

Summary Report of Responses to USAC Request for Information (RFI)

Regarding potential implementation of a National Verifier

March 4, 2016

Background

The Federal Communications Commission (FCC) issued a further notice of proposed rulemaking (FNPRM) related to the Universal Service Fund (USF) Lifeline program on June 22, 2015. Among other things, the FNPRM sought comment on establishing a third party national verifier to determine Lifeline program eligibility and perform other functions. Recognizing that the Commission may choose to task the Universal Service Administrative Company (USAC) with administering a national verifier, USAC requested information from companies that have experience with processes in which: (i) they collect and review large volumes of documentation submitted by individuals; and/or (ii) access existing state¹ or federal databases to determine whether individuals qualify for various programs or benefits. The objective of the RFI was to understand the various methods used to conduct similar verification processes, to identify best practices that exist in conducting such existing processes, and to collect input on various potential alternatives to the potential Lifeline eligibility process. There were nine respondents to the RFI. This market research has been used for information and decision making purposes and to inform the FCC as it considers its future rulemaking. Below are some of the themes identified in the responses. In addition, USAC has provided its own research on the general categories of available state databases, which may provide an opportunity for integration with a national verifier.

Operational Considerations

- **Consumer interaction with verifier-**
 - Direct interaction between the verifier and consumers can make it easier to convey information back and forth since there is no waiting for a middleman.
 - Indirect interaction through a provider can increase accuracy and timeliness of submissions as the provider can assist the consumer with using automated tools that may not otherwise be readily available.
 - The general recommendation among respondents was to provide both options, which offers flexibility to the parties involved.

- **Eligibility application process-**
 - The methods of communication should be flexible to meet the needs of consumers including mail, fax, phone, email, online, and text communication.
 - There are specific best practices and strategies for reaching low income consumers and getting the best response rate, which a qualified vendor could leverage.

- **Eligibility review turnaround time-**

¹ For the purpose of this document, “state” refers to the fifty states, the District of Columbia, and five U.S. territories.

- In the case of fully automated reviews, where a data source could be queried systematically for a result, results could be received in real time to a few minutes.
- There is a wide variety of data sources available for eligibility determinations beyond fully automated reviews and, in those cases, respondents indicated response times could range up to 24 hours.
- Documentation review process turnaround times varied more widely with respondents and ranged from a few minutes up to four days.
- Ultimately, an increase in document review turnaround time can be achieved with additional staffing. A proxy for the impact of turnaround time on transaction costs was 10-20% increase for each one day reduction in time.

Implementation Considerations

- **Experience integrating with eligibility databases-**

- Four of the nine respondents have experience connecting to state eligibility databases that support Lifeline related processes and two of the remaining respondents have similar experience supporting different benefit programs.
- Respondents noted that efforts around ensuring compliance with both federal and state regulations, entering into data sharing agreements, and resolving privacy concerns add to any technical timeline and vary from state to state.

- **System Security-**

USAC emphasized the importance of the security expectations for the system in the RFI. Systems and processes must comply with Federal Information Security Management Act (FISMA) (44 U.S.C. section 3541, et seq.), Privacy Act of 1974 (5 U.S.C. § 552a), and NIST SP 800-53. Personally identifiable information (PII) will be protected in accordance with all federal and USAC requirements, including, but not limited to, OMB memoranda M-06-16 and M-07-16, guidance from NIST, including NIST SP 800-53 Rev 3, and NIST SP 800-122 Guide to Protecting the Confidentiality of Personally Identifiable Information. All respondents have experience dealing with highly sensitive data and documents and demonstrated a high level of understanding of the standards necessary to keep systems secure.

- **State eligibility data sources available-**

- Although available databases may fall into a few key categories as identified by USAC below, each database is unique.
- The system must be flexible and allow for multiple integration designs.
- Generally, a database with API capabilities is the easiest to implement and other database opportunities present a range of complexity, organization, and accessibility.
- Implementing a connection to one state's database does not necessarily reduce the time for the next state's database implementation.

- **Optimized Manual Processes-** Respondents described ways that manual eligibility review processes could be optimized through technology. Respondents noted that technology may reduce staff time and cost.
 - Reduce live agent outgoing calls related to resolving application issues by leveraging IVR capabilities to provide consumer with instruction on standard or simpler errors or omissions.
 - Reduce staff time needed for documentation review by using Optical Character Recognition (OCR).
 - Design documentation review workflows thoughtfully so that minimum requirements are met before a complete review must be performed.
 - Increase electronic submission of documents by employing mobile applications allowing consumers to take pictures of documentation for upload.
 - Prevent mistakes and streamline review processes by using standardized applications and documentation.

State Eligibility Data Source Categories

Many states have created databases or processes that consolidate information related to participation in various qualifying programs which can be utilized to verify eligibility. Today, a carrier can query the state to verify that a consumer is eligible without the carrier having to review eligibility documentation. Based on discussions with carriers, USAC has compiled information on the nature of available eligibility verification resources for 36 of the 56 states, which cover 90% of the 13.1 million subscribers in the Lifeline program as of December 2015. This information has not been verified with the states. Table 1 provides a summary of the information collected and Table 2 provides detailed information by state.

Eligibility Programs Included-

- Databases identified always include the Supplemental Nutrition Assistance Program (SNAP).²
- In nearly all cases, Medicaid is also included.
- The other programs included in consolidated databases vary by state.

Database or Process Descriptions-

- API- The state database has the ability to communicate with another system so that the other system can automatically perform real time look-ups without human interaction based on a set of pre-determined systematic processes.
- Upload File- The state provides a proactive file on a scheduled basis that includes Lifeline eligible consumers in the state. The user could check applicants against that file. The frequency of updates ranges from weekly to bi-annually.

² In Puerto Rico, the equivalent program to SNAP is included.

- Web Look-up- The state database allows a user to utilize a web portal to enter information about an applicant and receive a result indicating participation in Lifeline eligible programs. Anecdotally, USAC learned that while some of these databases are free to use some of the database require a fee. Fees can be one time per user account or per look-up.
- Batch- The state accepts batch requests for eligibility look-ups and returns results to the requestor at a later time. The turnaround time for results from the state varies.
- State Process- The state performs the eligibility check then informs the carrier of the result.
- State DB in progress- According to carriers, the state is working on development of a database.
- Unknown- USAC has not identified whether the state has an eligibility database or process.

Table 1- Summary of databases or processes

General Database (DB) Description ³	# of States	% of Total Subscribers
API	3	20%
Upload File	5	6%
Web Look-up	8	23%
Batch	10	11%
State Process	4	20%
State DB in progress	6	10%
Unknown	20	10%

Table 2- Database or process description by state

State	Database Description	Programs Included ⁴	Subscribers ⁵
AR	Web Look-up	Medicaid, SNAP, TANF	104,974
AZ	State Process	All Programs	288,391
CA	State Process	All Programs	2,237,401
CT	Batch	Medicaid, SNAP, TANF, SSI ⁶	120,874
DC	State Process	All Programs	45,716
FL	API	Medicaid, SNAP, TANF	782,179
GA	Web Look-up / Batch	Medicaid, SNAP, TANF	474,236

³ In some cases, different carriers operating in the same state described the database functionality differently. In these cases, Table 1 categorizes the state using the following priority order: API, Web Look-up, Upload File, Batch, State Process. Table 2 includes all the methods that were reported.

⁴ SNAP- Supplemental Nutrition Assistance Program, TANF- Temporary Assistance for Needy Families, SSI- Supplemental Security Income, LIHEAP- Low Income Energy Assistance Program, NSLP- National School Lunch Program, SEC8- Section 8 Housing Choice Voucher Program, PAN- Programa de Asistencia Nutricional (Puerto Rico's nutrition assistance program).

⁵ Subscriber count as reported for 2015 in LI08 Lifeline Subscribers by State or Jurisdiction found at <http://www.usac.org/about/tools/fcc/filings/2016/q2.aspx>.

⁶ Although SSI is a federally administered program, several states have included participants in their databases.

State	Database Description	Programs Included ⁷	Subscribers ⁸
IL	Web Look-up	Medicaid, SNAP, TANF	498,938
KS	Upload File	Medicaid, SNAP, TANF, LIHEAP	59,246
KY	Batch	SNAP, TANF	258,037
LA	Batch	SNAP, TANF	244,167
MA	Batch	SNAP, TANF	224,135
MD	Upload File	Medicaid, SNAP, TANF	216,679
ME	Batch	Medicaid, SNAP, TANF, LIHEAP, SSI, NSLP	41,563
MI	Web Look-up / Batch	Medicaid, SNAP, TANF, SSI	583,415
MN	Upload File	Unknown	99,443
MO	In Progress- API or Batch	Medicaid, SNAP, TANF, SSI, LIHEAP	155,680
NC	Upload File	SNAP, TANF, LIHEAP	336,193
NE	Batch	Medicaid, SNAP, TANF, LIHEAP	8,049
NH	In Progress- Batch	SNAP	18,000
NJ	In Progress- API or Batch	Medicaid, SNAP, SSI, TANF, LIHEAP	262,908
NM	In Progress- API	Medicaid, SNAP, TANF	91,003
NV	Batch (API in progress)	Medicaid, SNAP, TANF, LIHEAP	126,037
NY	API	Medicaid, SNAP, TANF, LIHEAP, SSI	906,902
OH	In Progress- Unknown Type	Unknown	570,364
OR	Batch	Medicaid, SNAP, SSI, TANF, NSLP, LIHEAP, SEC8	65,940
PA	Web Look-up	Medicaid, SNAP, SSI, LIHEAP, TANF	499,775
PR	Web Look-up	PAN	587,572
SC	In Progress- Unknown Type	Unknown	216,918
TN	Batch	Medicaid, SNAP, TANF	310,813
TX	API / Web Look-up / Batch	SSI, NSLP, SEC8, LIHEAP, Medicaid, SNAP, TANF	873,859
UT	Upload File	Unknown	29,841
VT	State Process	All Programs	11,782
WA	Web Look-up / Batch	Medicaid, SNAP, SSI, TANF	153,140
WI	Web Look-up / Batch	Medicaid, SNAP, TANF, SSI, LIHEAP	177,108
WV	Batch	Medicaid, SNAP	88,396
	Unknown States		1,333,265

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