural Health Care Committee**  
**Briefing Book**

**Monday, January 26, 2026**

**12:00 p.m. – 1:35 p.m. ET**

**Available For Public Use**

**Universal Service Administrative Company**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

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

**Monday, January 26, 2026**  
**12:00 – 1:35 p.m. Eastern Time**  
**VIRTUAL MEETING**  
**USAC Offices**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

| <b><u>OPEN SESSION</u></b> |  | <i>Estimated Duration in Minutes</i> |
|----------------------------|--|--------------------------------------|
| Available for Public Use   |  |                                      |
| Chair                      | <b>a1.</b> Consent Items (each available for discussion upon request):<br>A. Approval of Rural Health Care Committee Meeting Minutes of October 27, 2025<br>B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> | 5                                    |
| Chair                      | <b>a2.</b> Recommendation for Election of Committee Chair and Vice Chair   | 5                                    |
| Mark                       | <b>a3.</b> Approval of Rural Health Care Support Mechanism 2nd Quarter 2026 Programmatic Budget and Demand Projection for the January 30, 2026, FCC Filing   | 5                                    |
| Mark                       | <b>i1.</b> Rural Health Care Business Update<br><ul style="list-style-type: none"> <li>• 2025 Accomplishments</li> <li>• 2026 Program Plans</li> </ul>   | 20                                   |

| <b><u>INFORMATION ONLY</u></b> |   | <i>Estimated Duration in Minutes</i> |
|--------------------------------|---|--------------------------------------|
| Available for Public Use       |   |                                      |
| Mark                           | <b>i2.</b> Rural Health Care Business Update ( <i>Continued</i> )<br><ul style="list-style-type: none"> <li>• Q4 2025 Accomplishments</li> <li>• Q1 2026 Program Plans</li> <li>• Roadmap</li> <li>• Appendix A: Program Metrics</li> </ul> | —                                    |
| Teleshia                       | <b>i3.</b> Information on One USAC Audit and Assurance Division Rural Health Care Support Mechanism Beneficiary Audit Reports   | —                                    |

| <b><u>EXECUTIVE SESSION</u></b><br><b>Confidential – Executive Session Recommended</b> |  | <i>Estimated Duration in Minutes</i> |
|--|--|--------------------------------------|
| Mark<br>Erin   | <b>i4.</b> Rural Health Care Business Update ( <i>Continued</i> ) <ul style="list-style-type: none"> <li>• Stakeholder Engagement</li> <li>• Update on Privacy</li> <li>• Identifying Incidents and Breaches</li> <li>• Incident Investigation Process</li> <li>• RHC Listening Session</li> </ul> | 20                                   |
| Mark   | <b>a4</b> Approval of Rural Health Care Support Mechanism 2026 Annual Programmatic Budget  | 10                                   |

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

|  |
|--|
| <b>Monday, April 27, 2026</b><br><b>USAC Offices, Washington, D.C.</b> |
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**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 27, 2025 (see **Attachment A**)**
- B. Approval of moving the *Executive Session* items into *Executive Session*:**
  - (1) **i4.** Rural Health Care Business Update (*Continued*). 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.
  - (2) **a4.** Approval of Rural Health Care Support Mechanism 2026 Annual Programmatic Budget. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, as well as *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. In addition, this includes *pre-decisional matters pending before the FCC*.

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 October 27, 2025; and (2) discussion in ***Executive Session*** of the items noted above.

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

**RURAL HEALTH CARE COMMITTEE MEETING**  
**Monday, October 27, 2025**

**(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, October 27, 2025. Dr. Kathy Wibberly, Committee Chair, called the meeting to order at 4:00 p.m. Eastern Time, with a quorum of five of the eight committee members present (there is one vacancy).

Garber, Michelle – Chief Executive Officer (Interim), and Assistant Treasurer  
Green, Anisa  
Kettwich, Dan – Vice Chair  
Semmler, Kara – *by telephone*  
Wibberly, Dr. Kathy

Members of the Committee not present:

Thompson, Mona  
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  
Chalk, Indra – Member of the Board  
Davis, Craig – Vice President of Schools and Libraries  
Delmar, Teleshia – Vice President of Audit and Assurance  
Francisco, Dale – Chief Financial Officer (Interim)  
Gaither, Victor – Vice President of High Cost  
Gregory, Amber – Member of the Board  
Mason, Ken – Member of the Board – *by telephone*  
O'Brien, Tim – Vice President of Lifeline  
Sanquist, Christine – Member of the Board – *by telephone*  
Schell, Julie Tritt – Member of the Board

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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.

Sweeney, Mark – Vice President of Rural Health Care  
 Wade, Dr. Joan – Member of the Board  
 Wein, Olivia – Member of the Board  
 Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

| <u>NAME</u>                                    | <u>COMPANY</u>                                  |
|--|---|
| Ahmed, Sharmarke                               | USAC  |
| Ayer, Catriona                                 | USAC  |
| Best, Katherine – <i>by telephone</i>          | USAC  |
| Braxton, Carolyn                               | USAC  |
| Claxton, Naomi                                 | USAC  |
| Corra, Kristen – <i>by telephone</i>           | Schools, Health & Libraries Broadband Coalition |
| Crawford, Katherine – <i>by telephone</i>      | USAC  |
| Goode, Vernelle                                | USAC  |
| James, Christine – <i>by telephone</i>         | USAC  |
| King, Ryan                                     | USAC  |
| Lawmaster-Morris, Rachel – <i>by telephone</i> | Espy Services                                   |
| Morgan, Meredith                               | USAC  |
| Numa, Marcel                                   | USAC  |
| Nuzzo, Patsy                                   | USAC  |
| Schrader, Theresa – <i>by telephone</i>        | Broadband Legal Strategies, LLC                 |
| Squire, Matthew                                | USAC  |
| Staurulakis, Chresanthe                        | USAC  |
| Suggs-Moore, Vickie                            | USAC  |
| Walsh, Jeff                                    | 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 the Rural Health Care Committee meeting minutes of July 28, 2025.
- B. Approval of moving one ***Executive Session*** item into ***Executive Session***:
  - (1) **i4.** Rural Health Care Business Update (*Continued*). 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 resolutions:

**RESOLVED**, that the Rural Health Care Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of July 28, 2025; and (2) discussion in *Executive Session* of the item noted above.

a2. **Approval of Rural Health Care Support Mechanism 1st Quarter 2026 Programmatic Budget and Demand Projection for the October 31, 2025, FCC Filing.** Mr. Sweeney presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Rural Health Care Mechanism 1st Quarter 2026 programmatic budget and demand projection for the October 31, 2025 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 1st Quarter 2026 Rural Health Care Support Mechanism direct program budget of \$3.69 million; and

**RESOLVED FURTHER**, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$3.69 million for Rural Health Care Support Mechanism administrative costs in the required October 31, 2025, 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 October 27, 2025, the 1st Quarter 2026 Rural Health Care Support Mechanism demand estimate of \$181.11 million, hereby directs USAC staff to proceed with the required October 31, 2025 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. **Rural Health Care Business Update.** Mr. Sweeney presented PowerPoint slides to the Committee providing an update on the following:

- Q3 2025 Accomplishments

- Q4 2025 Program Plans

i2. **Rural Health Care Business Update (Continued).** This item was provided for *information purposes only*. No discussion was held. Dr. Wibberly noted that the Rural Health Care materials listed below would be made public and posted to the USAC website.

- Roadmap
- Appendix A: Rural Health Care Metrics

i3. **Information on Three USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports.** 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.

At 4:18 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**

i4. **Rural Health Care Business Update (Continued).** Mr. Sweeney presented this information to the Committee.

#### **OPEN SESSION**

At 4:55 p.m. Eastern Time, the Committee moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Dr. Wibberly reported that, in ***Executive Session***, the Committee discussed item i4.

On a motion duly made and seconded, the Committee adjourned at 4:55 p.m. Eastern Time.

/s/ **Erin Williams**  
Assistant Secretary

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

**ACTION ITEM**

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

**Action Requested**

The USAC Rural Health Care Committee (Committee) is taking action to bring its Chair and Vice Chair nominations for consideration by the Board of Directors (Board) at the Board meeting to be held on January 27, 2026.

**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...<sup>1</sup>

On January 28, 2025, the Board re-elected Dr. Kathy Wibberly as Chair and Dan Kettwich as Vice Chair of the Rural Health Care Committee.

At their January 26, 2026 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 27, 2026.

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

**Recommended USAC Rural Health Care Committee Action**

APPROVAL OF THE FOLLOWING RESOLUTION:

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

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

**ACTION ITEM**

**Approval of Rural Health Care Support Mechanism  
2nd Quarter 2026 Programmatic Budget and Demand Projection for the  
January 30, 2026 FCC Filing**

**Action Requested**

The Rural Health Care Committee (Committee) of the USAC Board of Directors (Board) is requested to approve a 2nd Quarter 2026 (Q2 2026) programmatic budget and demand projection for the Rural Health Care Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's January 30, 2026, 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 Q2 2026 funding requirement for the Rural Health Care Support Mechanism as follows:

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<sup>1</sup> 47 C.F.R. § 54.715(c).

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

Table A. Program Funding Requirement

| (in millions)   | Q1 2026         | Increase/<br>(Decrease) | Q2 2026         | Notes                  |
|---|-----------------|-------------------------|-----------------|------------------------|
| <b>Steady State:</b>  |                 |                         |                 |                        |
| Program Funding Requirement   | \$173.56        | (\$0.27)                | \$173.29        | See Note 1 and Table B |
| Adjustments   | 0.00            | 0.00                    | 0.00            |                        |
| <b>New Requirements:</b>  |                 |                         |                 |                        |
| N/A   | 0.00            | 0.00                    | 0.00            |                        |
| <b>Total Program Funding Requirement</b>                                      | <b>\$173.56</b> | <b>(\$0.27)</b>         | <b>\$173.29</b> |                        |
| <b>Prior Period Adjustments (difference between projections and actuals):</b> |                 |                         |                 |                        |
| Billings  | \$1.87          | (\$2.43)                | (\$0.56)        |                        |
| Interest Income   | (0.04)          | (0.04)                  | (0.08)          |                        |
| Bad Debt Expense  | (1.69)          | 0.20                    | (1.49)          |                        |
| <b>Total Prior Period Adjustments</b>   | <b>\$0.14</b>   | <b>(\$2.27)</b>         | <b>(\$2.13)</b> |                        |
| USAC Administrative Expenses <sup>3</sup>                                     | \$7.41          | \$0.27                  | \$7.68          | See Table D            |
| <b>Total Funding Requirement</b>  | <b>\$181.11</b> | <b>(\$2.27)</b>         | <b>\$178.84</b> |                        |

**Note 1:** On March 7, 2025, the FCC announced a funding cap for Funding Year 2025 of \$723.89 million.<sup>4</sup> The Program Funding Requirement represents one quarter of the Funding Year 2025 cap, less USAC administrative costs. See Table B below for additional details.

Table B. Funding Year 2025 Program Funding Requirement

| (in millions)  | Fund Year 2025  | Notes      |
|--|-----------------|------------|
| Funding Year 2025 Cap  | \$723.89        | See Note 1 |
| Quarterly Funding Requirement for Funding Year 2025                      | 180.97          |            |
| Less USAC Administrative Costs, which are covered within the Funding Cap | (7.68)          |            |
| <b>Q2 2026 Program Funding Requirement</b>                               | <b>\$173.29</b> |            |

**Note 2:** The Funding Year 2025 filing window closed on June 2, 2025. Based on applications received within the filing window, demand for Funding Year 2025 of \$787.21 million exceeds the funding cap. Funds available to carry forward to Funding Year 2025 as of May 31, 2025 are set forth in the table below. Based on guidance provided by the FCC, USAC will carry forward up to \$129.30 million in unused funds from prior funding years to the extent necessary to satisfy

<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 2025*, CC Docket No. 02-6, WC Docket No. 02-60, Public Notice 25-199, (Mar. 7, 2025).

funding year 2025 RHC Program demand above the cap.

**Note 3:** Table C represents the change in available funding as of May 31, 2025.

Table C. Funding Year 2025 Available Roll Forward

| <i>(in millions)</i>                           | <b>Net Change</b> |
|--|-------------------|
| <b>Unused Funds</b>                            |                   |
| Remaining Available Funds from Prior Fund Year | (\$188.77)        |
| Reserved Funds                                 |                   |
| a. Pending Applications to Process             | 136.33            |
| b. Unliquidated Obligations (ULOs)             | 201.30            |
| c. Appeals Reserve - USAC Appeals              | (14.58)           |
| d. Appeals Reserve - FCC Appeals               | (4.98)            |
| <b>Total Unused Funds</b>                      | <b>\$129.30</b>   |

Based on the projected burn rate, USAC estimates the following Q2 2026 programmatic budget:

Table D. Quarterly Programmatic Budget

| <i>(in millions)</i>                                    | <b>Q1 2026 Budget</b> | <b>Increase/ (Decrease)</b> | <b>Q2 2026 Budget</b> | <b>Notes</b> |
|---|-----------------------|-----------------------------|-----------------------|--------------|
| <b>Direct Program Costs</b>                             |                       |                             |                       |              |
| Employee Expenses                                       | \$1.88                | \$0.35                      | \$2.23                |              |
| Professional Services                                   | 0.06                  | (0.06)                      | 0.00                  |              |
| General & Administrative                                | 0.00                  | 0.01                        | 0.01                  | See Note 4   |
| <b>Total Direct Program Costs</b>                       | <b>\$1.94</b>         | <b>\$0.30</b>               | <b>\$2.24</b>         |              |
| <b>Direct Assigned Costs</b>                            |                       |                             |                       |              |
| Employee Expenses                                       | \$0.41                | \$0.00                      | \$0.41                |              |
| Professional Services                                   | 1.01                  | 0.25                        | 1.26                  |              |
| General & Administrative                                | 0.33                  | (0.03)                      | 0.30                  | See Note 4   |
| <b>Total Direct Assigned Costs</b>                      | <b>\$1.75</b>         | <b>\$0.22</b>               | <b>\$1.97</b>         |              |
| <b>Total Direct Program &amp; Direct Assigned Costs</b> | <b>\$3.69</b>         | <b>\$0.52</b>               | <b>\$4.21</b>         |              |
| <b>Common Allocated Costs</b>                           | <b>\$3.72</b>         | <b>(\$0.25)</b>             | <b>\$3.47</b>         |              |
| <b>Total Programmatic Budget</b>                        | <b>\$7.41</b>         | <b>\$0.27</b>               | <b>\$7.68</b>         |              |

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

A comparison of actual expenditures to the budget for the twelve months ending December 31, 2025 is provided in **Attachment 1**.

**Recommendation**

USAC management recommends that the Committee approve the Q2 2026 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 2026 Rural Health Care Support Mechanism direct program budget of \$4.21 million; and

**RESOLVED FURTHER**, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$4.21 million for Rural Health Care Support Mechanism administrative costs in the required January 30, 2026, 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 January 26, 2026, the 2nd Quarter 2026 Rural Health Care Support Mechanism demand estimate of \$178.84 million, hereby directs USAC staff to proceed with the required January 30, 2026 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, 2025

| <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                       | \$7.54                | \$7.64                | \$0.10          |
| Professional Services (Note 5)                          |                       |                       |                         | 1.05                  | 2.86                  | 1.81            |
| General & Administrative (Note 6)                       |                       |                       |                         | 0.00                  | 0.01                  | 0.01            |
| <b>Total Direct Program Costs</b>                       |                       |                       |                         | <b>\$8.59</b>         | <b>\$10.51</b>        | <b>\$1.92</b>   |
| <b>Direct Assigned Costs</b>                            |                       |                       |                         |                       |                       |                 |
| Employee Expenses                                       | 8                     | 8                     | 0                       | \$1.66                | \$1.71                | \$0.05          |
| Professional Services (Note 5)                          |                       |                       |                         | 5.13                  | 4.43                  | (0.70)          |
| General & Administrative (Note 6)                       |                       |                       |                         | 1.29                  | 0.77                  | (0.52)          |
| <b>Total Direct Assigned Costs</b>                      |                       |                       |                         | <b>\$8.08</b>         | <b>\$6.91</b>         | <b>(\$1.17)</b> |
| <b>Total Direct Program &amp; Direct Assigned Costs</b> | <b>59</b>             | <b>59</b>             | <b>0</b>                | <b>\$16.67</b>        | <b>\$17.42</b>        | <b>\$0.75</b>   |
| <b>Common Allocated Costs (Note 7)</b>                  |                       |                       |                         | <b>\$16.65</b>        | <b>\$17.40</b>        | <b>\$0.75</b>   |
| <b>Total Programmatic Budget</b>                        |                       |                       |                         | <b>\$33.32</b>        | <b>\$34.82</b>        | <b>\$1.50</b>   |

**Note 5:** Direct Program Professional Services include business process outsourcing (BPO). 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*

### January 26, 2025

# Agenda

- 2025 Accomplishments
- 2026 Program Plans

# 2025 Accomplishments

- Operations
  - In March 2025, we decided not to renew our Business Process Outsource (BPO) vendor contract for Funding Year (FY) 2025.
  - To support the reduction in capacity, we loaned staff from within RHC and from other divisions, allowing us to determine the precise internal resource need.
  - Using approximately 50 percent of our review capacity from 2024, the results were outstanding.
    - Began commitments for FY2025 30 days after the application window closed on June 1, 2025—a significant reduction on 50 days in FY2024.
    - Completed ALL Telecom applications within four months—a new record.
    - Achieved 91 percent of all workable applications by year end.
  - Currently, 87 percent volume and 59 percent of dollars are complete for HCF, and 100 percent volume and 100 percent dollars are complete for Telecom.

# 2025 Accomplishments (Continued)

- Outreach and Training
  - Successfully opened FY2026 window on time to allow draft applications and submission. Over 500 applications submitted in December
  - Conducted 31 webinars for both applicants and service providers on topics including Third Party Authorizations (TPA), Requests for Services, Application Submission Service Provider training, and Invoicing Best Practices. Total attendee for these webinars was 2,200.
  - Conducted outreach campaigns for:
    - **TPA refresh:** A year-long effort to close out MyPortal and no longer use free-form data in legacy database. This will improve security for all.
    - **Connected Care Pilot Program (CCPP) wind-down:** A series of newsletters, email reminders, and webinars specific to this population as year-end deadline approached for submissions. This will continue into 2026 with a mid-year invoicing deadline.

# 2025 Accomplishments (Continued)

- Modernization
  - Completed 11 major releases in RHC Connect, for both internal and external users including:
    - Telecom post-commitment activities
      - Telecom SPIN changes
      - Telecom service substitutions
      - Telecom Commitment Adjustments (COMADs)
      - IFD Extension functionality
    - 2020 Census updates
    - HCF TPA and consultant refresh
  - These releases will support the 2026 decommissioning activities for MyPortal.
  - Enacted enhancements to the TPA and Letter of Agency (LOA)/Letter of Exemption (LOE) processes in Q1 and Q3, and Entitlements in Q1, Q2, and Q4.
  - Closed application process in MyPortal for CCPP December 30, 2025.

# 2026 Program Plans

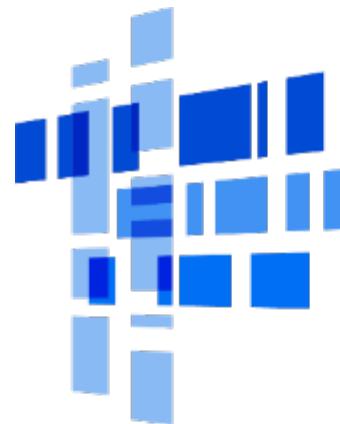
- Operations
  - Continue processing FY2025 applications to completion.
  - Begin review of FY2026 applications with a goal of 95 percent workable complete by year-end.
  - Increase staffing resources to compensate for reduction in BPO costs/resources and end of loan staff.
- Connected Care Program Pilot
  - Final applications to be submitted before December 31, 2025.
  - Invoices to be submitted by June 29, 2026.
- Appeals
  - Added additional headcount to the Appeals team (up to five and one full time contractor). Appeals increased in 2025 (201) over 2024 (161). The team resolved 144 appeals, a notable increase over 2024 (130).
  - Continue to review of the appeals process to implement efficiencies.

# 2026 Program Plans (Continued)

- Stakeholder Engagement
  - Develop Calendar Year (CY) 2026 enhanced Stakeholder Engagement Plan.
- Outreach
  - Over 33 webinars planned for the year.
  - Conference attendance and site visits plans are to be determined.
- Program Integrity
  - Implement corrective action plans based on the Fraud Risk Assessment (FRA).
  - Increase RHC staff awareness of fraud risks.

# 2026 Program Plans (Continued)

- Modernization
  - Complete remaining Telecom post-commit and invoicing activities in RHC Connect.
  - Appeals automation and build in RHC Connect.
  - Form review efficiencies and enhancements, eligibility, applications and COMADs.
  - Extension of Information Requests to non-FCC Form areas.
  - My Portal decommissioning.



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# **Rural Health Care (RHC) Committee**

## RHC Business Update

*Open Session - Information Only*

January 26, 2026

# Agenda

- Q4 2025 Accomplishments
- Q1 2026 Programs Plans
- Roadmap
- Appendix A: Program Metrics

# Q4 2025 Accomplishments

- Operations
  - Funding Year (FY) 2026 successfully opened on December 1, 2025.
  - Commitments for FY2025
    - 87 percent overall complete as of January 2, 2026.
    - Healthcare Connect Fund (HCF) 86 percent volume and 58 percent dollars are completed.
    - Telecom 100 percent volume and 100 percent dollars are completed in October.
    - Moved all Telecom reviewers to HCF and retrained as necessary.

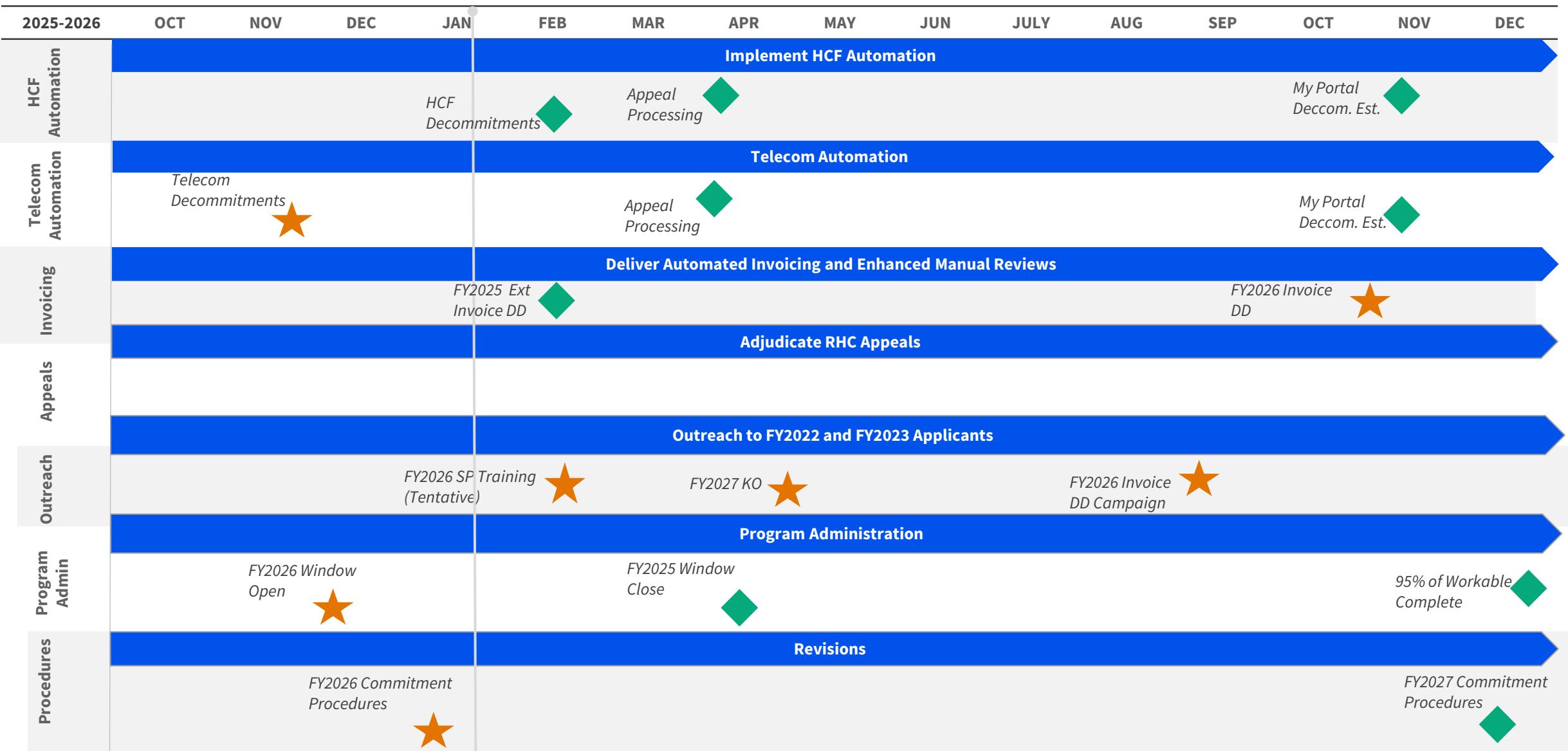
# Q4 2025 Accomplishments (Continued)

- Appeals
  - Current appeals backlog increased in Q4 2025 due to increased appeal submissions (36 received; 31 completed).
  - Current appeals backlog is 126 with 90 of that over 90 days old. The oldest appeal in hand is from February 10, 2025.
- Outreach and Training
  - Conducted fewer webinars (four) due to government shutdown with sessions supporting all programs with over 200 attendees.
- Modernization
  - Completed several releases of Telecom post-commitment activities in RHC Connect, including invoice process changes and IFD extensions.
  - Enacted enhancements to the entitlements system records in October and November 2025.

# Q1 2026 Program Plans

- Operations
  - Finalize applications for FY2025 and begin reviewing applications for FY2026.
- Modernization
  - Complete remaining Telecom post-commit and invoicing activities in RHC Connect.
  - Moving to appeals automation and enhancements in calendar year 2026.
- Connected Care Program Pilot Program
  - Final applications deadline was December 31, 2025; invoices to be submitted by June 29, 2026.
- Program Integrity
  - Implement corrective action plans based on the Fraud Risk Assessment (FRA).
- Outreach
  - Planned 11 webinars, including User Management training.

# Roadmap



# Appendix A: RHC Program Metrics

HCF Pre-Commitment (Data as of December 31, 2025)

| Funding Year |      | Q1                    | Q2            | Q3            | Q4            | Total         |               |
|--------------|------|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Requested    | 2025 | Demand                | 6,649         | 6,274         | 33            | 5             | 12,964        |
|              |      | Requested Dollars     | \$134,420,533 | \$389,351,917 | \$867,670     | \$61,731      | \$524,701,852 |
|              |      | Avg. Days Outstanding | 181           | 181           | 178           |               | 181           |
| Reviewed     | 2024 | Demand                | 8,399         | 4,110         | 4             | 6             | 12,519        |
|              |      | Reviewed Dollars      | \$209,113,746 | \$285,845,486 | \$60,329      | \$3,619,877   | \$498,639,438 |
|              |      | Avg. Days Outstanding |               |               |               |               |               |
| Reviewed     | 2025 | Reviewed Apps.        | 3             | 10            | 9,577         | 1,819         | 11,409        |
|              |      | Reviewed Dollars      | \$24,657      |               | \$179,763,835 | \$89,326,997  | \$269,115,489 |
| Reviewed     | 2024 | Reviewed Apps.        |               | 3,137         | 7,166         | 1,987         | 12,290        |
|              |      | Reviewed Dollars      |               | \$29,970,892  | \$141,747,385 | \$112,347,272 | \$284,065,549 |

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

# Appendix A: RHC Program Metrics (Continued)

HCF Post-Commitment (Data as of December 31, 2025)

| Calendar Year |      | Q1              | Q2            | Q3           | Q4            | Total        |               |
|---------------|------|-----------------|---------------|--------------|---------------|--------------|---------------|
| Submitted     | 2025 | Invoice Counts  | 4,303         | 2,560        | 9,006         | 3,470        | 19,339        |
|               |      | Invoice Dollars | \$101,109,638 | \$36,370,553 | \$147,087,262 | \$75,662,753 | \$360,230,205 |
|               | 2024 | Invoice Counts  | 4,098         | 2,291        | 8,496         | 3,610        | 18,495        |
|               |      | Invoice Dollars | \$80,888,131  | \$43,557,794 | \$108,707,519 | \$60,035,735 | \$293,189,179 |
| Disbursed     | 2025 | Invoice Counts  | 4,213         | 2,519        | 8,892         | 3,115        | 18,739        |
|               |      | Invoice Dollars | \$87,184,830  | \$31,510,276 | \$137,983,773 | \$43,513,720 | \$300,192,599 |
|               | 2024 | Invoice Counts  | 4,037         | 2,247        | 8,398         | 3,562        | 18,244        |
|               |      | Invoice Dollars | \$75,492,077  | \$40,162,405 | \$104,276,782 | \$59,245,780 | \$279,177,044 |

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

# Appendix A: RHC Program Metrics (Continued)

Telecom Pre-Commitment (Data as of December 31, 2025)

| Fund Year |      | Q1                    | Q2            | Q3            | Q4            | Total         |
|-----------|------|-----------------------|---------------|---------------|---------------|---------------|
| Requested | 2025 | Demand                | 519           | 1,044         | 2             | 1,565         |
|           |      | Requested Dollars     | \$109,996,759 | \$169,998,892 | \$67,344      | \$280,062,995 |
|           | 2024 | Demand                | 662           | 1,118         |               | 1,780         |
|           |      | Requested Dollars     | \$135,038,131 | \$114,048,940 |               | \$249,087,070 |
| Reviewed  | 2025 | Reviewed Applications | 7             | 16            | 1,384         | 161           |
|           |      | Reviewed Dollars      | \$129,656     | \$13,095,658  | \$222,970,812 | \$40,272,334  |
|           | 2024 | Reviewed Applications | 2             | 105           | 603           | 593           |
|           |      | Reviewed Dollars      | \$0           | \$35,905,770  | \$146,418,753 | \$28,106,768  |

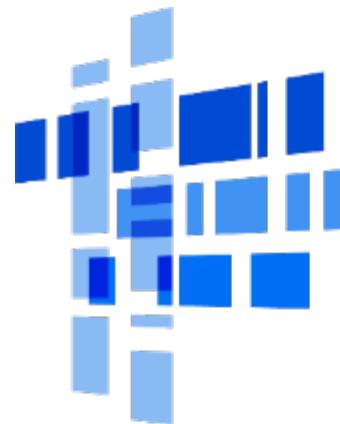
Dollar values displayed have been rounded. Totals are calculated based on the original (not rounded) figures.

# Appendix A: RHC Program Metrics (Continued)

Telecom Post-Commitment (Data as of December 31, 2025)

| Calendar Year |      | Q1              | Q2           | Q3           | Q4           | Total        |               |
|---------------|------|-----------------|--------------|--------------|--------------|--------------|---------------|
| Submitted     | 2025 | Invoice Counts  | 592          | 550          | 790          | 880          | 2,812         |
|               |      | Invoice Dollars | \$78,583,708 | \$67,413,886 | \$56,353,150 | \$68,122,618 | \$202,473,361 |
|               | 2024 | Invoice Counts  | 217          | 202          | 311          | 433          | 1,163         |
|               |      | Invoice Dollars | \$74,689,070 | \$53,204,293 | \$59,214,593 | \$57,300,388 | \$244,408,344 |
| Disbursed     | 2025 | Invoice Counts  | 592          | 550          | 789          | 835          | 2,766         |
|               |      | Invoice Dollars | \$78,583,708 | \$67,413,886 | \$56,351,559 | \$64,376,157 | \$266,725,310 |
|               | 2024 | Invoice Counts  | 217          | 201          | 311          | 431          | 1,160         |
|               |      | Invoice Dollars | \$74,689,070 | \$53,204,293 | \$59,214,593 | \$57,300,368 | \$244,408,324 |

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