

Rural Health Care Division of USAC

Procedures for Telecommunications Carriers

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1. Overview

One of the missions of the Rural Health Care Division of USAC (RHCD) is to provide reduced rates to rural health care providers (HCPs) for telecommunications services. The purpose of the RHCD Invoicing Procedures for Telecommunications Carriers is to establish standard invoicing policies and procedures for telecommunications carriers. It is recommended that telecommunications carriers read this document prior to providing support to HCPs.

2. Key Points of Contact

RHCD is committed to providing superior customer service to telecommunications carriers and HCPs. The following contacts are available to answer questions and provide customer service to telecommunications carriers.

Organization / Hours	Phone #	Items covered
RHCD Customer Service Support Center (CSSC) Hours: Monday to Friday, 8 am to 8 pm EST	800-229-5476 rhc-admin@ universalservice.org	<ul style="list-style-type: none">• General questions related to the RHC program• Form 468 questions• Telecommunications carrier eligibility• RHCD application process and forms• Form 465 Posting• Funding Commitment Letters• HCP Support Schedules• Invoice formatting• Establishing central point of contact for invoicing• Invoicing line item denials• Questions related to invoicing procedures• Invoicing reports and status of credits
USAC Client Service Bureau 8 am to 5 pm EST	888-641-8722	<ul style="list-style-type: none">• USF account balances, credits, and payments• SPINs

3. Glossary of Terms

Approved Support File: report and file sent to Universal Service Administrative Company (USAC) by RHCD. It includes the total support amount credited to HCPs for the month by each telecommunications carrier. USAC uses the file to determine the credit amount to each telecommunications carrier's Universal Service Fund (USF) account.

Approved Support File Reconciliation: report sent to RHCD by USAC indicating that the Approved Support File amounts have been credited to each telecommunications carrier's USF account.

Billed Entity: entity that receives the bill and pays for the supported service. The billed entity may be different from the health care provider location being supported.

Billing Account Number, formerly Billing Telephone Number: telephone number or customer account code associated with the service supported by RHCD. Each Billing Account Number is attached to a customer (billed entity).

E-Certification (E-Cert): process that allows applicants to certify and submit forms online, removing the need for a paper form with an original signature.

Form 465: form completed by HCPs to request services and establish eligibility. After the form is processed by RHCD, it is posted on the RHCD web site.

Form 466: form completed by HCPs identifying the service and telecommunications carrier. For Funding Year 2002 (July 1, 2002 – June 30, 2003) HCPs send this form along with Form 468 and their contract or tariff documentation to RHCD after they have selected a telecommunications carrier. Beginning in Funding Year 2003, this form will be used without Form 468.

Form 467: form completed by HCPs after the service starts. It allows the HCP to identify the actual service start and actual end of service dates for the supported service. The form is sent to the HCP mailing contact with the Funding Commitment Letter. Form 467 must be completed prior to an HCP receiving support.

Form 468: form completed by telecommunications carriers and sent to the HCP. Form 468 identifies the telecommunications service and support amount. If Block 6 of the 468 is completed, documentation of the urban rate must also be provided. This form was used through Funding Year 2002 (July 1, 2002 – June 30, 2003) and was eliminated for Funding Year 2003 (July 1, 2003 – June 30, 2004).

Funding Commitment Letter: letter sent to HCPs (copy to telecommunications carrier) after RHCD approves an HCP packet (Form 466 and 468). The letter notifies the HCP the service will be supported contingent upon the completion of Form 467. The letter also estimates the support amount for the funding year based on the number of months the service is expected to be in place. Once an HCP receives the Funding Commitment Letter, Form 467 must be completed and returned to RHCD before support begins.

Funding Request Number (FRN), formerly Work Order Number: number assigned by RHCD for unique combination of HCP, telecommunications carrier, and service. Number is listed on the Funding Commitment Letter and HCP Support Schedule.

Funding Year: 1998, the first funding year for the RHCD program, started on January 1, 1998 and ended June 30, 1999 (18 months). The 1999 funding year started July 1, 1999 and ended June 30, 2000. The third funding year (2000) dates are July 1, 2000 through June 30, 2001.

Health Care Provider (HCP): organization seeking support for telecommunications services under the RHCD program.

Invoice: The Telecommunications Carrier Invoice which the service provider sends after the carrier provides support to the HCP. Invoices must follow formatting and content guidelines provided in this document.

Invoice Status Report: report generated by RHCD and sent to telecommunications carriers after the Telecommunications Carrier Invoice is processed. Indicates whether each invoice line item was approved or denied.

HCP Support Schedule: schedule of support amount by month for the funding year provided by RHCD to telecommunications carriers and HCPs after Form 467 is approved. Once a telecommunications carrier receives the HCP Support Schedule, the carrier begins providing support to the HCP.

Monthly Recurring Support (MRS): monthly support for telecommunications service under the RHCD program.

Non-Recurring Support (NRS): onetime support for installation of telecommunications service under the RHCD program.

Rural Health Care Division (RHCD): organization established to administer the Universal Service program for rural health care providers. Formerly known as the Rural Health Care Corporation (RHCC). On January 1, 1999, RHCC and the School and Libraries Corporation (SLC) were combined with USAC. RHCD is officially referred to as the Rural Health Care Division of USAC. RHCD will be used in this document to refer to the Rural Health Care Division of USAC.

Service Provider: telecommunications carrier providing the supported service.

Service Provider Identification Number (SPIN): unique number assigned to each telecommunications carrier by USAC. USAC is responsible for collecting and distributing universal service support in connection with the administration of the various universal service support mechanisms, including the RHCD program.

Support Months: number of months the service is supported during the funding year. Support during the first and last month is calculated by prorating the amount of support based on the number of days the service was in place during the month (e.g. 5 days of service in a month with

31 days will be equal to 5/31 or 0.16 months). Service months are rounded to two decimal places.

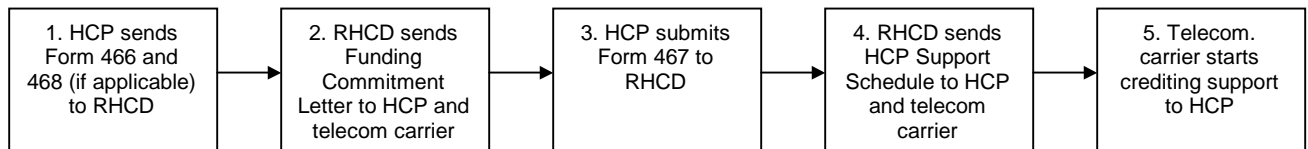
Telecommunications Carrier: carrier providing service. Also referred to as service provider.

Universal Service Administrative Company (USAC): organization that manages the Universal Service Fund. USAC collects payments from telecommunications carriers for the Universal Service Fund and creates SPINs for telecommunications carriers.

Universal Service Fund (USF): fund established by the Federal Communications Commission (FCC) and managed by USAC to provide affordable telecommunications services to rural health care providers, schools and libraries, low incomes consumers, and support to telephone companies that serve high cost areas.

4. Service Provider Process at a Glance

4.1. Pre-Invoicing Process



Step 1. HCP sends Form 466 and 468 (if applicable) to RHCD. For Funding Year 2002 (July 1, 2002 – June 30, 2003) the telecommunications carrier completes Form 468 and sends it, and urban rate documentation if necessary, to the HCP. The HCP completes Form 466 and mails it with Form 468 and supporting documentation to RHCD. In Funding Year 2003, the carrier sends the necessary urban rate documentation to the HCP and assists them in completing Form 466; Form 468 has been eliminated from the process.

Step 2. RHCD sends Funding Commitment Letter to the HCP and Service Provider. After processing the forms, RHCD mails the Funding Commitment Letter to the HCP and telecommunications carrier. The Funding Commitment Letter lists the estimated support amount for the funding year. A copy of Form 467 will be included with the letter to the HCP mailing contact. The letter is sent to the HCP contact and HCP location if the addresses are different.

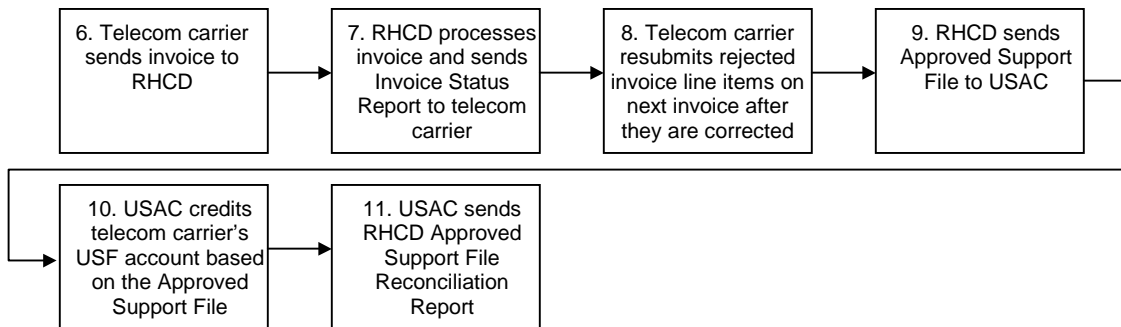
Step 3. HCP submits Form 467 to RHCD. After the telecommunications carrier installs the service, the HCP contact completes Form 467 and sends it to RHCD. If the service is already in place, the HCP contact completes Form 467 and sends it to RHCD immediately. The purpose of the Form 467 is to provide RHCD with the Actual Service Start date and Actual Service End date.

Step 4. RHCD sends the HCP Support Schedule to the HCP and telecommunications carrier. RHCD processes Form 467 and generates the HCP Support Schedule. RHCD mails a Support Schedule Letter and an HCP Support Schedule to the HCP and the telecommunications carrier.

Step 5. Telecommunications carrier begins crediting support to the HCP.

Telecommunications carrier begins crediting the HCP each month based on the HCP Support Schedule.

4.2. Invoicing Process



Step 6. Telecommunications carrier sends Telecommunications Carrier Invoice to the RHCD. Telecommunications carrier mails an invoice to RHCD. Invoices received from the 1st through the 15th of the month are processed by RHCD by the 20th of the month. Invoices received from the 16th through the 31st of the month are processed by RHCD by the 5th of the following month. The telecommunications carrier must credit the HCP's Billing Account Number prior to invoicing RHCD.

Step 7. RHCD processes Invoice and sends an Invoice Status Report to the telecommunications carrier. RHCD processes the invoice by comparing support amounts to the HCP Support Schedule. If there is a match, RHCD approves the invoice line item. RHCD produces the Invoice Status Report and mails a copy to the telecommunications carrier.

Step 8. Telecommunications carrier resubmits rejected invoice line items on next invoice after they are corrected. If an invoice line item is rejected as shown on the Invoice Status Report, the telecommunications carrier must resubmit the invoice line item on a subsequent invoice after it is corrected.

Step 9. RHCD sends Approved Support File to USAC. Twice per month (on the 5th and the 20th of each month) RHCD sends the Approved Support File to USAC including all approved support amounts by telecommunications carrier.

Step 10. USAC credits telecommunications carrier's USF account. USAC credits each telecommunications carrier's USF account based on the Approved Support File.

Step 11. USAC sends RHCD the Approved Support File Reconciliation Report. The report identifies line items from the Approved Support File line that were rejected by USAC. If a line item from the Approved Support File is rejected, RHCD will work with USAC to resolve the problem to ensure each telecommunications carrier's USF account is properly credited.

5. Funding Commitment Letter

When RHCD has approved Form 466, RHCD will send the HCP and telecommunications carrier a Funding Commitment Letter. The Funding Commitment Letter indicates that the HCP is eligible for the support specified in the letter contingent upon submitting Form 467.

5.1 Funding Commitment Letter Contents

The Funding Commitment Letter includes the following information:

- HCP Number - unique 5 digit code assigned to each HCP location
- HCP Contact Name – person designated as the HCP location contact
- HCP Name and Address – name and address of HCP location supported
- Telecommunications Carrier's SPIN
- Telecommunications Carrier Name
- Funding Year
- Telecommunications Service and Quantity
- Type of Service Agreement (contract or tariff)
- Eligible Support Start Date (first date HCP can receive support based on 466/468)
- Support End Date
- Estimated Months of Support
- Non-Recurring Support Amount
- Monthly Recurring Support
- Estimated Total Support Amount
- Funding Request Number

If the HCP applied as part of a consortium, and the consortium headquarters is located at a different address from the HCP location, the Funding Commitment Letter will be sent to the HCP location address and consortium headquarters address.

5.2 What To Do When You Receive the Funding Commitment Letter

Telecommunications carriers should validate the SPIN on the Funding Commitment Letter for each HCP. This ensures that future support provided by telecommunications carriers is credited to the correct SPIN. If the SPIN is incorrect, please contact RHCD CSSC at 800-229-5476.

Telecommunications carriers **do not** start providing support to HCP after they receive the Funding Commitment Letter. HCP support can only be provided after the telecommunications carrier receives the HCP Support Schedule.

6. HCP Support Schedule

After receiving Form 467 from the HCP, RHCD generates the HCP Support Schedule. The HCP Support Schedule is sent to the HCP contact and telecommunications carrier. The purpose of the HCP Support Schedule is to provide a detailed report of the approved service and support information for each HCP and telecommunications carrier.

6.1 HCP Support Schedule Contents

The HCP Support Schedule includes the following information:

- Funding Year: 2002, 2003, etc.
- HCP Number: unique five digit number assigned to each HCP
- Funding Request Number: a unique four-digit code assigned by RHCD for each HCP, telecommunication carrier, and service combination.
- Billing Account Number: account code for HCP credited with USF support
- HCP Name: name of HCP being supported
- HCP Address: address of the HCP being supported
- HCP Mailing Organization and Address
- SPIN: Service Provider Identification Number – unique number used to identify the telecommunications carrier
- Telco: name of telecommunications carrier providing service
- Service: telecommunications service
- Support Start Date: first day service is eligible for support during the funding year
- Support End Date: last day service is eligible for support during the funding year
- Support Date: month and year for support amount
- Support Amount: support for the month (\$)
- Total: total support for the funding year (\$)

The telecommunications carrier uses the HCP Support Schedule to determine how much credit the HCP will receive each month. The support is credited to the Billing Account Number shown on the HCP Support Schedule. The following page contains a sample HCP Support Schedule.

6.2 What To Do When You Receive an HCP Support Schedule

The schedule will be sent to the HCP and telecommunications carrier after Form 467 is processed by RHCD. Once the telecommunications carrier receives the schedule, ***the carrier must start providing support to the HCP during the next possible billing cycle based on the schedule*** (See “Providing USF Support” for more information concerning providing support). Since the FCC has allowed credit to be provided to third parties, the Billing Account Number may be from an account other than the HCP location. The entity that receives the bill and pays for the service is defined as the “billed entity”.

RHCD requests that telecommunications carriers check the SPIN on the schedule to make sure it is correct. This will ensure USF funds flow to the correct telecommunications carrier account.

RHCD also requests that telecommunications carriers check the service was actually working and being billed for the time period on the HCP Support Schedule and the Billing Account Number listed on the schedule to make sure it is the same Billing Account Number attached to the service and HCP location or HCP mailing organization and address. This ensures USF support is credited to the entity paying for the service. If you are unsure whether the Billing Account Number is correct or you think there may be fraud, please contact RHCD immediately.

If you find an error on the schedule or have questions please call RHCD CSSC at 800-229-5476 and do not start providing support. Additional information on providing credit is included in the next section of this document.

HCP Support Schedule

Funding Year: 2002
Funding Request #: 0001
3233

HCP #: 10000
Billing Account #: 233-233-

HCP Name: Rural Hospital
HCP Address: 123 Elm St.
Springfield, ND 00000

Support Start Date: 7/15/02
Support End Date: 6/30/03
Non-Recurring Support \$110.34
Monthly Recurring Support: \$345.44

HCP Mailing Organization and Address:

Springfield Regional Hospital
342 Maple Road
Springfield, ND 00000

Service: T1-1.544 Mbps
SPIN: 143001234
Telco: Eastern Telecommunications,
Inc.

Note: first and last months support was prorated for monthly recurring support based on the number of days the service was in place (Support Start and End Date). Non-recurring support was applied to the first month's support.

Support Date	Support Amount
7/2002	\$300.33
8/2002	\$345.44
9/2002	\$345.44
10/2002	\$345.44
11/2002	\$345.44
12/2002	\$345.44
1/2003	\$345.44
2/2003	\$345.44
3/2003	\$345.44
4/2003	\$345.44
5/2003	\$345.44
6/2003	\$345.44
Total	\$4,100.17

7. Providing USF Support To HCPs

Once the telecommunications carrier receives the HCP Support Schedule, the carrier must start providing credit to the HCP during the next possible billing cycle. The following sections describe guidelines for providing support.

Providing Support

Telecommunications carriers may provide credit one of two ways:

- Send a check to the billed entity based on the Billing Account Number from the HCP Support Schedule
- Provide a credit on the bill of the billed entity based on the Billing Account Number from the HCP Support Schedule

7.1 How to Provide Support to an HCP

The USF support is essentially a credit provided to the billed entity after taxes. It is recommended that the credit be provided at the bottom of the bill and read "USF Support". The support amount on the bill must be subtracted after taxes and other miscellaneous charges are applied.

7.2 How to Provide Multiple Credits on a Single Bill

If multiple credits are provided on a single bill (more than one HCP location credit to same Billing Account Number), it is recommended that the individual credit amounts for each service are broken out for each HCP location and Funding Request Number.

For example, a telecommunications carrier receives three HCP Support Schedules for three separate HCP locations. Each HCP is a member of a consortium and they all have the same Billing Account Number. Support for each HCP is \$100 per month. It is recommended that telecommunications carrier show three line items at the bottom of the bill with the Funding Request Number as shown below:

USF Support – 3001 = \$100.00

USF Support – 3020 = \$100.00

USF Support – 3034 = \$100.00

Telecommunications carriers must invoice RHCD for each HCP and Funding Request Number separately based on the HCP Support Schedule.

7.3 How to Determine the First Month's Credit

The credit amount should equal the support amount on the HCP Support Schedule for the Billing Account Number, except when the first month's credit is provided. The first month's credit should equal the support amount for the current month plus all previous months on the schedule (retroactive support).

The example below describes how the first month's support is calculated.

- Schedule indicates that an HCP should receive \$100 per month for 12 months between July 2002 and June 2003
- Telecommunications carrier receives the schedule in February 2003
- March 2003 bill to billed entity should include support for July 2002 to March 2003, or nine months of support = \$900 credit

The telecommunications carrier may wish to include a statement next to the first month's credit indicating that the support is for several months (USF Support – July 2002 to March 2003 = \$900).

Invoicing

8. Telecommunications Carrier Invoice

The telecommunications carrier submits invoices to RHCD for the support amounts credited to the billed entity for each HCP location. The sections below describe where and when to send invoices, the invoicing cycle, invoice formatting, and invoicing for multiple months of support.

Please use the invoice template provided (link to InvoiceTemplate.xls), which includes several built-in checks to ensure accuracy.

8.1 Where and When to Send Invoices

Telecommunications carriers will mail RHCD a copy of the Telecommunications Carrier Invoice to the following address:

RHCD
80 South Jefferson Road
Whippany, NJ 07981

It is recommended that telecommunications carriers send invoices to RHCD on a monthly basis.

8.2 Bi-Monthly Invoicing Cycle

Invoices received from the 1st through the 15th of the month will be processed by the 20th of the month and invoices received from the 16th through the 31st of the month will be processed by the 5th of the following month. For example, if an invoice is received on Friday, January 29 it will be processed during the first five days of February. If an invoice is received on Monday, February 1, it will be processed by February 20th. The date received by RHCD will be used to determine when an invoice will be processed, not the date mailed by the telecommunications carrier.

8.3 Invoice Format

RHCD has designed an invoice format to be used by all telecommunications carriers. The invoice consists of a header and individual invoice line items for each HCP location credited. Figure 8.1 includes a copy of a sample invoice. A copy of a sample invoice is available on the RHCD web site. The file is an MSExcel version 5.0 file and can be downloaded from the web site. It is recommended that telecommunications carriers use this invoice to ensure they meet the invoicing format requirements.

Sample Telecommunications Carrier Invoice

RHCD TELECOMMUNICATIONS CARRIER INVOICE								
Telecom Carrier Name: <u>Western Telecommunications Coop.</u> SPIN: <u>143999999</u> Telecom Carrier Invoice Number: <u>EX98-001</u> Invoice Date to RHCD (mm/dd/yy): <u>04/24/03</u> Total Invoice Amount: <u>\$12,068.68</u>				FOR RHCD USE ONLY				
				Header Verification _____ RHCD Processed Date _____ _____ Number of Records _____ _____ Number of Records Approved _____ _____ RHCD Approved Total Amount _____				
#	Funding Year	HCP No.	Funding Request Number	Billing Account Number	Multiple Months (Y or N)	Support Date (mmyyyy)	Support Amount to be Paid by USAC	Code
1	2002	10012	3014	(302)324-5366	N	032003	\$132.88	
2	2002	10347	3056	(437)477-2766	Y	032003	\$3,681.33	
3	2002	10433	3060	(302)455-6535	N	032003	\$5,465.23	
4	2002	10005	3103	(645)344-4373	N	032003	\$433.59	
5	2002	11343	3123	(435)564-5433	Y	032003	\$2,355.65	
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

I certify that the information contained in this invoice is correct and that the health care providers and BANs listed above have been credited with the amount shown under "Support Amount to be Paid by USAC".

Signature: _____ Date: _____

Print Name: _____ Phone Number: _____

Before submitting your invoice, please make sure these are correct:

- **Funding Year:** Make sure the funding year matches the funding year identified in the HCP Support Schedule (HSS).
- **HCP Number and Funding Request Number:** These items come directly from the HCP Support Schedule.
- **BAN:** The Billing Account Number (BAN) must match the HCP Support Schedule exactly. If the BAN does not match RHCD must deny the invoice line item.
- **Multiple Months:** If you issue a single credit for the entire funding year and wish to create a single invoice line item, enter "Y". If you are invoicing for a single month from the HSS enter "N".
- **Support Date:** When invoicing for multiple months (e.g., single credit for the entire 2000 Funding Year), the Support Date must equal the most recent month on the HSS. The format must be "mmyyyy" (example:062001).
- **Support Amount To Be Paid By USAC:** Enter the amount you credited the HCP. This amount must equal the amount from the HSS.

The table below includes a description of each invoice field and its contents:

Field Name	Contents	Allowed	Not Allowed
Invoice Header			
Telecom Carrier Name	Telecommunications carrier name	Name as it appears on the Telco Carrier list, Funding Commitment Letter, and HCP Support Schedule.	Parent company name, abbreviated name, name that does not match SPIN.
SPIN	Telecommunications Carrier Identification Number – 9 digit numerical code assigned to each telecommunications carrier	Must match SPIN on Support Schedule; if the schedule is incorrect – it must be corrected	SPIN other than one on schedule.
Service Provider Invoice Number	Unique alphanumeric code created by telecommunications carrier and assigned to each invoice	No more than 25 characters long.	Invoice number more than 25 characters long. The same invoice number on two invoices.
Invoice Date to RHCD	Date invoice was created by telecommunications carrier. Formatting = mm/dd/yy	Must follow formatting requirements.	Other formats for date.
Total Invoice Amount	Total support amount for all invoice line items. Formatting = \$XX,XXX.XX	Exact total for all invoice line items, calculated by Excel spreadsheet.	Amount other than total for all invoice line items.
Invoice Line Items			
Funding Year	Funding year associated with support amount. Formatting = yyyy	Format yyyy 2001, 2002, 2003, etc.	Other formats than yyyy.
HCP No.	Health care provider number; 5 digit numeric code for HCP from the schedule	HCP number from the schedule.	Any other number not on the schedule.
Funding Request Number	The Funding Request Number listed on the schedule.	Funding Request Number from the schedule.	Any other number not on the schedule.

Field Name	Contents	Allowed	Not Allowed
Billing Account Number	Billing Account Number credited for HCP based on the HCP schedule, same formatting. No extra spaces or characters. If the Billing Account Number on the schedule is wrong – call RHCD to correct.	Billing Account Number credited by telecommunications carrier. Based on schedule. Must be an exact match with schedule.	Any other Billing Account Number not on schedule. Extra spaces or characters not allowed.
Multiple Months	“Y” if multiple months of support is included for support amount. “N” if a single month of support is included for support amount.	Y or N.	Any other character than Y or N.
Support Date	Support month from schedule for which support was provided. Formatting = mmyyyy	Month from the support schedule for which support was provided. Must match formatting “mmyyyy”.	Other formats for date; date that does not match the schedule and support amount.
Support Amount to be Paid by USAC	Support amount credited to the billed entity for the Support Date (month and year) <u>or</u> support amount for retroactive support up to Support Date (see example below). Formatting = \$XX,XXX.XX	Support amount for month specified in Support Date field <u>or</u> support amount for retroactive support up to Support Date.	Amount other than that specified.

Additional requirements for invoice formatting:

- A separate invoice line item must be used for each HCP number, Funding Request Number, and Billing Account Number
- Telecommunications carriers must post a credit to the HCP account (Billing Account Number) **before** they invoice RHCD
- Telecommunications carriers must follow the HCP Support Schedule or the invoice line item will be rejected
- If telecommunications carriers think the HCP Support Schedule is incorrect, call RHCD as opposed to crediting the HCP and invoicing RHCD for an amount not on the HCP schedule
- Invoice fields must be exact or they will be rejected; for example, the HCP number and Billing Account Number must match the schedule exactly.
- Use the RHCD sample invoice (MSExcel) posted on the RHCD web site.

RHCD requires telecommunications carriers to sign the invoice and certify that the information in the invoice is correct and that the HCP and Billing Account Number have been credited the amount shown under “Support Amount to be Paid by USAC”.

8.4 Invoicing for Multiple Months of Support

When a telecommunications carrier provides multiple months of support on a bill, the telecommunications carrier may invoice RHCD in one of two ways. The telecommunications carrier may include one line item for each month of retroactive support **or** they may total the support for retroactive months and invoice RHCD for the cumulative amount.

For example, the schedule for HCP # 10000 indicates \$100 of support per month between November 2002 and June 2003. The HCP receives the schedule in January and provides the first HCP credit to the billed entity in February. The credit for the February bill is equal to \$400 (\$100 per month for 4 months). The telecommunications carrier may invoice RHCD in one of two ways:

#1: Multiple line items on invoice with Multiple Months = N:

	Funding Year	HCP No.	Funding Request Number	Billing Account Number	Multiple Months (Y or N)	Support Date (mmyyyy)	Support Amount to be Paid by USAC
1	2002	10000	3014	703-555-1111	N	112002	\$100.00
2	2002	10000	3014	703-555-1111	N	122002	\$100.00
3	2002	10000	3014	703-555-1111	N	012003	\$100.00
4	2002	10000	3014	703-555-1111	N	022003	\$100.00

#2: Single line on invoice with Multiple Months = Y:

	Funding Year	HCP No.	Funding Request Number	Billing Account Number	Multiple Months (Y or N)	Support Date (mmyyyy)	Support Amount to be Paid by USAC
1	2002	10000	3014	703-555-1111	Y	022003	\$400.00

9. Invoice Status Report

The Invoice Status Report is created by RHCD and sent to each telecommunications carrier after RHCD processes the invoice. The report is mailed to the telecommunications carrier's central point of contact for invoicing on the 5th and the 20th day of each month. The report tells the telecommunications carrier which invoice line items are accepted and denied. The sections below explain how to read the invoice status report and what to do when an invoice line item is rejected.

9.1 How to Read the Invoice Status Report

A sample copy of the invoice status report is shown in Figure 9.1. The report looks the same as the telecommunications carrier invoice except it includes additional header information and a column for Invoice Status Code.

The header information includes the original header included on the invoice (upper left) and information related to RHCD invoice processing (upper right) including:

- date RHCD processed the invoice
- number of records processed
- number of records approved
- total support amount approved for the invoice

Each invoice line item should be the same as the original invoice sent to RHCD with the addition of the invoice status code (far right column). The invoice status code indicates whether the invoice line item was accepted (A) or denied (D). If the line item was denied the denial code (D1-D9) is listed.

All denied invoice line items must be resubmitted on a subsequent invoice after they are corrected. If you think an invoice was denied due to an RHCD error, call Karen Mogensen at 973-581-6756.

Sample Invoice Status Report

RHCD INVOICE STATUS REPORT								
Telecom Carrier Name	Eastern Telecom Inc.			RHCD Processed Date	12/17/02			
SPIN	143888888			Number of Records	7			
Telecom Carrier Invoice Number	EX98-12345			Number of Records Approved	5			
Invoice Date to RHCD (mmddyy)	12/05/02			RHCD Approved Total Amount	\$13,550.00			
Total Invoice Amount	\$20,050.00							
	Funding Year	HCP No.	Work Order Number	Billing Telephone Number (BTN)	Multiple Months (Y or N)	Support Date (mmyyyy)	Support Amount to be Paid by USAC	Invoice Status Code
1	2002	10031	3033	(123) 456-7890	Y	112002	\$11,550.00	A
2	2002	18230	3001	(703) 555-1111	N	112002	\$600.00	A
3	2002	18230	3045	(703) 555-2222	N	112002	\$400.00	A
4	2002	21940	3200	(542) 555-2532	Y	112002	\$6,000.00	D7
5	2002	36932	3402	(757) 555-9824	N	112002	\$500.00	D8
6	2002	36932	3011	(757) 555-9824	N	112002	\$500.00	A
7	2002	36932	3087	(757) 555-9824	N	112002	\$500.00	A
A	Approved							
D1	Invalid SPIN. SPIN does not exist or does not match any on the current support schedule.							
D2	Service Provider Invoice Number has been previously processed.							
D3	Total Invoice Amount in header recorder does not equal total of Invoice Line Items.							
D4	Invalid HCP Number for the current support schedule for this SPIN.							
D5	Invoice line item has been previously approved.							
D6	Invalid field content or format (e.g., blank, invalid date, invalid number) for fields other than HCP Number.							
D7	Multiple-month invoice total amount does not match scheduled total amount for prior months.							
D8	Single-month invoice line item amount does not match scheduled amount for Support Date.							
D9	Other - such as invoicing support for a future month.							

If an invoice line item is rejected, the invoice status code indicates why the line item was rejected. The following table describes the invoice line item codes in more detail.

Invoice Status Code	Description	Explanation and Examples
A	Approved.	Line item has been approved – support amount will be credited to telecommunications carrier’s SPIN.
D1	Invalid SPIN. SPIN does not exist or does not match SPINs on the current support schedule.	Check SPIN – must be a 9 digit number – always starts with “143...”.
D2	Telecommunications Carrier Invoice Number has been previously processed.	Each invoice must have a unique invoice number.
D3	Total Invoice Amount in header recorder does not equal total of Invoice Line Items.	Example: 3 line items - \$100 each – Telecommunications Carrier Invoice Total must equal \$300.
D4	Invalid HCP Number for the current schedule for this SPIN.	HCP number is a five digit numeric code.
D5	Invoice line item has been previously approved.	Once an invoice line item for a HCP and month has been approved – it cannot be resubmitted.
D6	Invalid field content or format (e.g., blank, invalid date, invalid number) for fields other than HCP Number.	Date must be formatted as mmyyyy; Funding Request Number does not match; funding year must be formatted as “yyyy”.
D7	Multiple-month invoice total amount does not match scheduled total amount for prior months.	Example: 3 months of support at \$100 per month; invoice amount for line item with multiple months must equal \$300.
D8	Single-month invoice line item amount does not match scheduled amount for Support Date.	Example: schedule shows \$100 per month of support – invoice line item must equal \$100.
D9	Other – Usually this is when a Service Provider invoices a future month.	Example: the current month and year is 042003. The Service Provider invoices a cumulative amount through 062003.

If you have any questions concerning invoice denial codes please call the RHCD CSSC at 800-229-5476.

9.2 Re-Submission of Denied Invoices

All invoice line items denied must be resubmitted on a subsequent invoice after they are corrected. The telecommunications carrier will also have to correct the amount credited to the HCP on their next bill to ensure the HCP credit matches the amount invoiced to RHCD.

The example below describes how a telecommunications carrier must correct the invoice and credit to the HCP:

- Schedule shows that HCP support is equal to \$200 per month from February to June
- Telco credits the HCP \$100 on their February bill
- Telco invoices RHCD for the \$100 on their March Invoice
- RHCD rejects the invoice line item since the schedule shows \$200 for February

- Telco credits HCP a total of \$300 in March (\$200 for March plus \$100 to correct February)
- Telco invoices RHCD with one line item for February (\$200) and one line item for March (\$200)
- RHCD approves both invoice line items

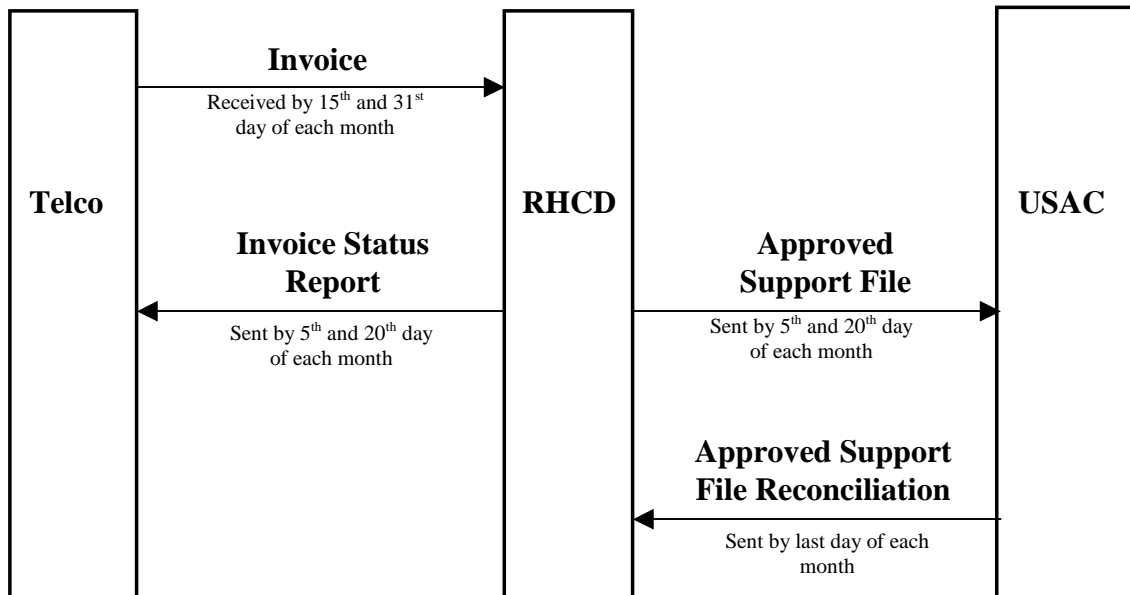
It is critical to the invoicing process that each invoice line item be associated with correct Support Date from the schedule. For example, if the telecommunications carrier's invoice support amount for August is denied, the telecommunications carrier may submit the corrected invoice support on the following invoice but must associate the Support Date as August rather than the current calendar month.

9.3 RHCD Invoicing Cycle

The RHCD will process telecommunications carrier invoices on a bi-monthly basis. The RHCD Invoice Cycle involves the following events:

1. Telco sends the RHCD their Telecommunications Carrier Invoice File. The RHCD will process the telecommunications carrier invoice files received by the 15th or the 31st of each calendar month.
2. RHCD will process invoices received by the 15th of the month by the 20th of each month and will process invoices received by the 31st of the month by the 5th of the following month. RHCD will send the telecommunications carrier a Telecommunications Carrier Invoice Status Report after each billing cycle.
3. The RHCD will send a file with approved support amounts by telecommunications carrier to USAC by the 5th and the 20th day each calendar month.
4. USAC will reimburse the telecommunications carrier's SPIN account for the RHCD Approved Amount.
5. USAC will send the RHCD a Disbursement Transfer Report for the RHCD Disbursement Reconciliation.

RHCD Invoicing Cycle



10. Adjustments to Supported Service

Adjustments to a service and support level result from adding a new service, disconnecting a service, or when the price changes for a service. The sections below describe the procedures for each type of adjustment. In each adjustment case, RHCD will send the telecommunications carrier and HCP a new schedule to reflect changes in support. Once the telecommunications carrier receives the new schedule, the telco must change its support level accordingly.

10.1 Adding New Service

If a HCP wants to add a new service, they must submit Form 465 as well as all other forms (466, 468, 467). After the service is approved and installed, RHCD will send the telecommunications carrier and HCP a new support schedule. Since RHCD creates a new schedule for each service, a schedule with a new Funding Request Number will be sent to the telecommunications carrier.

10.2 Disconnecting an Approved Service Prematurely

In the event that an HCP disconnects an approved service or line(s) of service before the end of the funding year, the HCP must notify RHCD by completing Form 467 promptly so that RHCD may adjust the HCP Support Schedule and the telecommunications carrier may adjust its invoicing system.

RHCD will make the necessary adjustments on the HCP's Support Schedule and re-send it to the HCP and telecommunications carrier.

10.3 Price Changes

If the price changes for a supported service under the RHCD program, the HCP must notify RHCD in writing. Once RHCD receives the price change letter, they will reissue the schedule and send it to the HCP and telecommunications carrier.

11. RHCD Random Audits

To ensure that an HCP receiving support is complying with the rules and regulations of the RHCD program, a random sample of supported HCPs will be audited throughout the funding year. The audit is designed to detect waste, fraud, and abuse of the support funds by the HCPs. It also serves as a deterrent to HCPs who might attempt to misuse support funds. Random audits may require telecommunications carriers to provide records related to support provided to HCPs.