

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

**Monday January 28, 2013
11:30 p.m. – 12:30 p.m. Eastern Time
USAC Offices, Suite 200
2000 L Street, NW
Washington, D.C.**

ACTION ITEMS

- | |
|---|
| a1. Approval of Rural Health Care Committee Meeting Minutes of October 29, 2012 |
| a2. Recommendation for Annual Election of Committee Chair and Vice Chair |
| a3. Approval of 2nd Quarter 2013 and 2013 Annual Rural Health Care Support Mechanism Programmatic Budgets |
| a4. Approval of 2nd Quarter 2013 Rural Health Care Support Mechanism Demand Projection for the January 31, 2013 FCC Filing |
| a5. Miscellaneous. Solicit ideas for April 2013 Committee meeting agenda. |

INFORMATION ITEMS

- | |
|---|
| i1. Rural Health Care Support Mechanism Update |
| i2. Rural Health Care Pilot Program Update |
| i3. Healthcare Connect Fund Update |
| i4. Miscellaneous |

Next Scheduled Quarterly USAC Rural Health Care Committee Meeting

**Monday, April 22, 2013
11:30 a.m. – 12:30 p.m.
USAC Offices, Washington, D.C.**

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

RURAL HEALTH CARE COMMITTEE MEETING
Monday, January 28, 2013

MINUTES

The quarterly meeting of the Rural Health Care Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, January 28, 2013. Dr. Peter Kragel, Committee Vice Chair, called the meeting to order at 11:32 p.m. Eastern Time, with a quorum of six of the eight Committee members present:

Barash, Scott – Acting Chief Executive Officer	Gillan, Joseph
Brise', Ronald	Jortner, Wayne
Feiss, Geoff	Kragel, Dr. Peter – Vice Chair

Members of the Committee not present:

Jimenez, Jose
Sanders, Dr. Jay – Chair

Other Board of Directors (Board) members and officers of the corporation present:

Abshire, Sheryl – Member of the Board
Blackwell, Mel – Vice President, Schools and Libraries Division
Capozzi, David – Acting General Counsel and Assistant Secretary
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Davis, Craig, Vice President, Rural Health Care Division
Greiner, Colleen – Vice President and Chief Information Officer – *by telephone*
Scott, Wayne – Vice President of Internal Audit
Talbott, Dr. Brian – Board Chair

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Betancourt, Laura	USAC
Caruso, Michael	USAC
Costa, Paloma	USAC
Delmar, Teleshia	USAC
Ellis, Tess	USAC
Falkowitz, Ed	USAC
Gonzales, Veronica	USAC

<u>NAME</u>	<u>COMPANY</u>
Hughes, Jeff	USAC
Iversen, Eric	USAC
Johnson, Sharen	USAC
Lewis, Don	USAC
McCornac, Carolyn	USAC
Miller, Jack	Solix
Molson, Adam	USAC
Nuzzo, Patsy	USAC
Park, Sang	USAC
Parry, John	Solix
Rasmussen, Mary	USAC
Rogers, Camelia	USAC
Skadin, Andy	FCC
Smith, Chris	USAC
Spade, Gina – <i>by telephone</i>	FCC

ACTION ITEMS:

- a1. **Approval of Rural Health Care Committee Meeting Minutes of October 29, 2012.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Committee meeting of October 29, 2012.
- a2. **Recommendation for Annual Election of Committee Chair and Vice Chair.** Mr. Barash indicated that the Committee will defer making recommendations for the Committee Chair and Vice Chair positions because the FCC Chair has not yet selected Board members to fill vacant Board seats and seats of existing Board members whose terms have expired but are continuing to serve until they are renominated or a replacement is selected.
- a3. **Approval of 2nd Quarter 2013 and 2013 Annual Rural Health Care Support Mechanism Programmatic Budgets.** Mr. Case presented this item for discussion.

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 2nd Quarter 2013 Rural Health Care Support Mechanism programmatic operations budget of \$2.4 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$2.4 million for Rural Health Care Support Mechanism administrative expenses in the required January 31, 2013 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee approves an annual 2013 Rural Health Care Support Mechanism operations budget of \$8.5 million.

- a4. Approval of 2nd Quarter 2013 Rural Health Care Support Mechanism Demand Projection for the January 31, 2013 FCC Filing.** Mr. Davis presented this item for discussion.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed at its meeting on January 28, 2013, a summary of the 2nd Quarter 2013 Rural Health Care Support Mechanism demand estimate, including administrative costs, hereby directs USAC staff to proceed with the required January 31, 2013 filing to the FCC. USAC staff may make adjustments if the variance is equal to or less than \$1.0 million, or may seek approval from the Rural Health Care Committee Chair to make adjustments if the variance is greater than \$1.0 million, but not more than \$2.0 million.

- a4. Miscellaneous. Solicit ideas for the April 2013 Committee Agenda.** Dr. Kragel reminded Committee members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Dr. Sanders, Dr. Kragel, Mr. Barash or Mr. Davis between quarterly meetings.

INFORMATION ITEMS:

- i1. Rural Health Care Support Mechanism Update.** Mr. Davis presented this item to the Committee, noting that:
- Funding Year 2012 FCC Form 465 submissions continue to out-pace Funding Year 2011 submissions. There has been a 14 percent increase in Funding Year 2012 Form 465s over Funding Year 2011.
 - RHC Program staff continues to work closely with USAC Information Technology Division staff on the development, implementation and maintenance of the new RHC system.
 - Sixteen RHC Program appeals were resolved this quarter.
 - RHC Program staff continues outreach efforts, and has developed several multi-media training tools to introduce program participants and internal users to the new RHC system.
- i2. Rural Health Care Pilot Program Update.** Mr. Davis presented this item for discussion, noting that during 4th Quarter 2012:

To expedite navigation, please use the bookmarks located in the Navigation Pane.

- USAC posted five FCC Form 465 packages representing four projects, issued funding commitments totaling \$48.70 million, and disbursed \$11.70 million.

i3. Healthcare Connect Fund Update. Mr. Davis presented this item for discussion, noting that management was working on a proposed staffing and implementation plan to bring to the Committee in the coming weeks.

On a motion duly made and seconded, the Committee adjourned at 12:33 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

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

**Monday March 18, 2013
2:30 p.m. – 3:00 p.m. Eastern Time
USAC Offices, Suite 200
2000 L Street, NW
Washington, D.C.**

ACTION ITEMS

- a1. Consideration of Staffing Plan for Rural Health Care Program Operations –
Confidential & Proprietary – *Executive Session Recommended***

Next Scheduled Quarterly USAC Rural Health Care Committee Meeting

**Monday, April 22, 2013
11:30 a.m. – 12:30 p.m.
USAC Offices, Washington, D.C.**

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

RURAL HEALTH CARE COMMITTEE MEETING
Monday, March 18, 2013

MINUTES

A meeting of the Rural Health Care Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, March 18, 2013. Dr. Peter Kragel, Committee Vice Chair, called the meeting to order at 2:30 p.m. Eastern Time, with a quorum of five of the seven Committee members present (there is one vacancy):

Barash, Scott – Acting Chief Executive Officer	Jortner, Wayne – <i>by telephone</i>
Brise', Ronald – <i>by telephone</i>	Kragel, Dr. Peter – Vice Chair – <i>by telephone</i>
Gillan, Joseph – <i>by telephone</i>	

Members of the Committee not present:

Feiss, Geoff
Jimenez, Jose

Other Board of Directors (Board) members and officers of the corporation present:

Belden, Richard – Chief Operating Officer
Capozzi, David – Acting General Counsel and Assistant Secretary
Davis, Craig, Vice President, Rural Health Care Division
Talbot, Dr. Brian – Board Chair

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Amalfitano, Vince – <i>by telephone</i>	FCC
Nuzzo, Patsy	USAC
Oliver, Linda	FCC
Robinson, Vickie – <i>by telephone</i>	FCC

ACTION ITEMS:

- a1. **Consideration of Staffing Plan for Rural Health Care Program Operations.**
In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that

To expedite navigation, please use the bookmarks located in the Navigation Pane.

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 USAC Rural Health Care Committee determines that discussion of the proposed staffing plan for Rural Health Care Program operations shall be conducted in *Executive Session*.

At 2:32 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

EXECUTIVE SESSION:

- a1. Consideration of Staffing Plan for Rural Health Care Program Operations.**
Mr. Davis presented this item for discussion.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed USAC management's proposed staffing plan for Rural Health Care Program operations, approves the course of action recommended by USAC management.

At 2:49 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Kragel 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 2:50 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

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

**Monday April 22, 2013
11:30 p.m. – 12:30 p.m. Eastern Time
USAC Offices, Suite 200
2000 L Street, NW
Washington, D.C.**

ACTION ITEMS

- | |
|---|
| a1. Approval of Rural Health Care Committee Meeting Minutes of January 28, 2013 and March 18, 2013 |
| a2. Recommendation for Annual Election of Committee Chair and Vice Chair |
| a3. Approval of 3rd Quarter 2013 and Revised 2013 Annual Rural Health Care Support Mechanism Programmatic Budgets |
| a4. Approval of 3rd Quarter 2013 Rural Health Care Support Mechanism Demand Projection for the May 2, 2013 FCC Filing |
| a5. Action on Three USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i> |
| a6. Miscellaneous. Solicit ideas for July 2013 Committee meeting agenda. |

INFORMATION ITEMS

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|--|
| i1. Rural Health Care Support Mechanism Update |
| i2. Discussion of Rural Health Care Program On-line Form Filing and Processing System |
| i3. Miscellaneous |

Next Scheduled Quarterly USAC Rural Health Care Committee Meeting

**Monday, July 22, 2013
11:30 a.m. – 12:30 p.m.
USAC Offices, Washington, D.C.**

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

RURAL HEALTH CARE COMMITTEE MEETING
Monday, April 22, 2013

MINUTES

The quarterly meeting of the Rural Health Care Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, April 22, 2013. At the request of Dr. Peter Kragel, Committee Vice Chair, Mr. Barash called the meeting to order at 11:29 a.m. Eastern Time, with a quorum of six of the seven Committee members present (there is one vacancy):

Barash, Scott – Acting Chief Executive Officer
Brise', Ronald
Feiss, Geoff
Gillan, Joseph
Jortner, Wayne
Kragel, Dr. Peter – Vice Chair – by telephone

Other Board of Directors (Board) members and officers of the corporation present:

Abshire, Sheryl – Member of the Board
Belden, Richard – Chief Operating Officer
Capozzi, David – Acting General Counsel and Assistant Secretary
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Davis, Craig, Vice President, Rural Health Care Division
Greiner, Colleen – Vice President and Chief Information Officer – *by telephone*
Scott, Wayne – Vice President of Internal Audit
Talbott, Dr. Brian – Board Chair

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Latoya	USAC
Beard, Jay	USAC
Betancourt, Laura	USAC
Caruso, Michael	USAC
Costa, Paloma	USAC
Delmar, Teleshia	USAC
Ellis, Tess	USAC
England, Dr. Bill	USAC
Falkowitz, Ed	USAC

<u>NAME</u>	<u>COMPANY</u>
Hopper, Melissa	USAC
Hughes, Jeff	USAC
Iversen, Eric	USAC
Lee, Brandon	USAC
Lewis, Don	USAC
Lewis, Kitea	USAC
Malychev, Victor	USAC
McCornac, Carolyn	USAC
Molson, Adam	USAC
Nuzzo, Patsy	USAC
Permyahov, Andrey	USAC
Rasmussen, Mary	USAC
Rogers, Camelia	USAC
Sansbury, Cherice	USAC
Smith, Chris	USAC
Spade, Gina – <i>by telephone</i>	FCC
Thoedoropoulos, Nikoletta	USAC
Watterson, Stephanie	USAC
Wolff, Alex	USAC
Zhao, Hang	USAC

ACTION ITEMS:

- a1. Approval of Rural Health Care Committee Meeting Minutes of January 28, 2013 and March 18, 2013.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Committee meetings of January 28, 2013 and March 18, 2013.
- a2. Recommendation for Annual Election of Committee Chair and Vice Chair.** Mr. Barash indicated that the Committee will defer making recommendations for the Committee Chair and Vice Chair positions because the FCC Chair has not yet selected Board members to fill vacant Board seats and seats of existing Board members whose terms have expired but are continuing to serve until they are renominated or a replacement is selected.
- a3. Approval of 3rd Quarter 2013 and Revised 2013 Annual Rural Health Care Support Mechanism Programmatic Budgets.** Mr. Belden presented this item for discussion.

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 2013 Rural Health Care Support Mechanism programmatic operating budget of \$3.7 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$3.7 million for Rural Health Care Support Mechanism administrative expenses in the required May 2, 2013 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee approves a revised annual 2013 Rural Health Care Support Mechanism operating budget of \$11.2 million.

- a4. Approval of 3rd Quarter 2013 Rural Health Care Support Mechanism Demand Projection for the May 2, 2013 FCC Filing.** Mr. Davis presented this item for discussion.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed at its meeting on April 22, 2013, a summary of the 3rd Quarter 2013 Rural Health Care Support Mechanism demand estimate, including administrative costs, hereby directs USAC staff to proceed with the required May 2, 2013 filing to the FCC. USAC staff may make adjustments if the variance is equal to or less than \$1.0 million, or may seek approval from the Rural Health Care Committee Chair to make adjustments if the variance is greater than \$1.0 million, but not more than \$2.0 million.

- a5. Action on Three USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports.** Mr. Chris Smith, Manager of Internal Audit, presented this item for discussion.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed the USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports listed in Exhibit I to this issue paper together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such reports final.

- a4. Miscellaneous. Solicit ideas for the July 2013 Committee Agenda.** Mr. Barash reminded Committee members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Dr. Kragel, Mr. Barash or Mr. Davis between quarterly meetings.

INFORMATION ITEMS:

i1. Rural Health Care Support Mechanism Update. Mr. Davis presented this item to the Committee, noting that:

- The Telecommunications and Internet Access Programs packet processing rate increased by 11 percent in 1st Quarter 2013 (1Q2013) compared to 1st Quarter 2012.
- The Healthcare Connect Fund Order (FCC 12-150) was published in the Federal Register on March 1, 2013.
- USAC deployed software in 1Q2013 to accept and process FCC Form 467 and invoices.

i2. Discussion of Rural Health Care Program On-line Form Filing and Processing System. Mr. Alex Wolff, Rural Health Care Business Analyst, presented this item for discussion.

On a motion duly made and seconded, the Committee adjourned at 12:14 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

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

Monday July 29, 2013 11:30 p.m. – 12:30 p.m. Eastern Time USAC Offices, Suite 200 2000 L Street, NW Washington, D.C.

ACTION ITEMS

a1. Approval of Rural Health Care Committee Meeting Minutes of April 22, 2013
a2. Recommendation for Election of Committee Chair and Vice Chair
a3. Approval of 4th Quarter 2013 and Revised 2013 Annual Rural Health Care Support Mechanism Programmatic Budgets
a4. Approval of 4th Quarter 2013 Rural Health Care Support Mechanism Demand Projection for the August 2, 2013 FCC Filing
a5. Consideration of Rural Health Care Telecommunications and Internet Access Program Administration Options – Confidential – <i>Executive Session Recommended</i>
a6. Action on Eight USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports
a7. Miscellaneous. Solicit ideas for October 2013 Committee meeting agenda.

INFORMATION ITEMS

i1. Rural Health Care Support Mechanism Update
i2. Miscellaneous

Next Scheduled Quarterly USAC Rural Health Care Committee Meeting

Monday, October 28, 2013 11:30 a.m. – 12:30 p.m. USAC Offices, Washington, D.C.
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

RURAL HEALTH CARE COMMITTEE MEETING
Monday, July 29, 2013

MINUTES

The quarterly meeting of the Rural Health Care Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, July 29, 2013. Mr. Wayne Jortner, Chairman *pro tem*, called the meeting to order at 11:42 a.m. Eastern Time, with a quorum of six of the seven Committee members present (there is one vacancy):

Barash, Scott – Acting Chief Executive Officer	Gillan, Joseph
Brown, Eric	Jimenez, Jose
Feiss, Geoff	Jortner, Wayne

Dr. Kathy Wibberly joined the meeting at 11:52 a.m. Eastern Time. She did not vote on items a1, a2, a3 or a4.

Members of the Committee not present:

Brisé, Ronald

Other Board of Directors (Board) members and officers of the corporation present:

Belden, Richard – Chief Operating Officer
Campbell, Anne, – Member of the Board
Capozzi, David – Acting General Counsel and Assistant Secretary
Davis, Craig, Vice President, Rural Health Care Division
Greiner, Colleen – Vice President and Chief Information Officer – *by telephone*
Mason, Ken – Member of the Board
Noriega, Raquel – Member of the Board
Schell, Julie Tritt – Member of the Board
Scott, Wayne – Vice President of Internal Audit
Talbott, Dr. Brian – Board Chair
Wein, Olivia – Member of the Board

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Latoya	USAC
Beard, Jay	USAC

<u>NAME</u>	<u>COMPANY</u>
Betancourt, Laura	USAC
Carpenter, Nikki-Blair	USAC
Ellis, Tess	USAC
Garrett, Erika	USAC
Hughes, Jeff	USAC
Hughet, Pam	USAC
Iversen, Eric	USAC
Lenhardt, Chris	E-rate Elite Services
Lutz, Corey	USAC
Megan Hartnett	FCC
Miller, Jack	Solix
Murphy, Tom	USAC
Nuzzo, Patsy	USAC
Parry, John	Solix
Rasmussen, Mary	USAC
Rogers, Camelia	USAC
Salvator, Charles	USAC
Sansbury, Cherice	USAC
Skadin, Andy	FCC
Smith, Chris	USAC
Theodoropoulos, Nikoletta	USAC

ACTION ITEMS:

- a1. Approval of Rural Health Care Committee Meeting Minutes of April 22, 2013.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Committee meeting of April 22, 2013.
- a2. Recommendation for Annual Election of Committee Chair and Vice Chair.** Mr. Gillan introduced this item for discussion.

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

RESOLVED, that the USAC Rural Health Care Committee recommends that the USAC Board of Directors elect **Wayne Jortner** as Chair and **Ronald Brisé** as Vice Chair of the Committee for a term that begins immediately upon the adoption of this resolution by the Board and ends when a successor to the Chair and/or Vice Chair has been elected, when the Chair or Vice Chair resigns from the Committee or the Board, is removed by resolution of the Board, or is no longer a member of the Board.

- a3. Approval of 4th Quarter 2013 and Revised 2013 Annual Rural Health Care Support Mechanism Programmatic Budgets.** Mr. Belden presented this item for discussion.

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 4th Quarter 2013 Rural Health Care Support Mechanism programmatic operating budget of \$2.8 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$2.4 million for Rural Health Care Support Mechanism administrative expenses in the required August 2, 2013 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee approves a revised annual 2013 Rural Health Care Support Mechanism operating budget of \$10.5 million.

- a4. Approval of 4th Quarter 2013 Rural Health Care Support Mechanism Demand Projection for the August 2, 2013 FCC Filing.** Mr. Davis presented this item for discussion.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed at its meeting on July 29, 2013, a summary of the 4th Quarter 2013 Rural Health Care Support Mechanism demand estimate, including administrative costs, hereby directs USAC staff to proceed with the required August 2, 2013 filing to the FCC. USAC staff may make adjustments if the variance is equal to or less than \$1.0 million, or may seek approval from the Rural Health Care Committee Chair to make adjustments if the variance is greater than \$1.0 million, but not more than \$2.0 million.

- a5. Consideration of Rural Health Care Telecommunications and Internet Access Program Administration Options.** In accordance with the approved criteria for conducting USAC Board and committee business in *Executive Session*, Mr. Capozzi 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 USAC Rural Health Care Committee (Committee) determines that discussion of the proposed course of action regarding administrative support options for the

Telecommunications and Internet Access components of the Rural Health Care program shall be conducted in *Executive Session*.

- a6. Action on Eight USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports.** Mr. Chris Smith, Manager, Internal Audit, presented this item to the Committee.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed the USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports listed in Exhibit I to this issue paper together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such reports final.

- a4. Miscellaneous. Solicit ideas for the October 2013 Committee Agenda.** Mr. Jortner reminded Committee members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Mr. Jortner, Mr. Barash or Mr. Davis between quarterly meetings.

INFORMATION ITEMS:

- i1. Rural Health Care Support Mechanism Update.** Mr. Davis presented this item to the Committee, noting that:
- USAC deployed the *My Service Provider Portal* in 2nd Quarter 2013 (2Q2013) to accept and process online invoices.
 - USAC completed transition of Pilot Program administration from Solix to USAC in-house staff in 2Q2013.
 - HCF Forms requirements were finalized and development was initiated for a 3rd Quarter 2013 HCF deployment.

At 12:02 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

EXECUTIVE SESSION

- a5. Consideration of Rural Health Care Telecommunications and Internet Access Program Administration Options.** Mr. Davis presented this item for discussion.

To expedite navigation, please use the bookmarks located in the Navigation Pane.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed USAC management's recommendation, approves the course of action proposed by USAC management regarding Rural Health Care Program administration support options.

At 12:19 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Jortner reported that in *Executive Session*, the Committee discussed and took action on item a5 above. On a motion duly made and seconded, the Committee adjourned at 12:20 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

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

**Monday October 28, 2013
11:30 a.m. – 12:30 p.m. Eastern Time
USAC Offices, Suite 200
2000 L Street, NW
Washington, D.C.**

ACTION ITEMS

- | |
|---|
| a1. Approval of Rural Health Care Committee Meeting Minutes of July 29, 2013 |
| a2. Approval of 1st Quarter 2014 Rural Health Care Support Mechanism Programmatic Budget and Information on the Estimated 2014 Annual Budget |
| a3. Approval of 1st Quarter 2014 Rural Health Care Support Mechanism Demand Projection for the November 2, 2013 FCC Filing |
| a4. Action on Eight USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports |
| a5. Consideration of 2014 Information Technology Temporary Staffing Plans for Support of Programmatic Information Systems |
| a6. Miscellaneous. Solicit ideas for January 2014 Committee meeting agenda. |

INFORMATION ITEMS

- | |
|---|
| i1. Rural Health Care Support Mechanism Update |
| i2. Miscellaneous |

Next Scheduled Quarterly USAC Rural Health Care Committee Meeting

**Monday, January 27, 2014
11:30 a.m. – 12:30 p.m.
USAC Offices, Washington, D.C.**

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

RURAL HEALTH CARE COMMITTEE MEETING
Monday, October 28, 2013

MINUTES

The quarterly meeting of the Rural Health Care Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, October 28, 2013. Mr. Wayne Jortner, Committee Chair, called the meeting to order at 11:30 a.m. Eastern Time, with a quorum of seven of the eight Committee members present:

Barash, Scott – Acting Chief Executive Officer	Jimenez, Jose
Brisé, Ron – Vice Chair	Jortner, Wayne – Chair
Brown, Eric	Wein, Olivia
Gillan, Joseph	

Dr. Kathy Wibberly joined the meeting at 11:41 a.m. Eastern Time. She did not participate in the discussion or vote on items a1, a2 and a3.

Other Board of Directors (Board) members and officers of the corporation present:

Belden, Richard – Chief Operating Officer
Capozzi, David – Acting General Counsel and Assistant Secretary
Case, Dave – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Davis, Craig, Vice President, Rural Health Care Division
Feiss, Geoff – Member of the Board
Greiner, Colleen – Vice President and Chief Information Officer – *by telephone*
Mason, Ken – Member of the Board
Noriega, Raquel – Member of the Board
Scott, Wayne – Vice President of Internal Audit

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Beard, Jay	USAC
Betancourt, Laura	USAC
Caruso, Michael	USAC
Costa, Paloma	USAC
Delmar, Teleshia	USAC
Duvall, Rashann	USAC
Ellis, Tess	USAC

<u>NAME</u>	<u>COMPANY</u>
England, Bill	USAC
Gonzalez, Veronica	USAC
Hughes, Jeff	USAC
Iversen, Eric	USAC
Jarvis, Monica	USAC
Lewis, Don	USAC
Mann, Connie	USAC
McCornac, Carolyn	USAC
Nuzzo, Patsy	USAC
Park, Sang	USAC
Permyakov, Andrey	USAC
Rogers, Camelia	USAC
Salvator, Charles	USAC
Schrieber, Johnnay	USAC
Smith, Chris	USAC
Spade, Gina – <i>by telephone</i>	FCC
Stankhus, Paul	CMS
Tesfaye, Tsion	USAC
Theodoropoulos, Nikoletta	USAC
Zhao, Hang	USAC

ACTION ITEMS:

- a1. **Approval of Rural Health Care Committee Meeting Minutes of July 29, 2013.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Committee meeting of July 29, 2013.
- a2. **Approval of 1st Quarter 2014 Rural Health Care Support Mechanism Programmatic Budget and Information on the Estimated 2014 Annual Budget.** Mr. Belden presented this item for discussion.

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 2014 Rural Health Care Support Mechanism programmatic operating budget of \$2.8 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$2.8 million for Rural Health Care Support Mechanism administrative expenses in the required November 1, 2013 filing to the FCC on behalf of the Committee.

- a3. Approval of 1st Quarter 2014 Rural Health Care Support Mechanism Demand Projection for the November 2, 2013 FCC Filing.** Mr. Davis presented this item for discussion.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed at its meeting on October 28, 2013, a summary of the 1st Quarter 2014 Rural Health Care Support Mechanism demand estimate, including administrative costs, hereby directs USAC staff to proceed with the required November 1, 2013 filing to the FCC. USAC staff may make adjustments if the variance is equal to or less than \$1.0 million, or may seek approval from the Rural Health Care Committee Chair to make adjustments if the variance is greater than \$1.0 million, but not more than \$2.0 million.

- a4. Action on Eight USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports.** Mr. Chris Smith, Manager, Internal Audit, presented this item to the Committee.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed the USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports listed in Exhibit I to this issue paper together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such reports final.

- a5. Consideration of 2014 Information Technology Temporary Staffing Plans for Support of Programmatic Information Systems.** Mr. Belden presented this item to the Committee.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to spend up to \$880,000 to acquire temporary IT staff for a period of up to one year and to award competitively bid task orders to IT services firms previously selected via a competitive procurement.

- a4. Miscellaneous. Solicit ideas for the January 2014 Committee Agenda.** Mr. Jortner reminded Committee members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Mr. Jortner, Mr. Barash or Mr. Davis between quarterly meetings.

INFORMATION ITEMS:

i1. Rural Health Care Support Mechanism Update. Mr. Davis presented this item to the Committee, noting that:

- Two HCF forms were deployed in *My Portal* in September: Form 460 (*Eligibility Determination*) and Form 461 (*Request for Services*).
- USAC staff conducted its first HCF training focused on the application and funding process for individual and consortia participants.

i2. Miscellaneous, Training and Service Related Metrics. Mr. Brown complimented the staff on the quality of training. He also reported that some consortia were displeased with the lead time quoted during training. Mr. Brown suggested USAC consider the lead time as it related to the Health Care Connect Fund to assist with the implementation.

On a motion duly made and seconded, the Committee adjourned at 12:04 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary