

Notes from the Rural Health Care Monthly Conference Call: December 9, 2010

Agenda

- Agreed Upon Procedures (AUP)
 - Beneficiary and Contributor Compliance Audit Program (BCAP)
 - Payment Quality Assurance (PQA) Program
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Wayne Scott, Vice President of USAC's Internal Audit Division, provided an update of USAC's audit and payment assessment programs.

1. Agreed Upon Procedures (AUP)

AUP audits enable USAC to examine its operations and accounts to help ensure it is administering the universal support mechanisms to prevent fraud, waste, and abuse.

AUP is an audit of USAC, but beneficiaries may receive a letter asking them to confirm that they have been paid for services.

2. Beneficiary and Contributor Compliance Audit Program (BCAP)

For the Beneficiary and Contributor Compliance Audit Program (BCAP), USAC has announced the first 11 beneficiaries. Reviews of those 11 beneficiaries will be completed by April 2011.

All beneficiaries selected for BCAP receive a letter outlining the information about the audit. Service providers will also receive a letter about the audit and may be contacted if information cannot be obtained from the beneficiaries. If you have a question about an ongoing audit, please contact the audit lead named in the letter you received about the audit.

Current audits are being done by USAC's internal audit staff, but some work will be performed by an outside audit firm later in the 2011. The audit team has a new system to facilitate and speed up document processing.

3. Payment Quality Assurance (PQA) Program

PQA is a payment assessment program that enables USAC to estimate rates of improper payments across all four USF programs; it is not an audit program. In contrast to OIG, which was a compliance attestation, PQA is faster and less obtrusive. The procedures and sample are defined/selected by USAC. Many audits are "desk audits" and do not require site visits.