

OUSF - MODERNIZATION FY 2017-18





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SEMINAR AT A GLANCE

OUSF FOR OKLAHOMA HEALTHCARE PROVIDERS

- OUSF \$ - Funding history, Causes, & Cash Balance
- Why change was needed
- HB2616 – Modernizing OUSF May 2016
- OCC – Emergency Rules June-August 2016
- Implementing the new rules for healthcare
- Timeline & Expectations



OUSF

Oklahoma Healthcare Providers
Oklahoma Universal Service Fund
Statute HB 2616 and New OUSF Chapter 59 Rules



<http://www.kelloggllc.com/ousf.aspx>

- Litigation to Administrative process for OUSF funds for services
- Cites FCC bandwidth guidelines for healthcare providers
- Beneficiary of the service determines appropriate bandwidth (not OCC)
- Predictable Pre-Approval process rather than funding after the fact
- Competitive bidding is based on statute
- PUD can only use “public interest” in cases of fraud

HB2616 – REP. TODD THOMSEN

**OUSF MODERNIZATION
EFFECTIVE 5/9/2016
O.S. Title 17 Sec 139
www.oscn.net**

CHAPTER 59 RULES - OCC

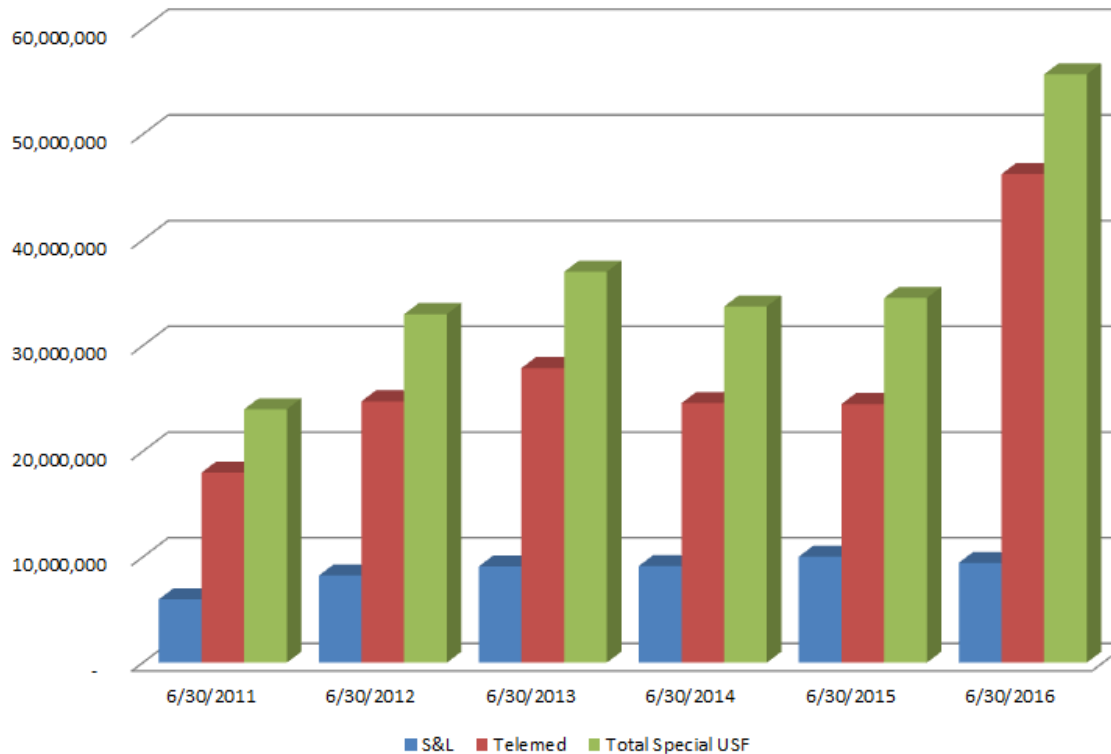
**OKLAHOMA
CORPORATION
COMMISSION**

**CHAPTER 59
EMERGENCY RULES**

APPROVED 6/30/2016

EFFECTIVE August 2016

Special Universal Service - Annual Budget



Source: OCC PUD Contribution Factor - Chris Herbison Testimony
2011-00002, 2012-00005, 2013-00002, 2014-00001, 2014-00341, 2015-00466
<http://imaging.occeweb.com/imaging/OAP.aspx>

OUSF FUNDING

FY	FUNDING REQUIREMENT	CONTRIBUTION FACTOR
2016	63,733,869	2.16% (4.32% recommended)
2015	49,809,803	2.16%
2014	63,662,904	0.64% *
2013	48,052,057	3.14%
2012	52,646,216	3.14%
2011	25,526,161	1.99%
2010	19,308,742	1.94%
2009	13,676,710	0.006%
2008	11,880,481	0.003 %

*Reduced below prior years since fund was carrying a high cash balance. 1999 - 0.456%. Factor stayed relatively stable from then to FY 2009 ranging from a low of 0.400% to a high of 0.600%.

**Oklahoma Corporation Commission
Public Utility Division
OUSF Annual Cash Flow Summary**

Funding Year End June 30	Annual Revenues Received	Annual Fund Disbursements	Annual Fund Balance
Jun-98	14,139,001.56	364,628.93	13,774,372.63
Jun-99	7,621,866.34	1,648,244.44	19,747,994.53
Jun-00	8,714,232.21	3,622,398.79	24,839,827.95
Jun-01	8,200,216.48	10,311,017.34	22,729,027.09
Jun-02	7,028,009.58	7,162,610.16	22,594,426.51
Jun-03	7,341,478.52	8,343,245.42	21,592,659.61
Jun-04	7,245,866.55	8,253,834.30	20,584,691.86
Jun-05	7,431,606.58	7,668,120.00	20,348,178.44
Jun-06	7,492,703.73	11,355,201.33	16,485,680.84
Jun-07	8,002,755.70	10,073,943.75	14,414,492.79
Jun-08	6,475,533.84	12,870,701.83	8,019,324.80
Jun-09	10,265,011.55	15,544,529.70	2,739,806.65
Jun-10	30,635,813.02	23,424,660.46	9,950,959.21
Jun-11	33,435,724.94	28,336,541.35	15,050,142.80
Jun-12	45,865,793.62	30,120,102.34	30,795,834.08
Jun-13	46,378,129.91	32,550,614.48	44,623,349.51
Jun-14	12,840,077.14	45,916,624.07	11,546,802.58
Jun-15	17,542,421.87	23,226,276.30	5,862,948.15
Jun-16	23,024,601.37	17,831,094.01	11,056,455.51

The OUSF shall be funded by a charge paid by all telecommunications carriers as provided for in Section 7 of this act, at a level sufficient to maintain universal service.

17 O.S. § 139.106 C

Contribution Factor Notes

3.14% for Jun-12 and Jun-13

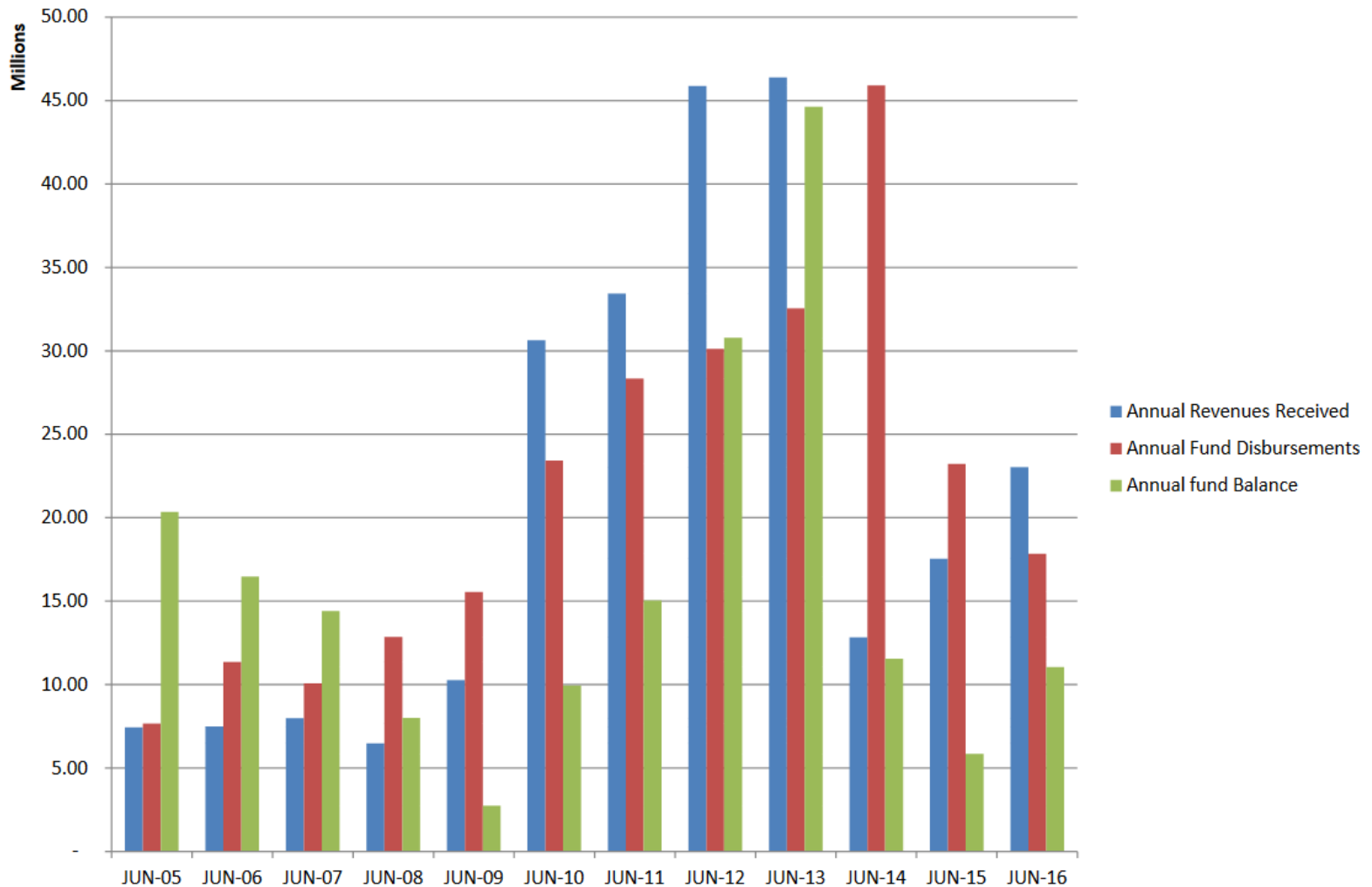
Reduced to 0.64% Jul 13 – Oct 14

Increased to 2.16% Nov 14 to current

Source:

<http://www.occeweb.com/pu/OUSF/OUSFFundingReport7-6-16.pdf> Downloaded 7/26/2016

Oklahoma Corporation Commission Annual Revenue and Disbursement for OUSF



OCC OFFICE OF GENERAL COUNSEL

- **Oklahoma Corporation Commission – Annual Report – FY14**
- The Public Utility Section is currently comprised of six attorneys: a Deputy General Counsel, and five Assistants General Counsel
- During FY14, the Public Utility Section initiated six rulemakings, all of which were approved by the Governor and Legislature in FY14. The rulemakings related to each area of Public Utility Section: Electric, Gas, Telecom, Water, and Purchases of 100kW or Less. **This was one of the most extensive rulemaking seasons for this section in several years.**
- Also during FY14, this section represented PUD IN 315 new causes filed, including 30 Energy and **285 Telecom related applications** and most notably, **a significant increase in OUSF applications - 165 were opened***
- Finally, during FY14 this section represented PUD in closing 254 causes, including 37 Energy and 217 Telecom related matters
- As the number of OUSF applications increase and "novel" issues arise in Telecom, opportunities for this section to represent PUD at contested hearings before Administrative Law Judges and Exceptions hearings before the Commission *en banc* also increase
- *** compared to 49 new cases for OUSF in FY13; 19 new cases for OUSF in FY12**

Oklahoma Corporation Commission
Public Utility Division - Summary Cause Report
January 1, 2016 through January 31, 2016

PUD SUMMARY	TOTAL
Total Active PUD Causes	306
STRATEGIC PLAN TRACKING	TOTAL
Total Paper Data Request for report period:	12
Total Electronic Data Request for report period:	10
Paper Submissions (Telecom) for report period:	2
Paper Submissions (Energy) for report period:	10
Electronic Submissions (Telecom) for report period:	4
Electronic Submissions (Energy) for report period:	4
OUSF SUMMARY	TOTAL
Total Pending OUSF Causes for the report period:	228
Total OUSF within the 90 Day Review Period	91
Total OUSF Pending with ALJ	39
Total OUSF Pending with Commissioners	41
Total OUSF awaiting Order prepared from GCPUD	8
Total OUSF awaiting amended determination from PUD	24
Final Orders issued in current period	18
Total OUSF Lump Sum Requested (accumulative for report period):	\$ 23,490,638.40
Total OUSF Lump Sum Recommended (accumulative for report period):	\$ 1,278,810.11
Total Requested Monthly Recurring (accumulative for report period):	\$ 13,599,363.02
Total Recommended Monthly Recurring (accumulative for this period):	\$ 889,416.14
Total OUSF Payments 2015 to date	\$ 1,484,586.11

5%
Recommended
lump sum;

7 %
recommended
monthly

5%

7%

Oklahoma Corporation Commission
Public Utility Division - Summary Cause Report
June 1, 2016 through June 30, 2016

PUD SUMMARY	TOTAL
Total Active PUD Causes	396
STRATEGIC PLAN TRACKING	TOTAL
Total Paper Transactions for report period	10
Total Electronic Transactions for report period	256
OUSF SUMMARY	TOTAL
Total Pending OUSF Causes for the end of the report period	238
Total OUSF within the 90 Day Review Period	53
Total OUSF Pending with ALJ	84
Total OUSF Pending with Commissioners	17
Total OUSF awaiting Order prepared from GCPUD	8
Total OUSF awaiting amended determination from PUD	23
Final Orders issued in current period	35
Total OUSF Lump Sum Requested (accumulative for report period)	\$22,673,118.29
Total OUSF Lump Sum Determined (accumulative for report period)	\$12,276,207.80
Total Requested Monthly Recurring (accumulative for report period)	\$ 1,171,975.89
Total Determined Monthly Recurring (accumulative for this period)	\$ 714,087.48
Total OUSF Payments 2016 to date	\$ 9,076,327.50

**Avg Days
Since filed
375.50**

**54.14%
Recommended
lump sum;
60.93 %
recommended
monthly**

Total if all requests approved (one year)	\$36,736,828.97
Total revenues for 2015-16	23,024,601.37
Deficit - 1 year	(13,712,227.60)

OUSF CHANGES

OUSF Memorandum – July 1, 2014

- OUSF will evaluate telemedicine equipment, services and use National Broadband Standards for healthcare to determine eligible bandwidth funding levels.
- Bids required – PUD Analyst determines reasonableness
- OUSF Beneficiaries are required to provide a detailed explanation of their decision if the PUD Analyst determined they did not choose the lowest reasonable cost bid.
- Reduce or deny OUSF support based on PUD Analyst's opinion

OUSF Statute – May 9, 2016

- The OUSF will fund either the lowest cost reasonable qualifying bid, or a bid that is no more than 25% above the lowest cost reasonable qualifying bid, for the same bandwidth selected by the OUSF Beneficiary.
- Reasonableness is no longer determined by the PUD Analyst. The lowest reasonable qualifying bid is clearly defined in the statute, HB 2616.
- OUSF Beneficiaries will no longer have to provide a detailed explanation of their decision.

OUSF NEW RULES

New Form Timeline

- **OUSF new rules approved by Commissioners *en banc* June 30, 2016.**
- **Sent to Governor's office for review and approval July 8, 2016.**
- **Approximately 45 days for approval (8/22/2016.)**
- **Per OCC - continue to use the existing forms until the revised ones are published.**

OUSF NEW RULES

Telemedicine Recertification

- **Telemedicine recertification is no longer required as part of Commission rules effective August 2016.**

LOWEST COST REASONABLE QUALIFYING BID

- ✓ Represents the lowest total cost proposal including monthly recurring and nonrecurring charges for eligible services.
- ✓ Is reasonable to meet the needs of the OUSF Beneficiary as listed in the request for bids.
- ✓ Is submitted during the same competitive bidding period as the awarded bid.
- ✓ Is for a bandwidth within the range requested for bid and selected by the OUSF Beneficiary.
- ✓ Is for the same contract term as the bid that was selected by the OUSF Beneficiary.
- ✓ Meets the requirements specified in the request for bid by the OUSF Beneficiary
- ✓ Was the result of a fair and open competitive bidding process as defined in statute.

COMPETITIVE BIDDING

- The following are requirements for request for bids per Statute and Commission rules:
 - The bidder must be an eligible provider as defined in statute (CCN or OneNet)
 - Bidding should not be structured in a manner to exclude carriers eligible to receive OUSF funding where the OUSF Beneficiary is located.
 - The bid request must require ineligible services be priced separately from OUSF eligible services.
 - The bid request shall not require that the Internet and WAN be provided by the same eligible provider.
 - The bid request shall clearly identify the bandwidth range requested by the OUSF Beneficiary
 - Bids must contain all costs to provide the Special Universal Service. Any bid containing estimated costs, other than fees and taxes to be paid to a third party, will be disregarded as not meeting bid requirements.
 - Bids that do not conform to requirements for public entities may be disregarded.

CHARGES COVERED

Schools & Libraries

- Schools and Libraries
 - Services included on the E-rate Eligible Services List for Category One services.
 - Schools - Provision of bandwidth sufficient for providing educational services not to exceed the standards established by the State Educational Technology Directors (SETDA).
 - Libraries - provision of bandwidth is per FCC standard

Telemedicine

- Provision of bandwidth per standards as recommended by the Federal Communications Commission (FCC) sufficient for providing telemedicine services including the telemedicine line, reasonable installation, and network termination equipment owned and operated by the eligible provider that is necessary to provide telemedicine service.

TELEMEDICINE BANDWIDTH STANDARDS

- **Department of Corrections** –up to 100 Mbps
- **Federally Qualified Health Centers**
 - Urban Locations up to 500 Mbps
 - Rural Locations up to 100 Mbps
- **County Health Departments/City-County Health Departments**
 - Urban Locations up to 500 Mbps
 - Rural Locations up to 100 Mbps

TELEMEDICINE BANDWIDTH STANDARDS

- **Not for Profit Mental Health and Substance Abuse Facilities** (certified facilities pursuant to OAC 450, Chapters 17 and 24) that are not staffed 24-hours each day – up to 100 Mbps
- **Eligible healthcare entities that are staffed 24-hours each day**, including academic facilities, large medical center, hospitals, and mental health and substance abuse facilities (certified facilities pursuant to OAC 450 Chapter 23)
 - 1 to 50 beds – up to 500 Mbps
 - 51 to 100 beds – up to 1 Gbps
 - 101 to 200 beds – up to 3 Gbps
 - 201 or greater beds – up to 10 Gbps

TELEMEDICINE BANDWIDTH STANDARDS

- Requests can be made for additional bandwidth funding above the approved levels by providing additional information such as :
 - Number of healthcare providers and staff at the HCP
 - Number of beds at the HCP
 - Services provided at the HCP
 - Support for other telemedicine facilities that require broadband access with consideration for any payments received by the supporting facility;
 - Prior bandwidth usage, not including public network usage

CHARGES COVERED

- The OUSF will fund reasonable installation and network termination equipment owned and operated by the eligible provider that is necessary to provide the eligible telemedicine service.
- Funding for eligible services, including federal funding, shall not exceed actual eligible expenses.

CHARGES NOT COVERED

- Redundant Services
- The OUSF will not fund more than one provider for the same service at the same location for the same time period, except during a transition period not to exceed 30 days.
- The OUSF will not reimburse an Internet subscriber fee or charges incurred as a result of services accessed via the Internet.
- Voice services that use separate lines or have allocated bandwidth.
- Surcharges and fees

POP QUIZ!



REQUESTING FUNDING

Pre Approval & Service Provider funding requests
Healthcare



OUSF FUNDING TELEMEDICINE 2017-18



HOW TO GET OUSF FUNDING

OUSF BENEFICIARY — PRE APPROVAL

- Pre approval is a new process available to OUSF Beneficiaries who desire to have certainty regarding the amount that will be paid from the OUSF.
- The OUSF Beneficiary can submit an OUSF preapproval request at any time. **Best practice:** submit as soon as FCC filings are complete PRIOR to the beginning of the funding year. (Example May 2017 for funding year beginning July 2017)
- The OUSF Administrator will review the documentation submitted with the request and issue a preapproval funding letter to the OUSF Beneficiary and eligible provider within 90 days of a properly completed preapproval request.
- An OUSF pre approval funding letter will be issued without a Commission order.

HOW TO GET OUSF FUNDING

- **Requesting Funding (Provider initiated) July - June**
 - An eligible provider may seek and obtain funds from the OUSF by filing a “Request for OUSF Funding” with the Commission Court Clerk’s Office.
 - The OUSF Administrator will review and determine the accuracy of the complete request and issue a Determination of funding within 60 days if a preapproval funding letter was issued or within 90 days if no preapproval funding letter was issued.
 - Any affected party may file a request for reconsideration of the determined funding within 15 days of the Determination being filed.
 - A Determination of funding will be issued without a Commission order.

Changes in service or price after a pre approval funding letter has been issued will require an updated Affidavit.

AFFIDAVITS

Pre Approval & Service Provider funding requests
Healthcare



KSLLC'S ROLE

- OUSF Document & Compliance Services includes preparation and submission of:
 - Pre-Approval Request – submitted to the Commission
 - Request for Funding – submitted to your provider
 - Request for Change in Funding – submitted to your provider
 - Data Requests

OUSF AFFIDAVIT SECTIONS

- Section 1: Healthcare Provider Information
- Section 2: Eligibility
- Section 3: Paid Consultants
- Section 4: Previous Provider Information
- Section 5: Current Provider and Service Information
- Section 6: RFP, Bid and Contract Information
- Section 7: Alternative Funding Sources
- Section 8: Required Attachments
- Section 9: Certificate of Understanding and Authorization
- Section 10: Attestation

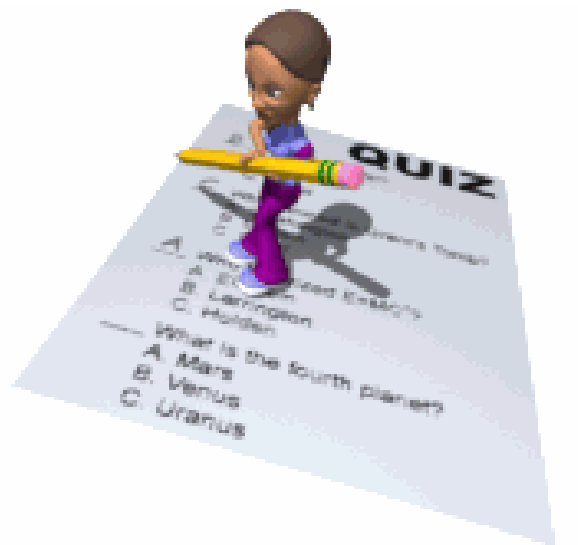
OUSF AFFIDAVIT INFORMATION

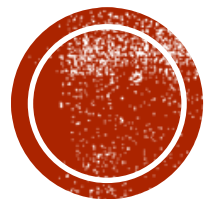
- Do not alter the document except to provide responses in the spaces provided. Changes to the Affidavit, besides filling in the spaces, make the Preapproval, Request for Funding, or Request for Change in Funding incomplete.
- Each Oklahoma healthcare provider receiving OUSF funding is to complete this form.
- If Internet and data circuits are not part of a combined service, then the Commission requires separate Affidavits.
- Since Sections 9 and 10 include items that require initials, signatures, and/or notarization, pages containing Sections 8 and 9 should be scanned and emailed.

REQUIRED ATTACHMENTS

Attachment #	Description (see details below)	Question #	Attachment required for:		
			Preapproval	Funding Request	Request for Change in Funding
1	License / Certification	2.1	X	X	
2	Verification of not-for-profit status	2.1	X	X	
3	Disconnect information - for a Request for Change in Funding, this is the date switched to different bandwidth	4.2		X	X
4	Federal alternative funding program documents	7 - 2, 3, and 4	X	X	X
5	Verification of ineligibility for federal funding	7.6	X	X	X
6	RFP	6.3	X	X	X
7	Bids (including bids not considered)	6.6	X	X	X
	Bid evaluation documents	6.9	X	X	X
8	Contract(s)	6.17	if available	X	X
9	Invoices	n/a	if available	X	X
10	OUSF preapproval funding letter or other documentation indicating approval by the Administrator	n/a	if letter issued	if letter issued	

POP QUIZ!





QUESTIONS?

WE APPRECIATE YOUR FEEDBACK!!



Workshop Evaluation: Your opinion matters *greatly*. Tell us how well we met your OUSF education needs today:

<https://www.surveymonkey.com/r/OUSF2016>



**Contact Your E-Rate
Professionals,
Kellogg & Sovereign®
Consulting, LLC,
for further questions or
assistance.**