

July 2021 Monthly Webinar

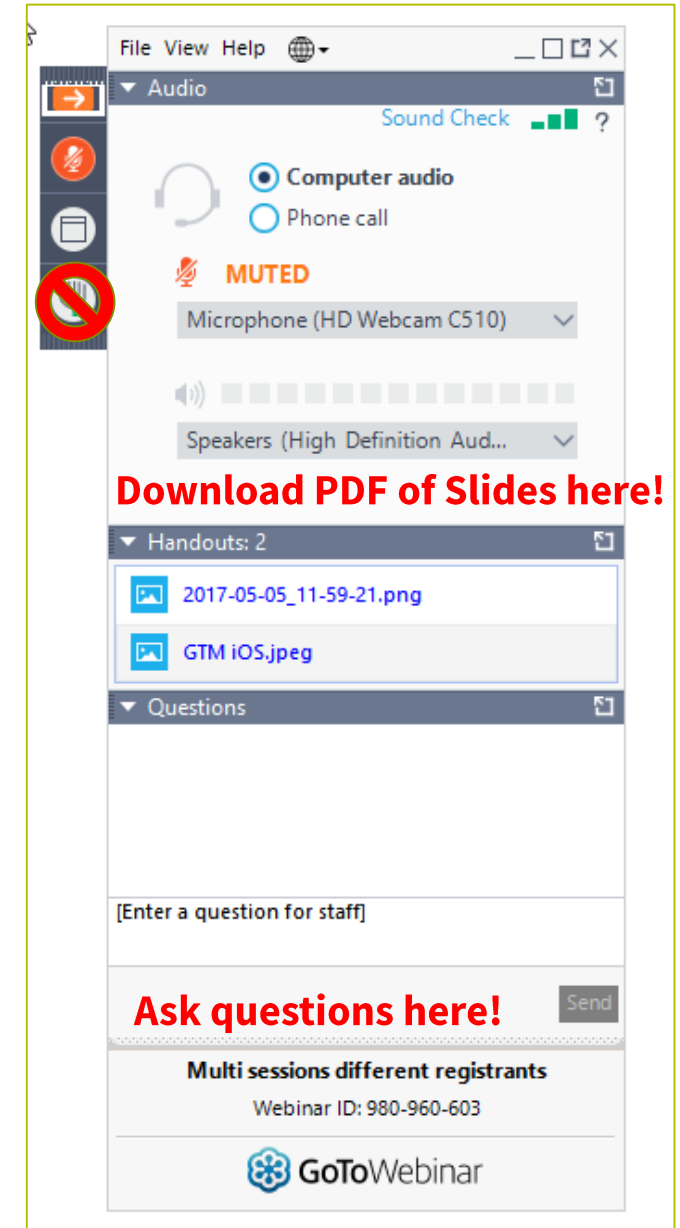
Lifeline Compliance



Universal Service
Administrative Co.

Housekeeping

- Audio is available through your computer's speakers
- The audience will remain on mute
- Enter questions at any time using the **“Questions”** box
- If your audio or slides freeze, restart the webinar
- A copy of the slide deck is in the **“Handouts”** section of webinar panel



Meet Our Team



Leah Sorini

Senior Communications Specialist | Lifeline

Leah develops and oversees external communications, including website content, email campaigns, and training.

Winta Woldu

Communications Specialist | Lifeline

Winta creates website content and training for consumer advocates, consumers, and service providers.

Agenda

- Announcements
- Introduction
- Background
- Non-usage
- Submit Accurate Claims in LCS
- Duplicate Subscriber
- Resources

Today's Objectives



- Help service providers understand:
 - Action they must take to comply with Lifeline program requirements
 - Where they can go to receive additional support
- The program requirements outlined in this webinar are based on common audit and assessment findings

Announcements

COVID-19 Waivers and LCS Release

Reminder: COVID-19 Waivers Extended

- On **June 28, 2021**, the FCC extended the waivers governing recertification, reverification, general de-enrollment, and income documentation through September 30, 2021
- On **June 28, 2021**, the FCC also extended the waiver regarding documentation requirements for subscribers residing in rural areas on Tribal lands through September 30, 2021
- ***Reminder:*** Waiver governing FCC's Lifeline non-usage rule ended May 1, 2021
- USAC will continue to temporarily accept driver's licenses or state identification cards that have expired on or after March 1, 2020, when needed to complete any Lifeline applications

LCS Release to Decrease Over-Claims

Warning Message for Service Providers Subject to Non-usage Requirements

- USAC released a new warning in the Lifeline Claims System (LCS) today
 - LCS users subject to the non-usage requirements will see the following warning if they are attempting to claim an unusually high percentage of their subscribers:
 - “The SAC(s) below have an unusually low percentage of unclaimed subscribers. This may indicate you are claiming subscribers who have not yet activated their device or who are in their non-usage cure period. Do you want to make changes to your filing?” *
- * If submitting a claim for a month between March 2020- April 2021, please click "no my filing is accurate" and “proceed”

LCS Release to Decrease Over-Claims

Warning Message for Service Providers Subject to Non-usage Requirements

- This warning will not prevent LCS users from submitting their claim
 - It encourages service providers to double check the data before submission and certification

Introduction

Stakeholders' Roles, Program Rules

FCC and USAC Provide Oversight of the Lifeline Program

- **Federal Communications Commission (FCC):** The FCC develops policies and regulations for the Lifeline program and provides guidance to USAC
- **Universal Service Administrative Company (USAC):** USAC administers the Lifeline program
 - USAC is responsible for educating stakeholders on program processes, systems, rules and requirements
 - USAC manages subscriber processes for determining consumer eligibility, recertifying subscribers, and subscriber support through the Lifeline Support Center

Each Stakeholder Helps Support Lifeline's Objectives

- **Service providers:** responsible for complying with program rules, including (1/2):
 - Registering for Representative IDs in the Representative Accountability Database (RAD) to perform applicable transactions
 - Ensuring Lifeline eligible consumers have qualified through the National Verifier (NV)
 - Enrolling Lifeline qualified consumers in the National Lifeline Accountability Database (NLAD), ensuring the enrolled subscribers were not previously enrolled by another service provider, and keeping NLAD up to date
 - Providing Lifeline subscribers with Lifeline-supported services that meet Lifeline's minimum service standards

Each Stakeholder Helps Support Lifeline's Objectives

- **Service providers:** responsible for complying with all relevant program rules, including (2/2):
 - **Submitting claims to receive reimbursement in the Lifeline Claims System (LCS)**
 - Advertising Lifeline to their consumers
 - Preparing annual filings (FCC Form 555 and FCC Form 481)
 - **Tracking their Lifeline subscriber's usage**
 - De-enrolling ineligible consumers
 - Documenting their compliance with FCC and state requirements

Lifeline Program Rules

- ①
 - Lifeline program requirements are based on the FCC [program rules](#)
 - 47 C.F.R. Sections 54.400-423 are the rules governing the federal Lifeline program
 - The FCC also releases [orders](#) to clarify program requirements

Background

Audits and Assessments

Lifeline Program Audits and Assessments

- The primary purpose of audits and assessments is to ensure compliance with FCC rules and program requirements as well as to assist in program compliance
- USAC might select audits randomly or conduct targeted audits or assessments
- Recommendations are provided to help service providers navigate the program successfully and comply with program requirements

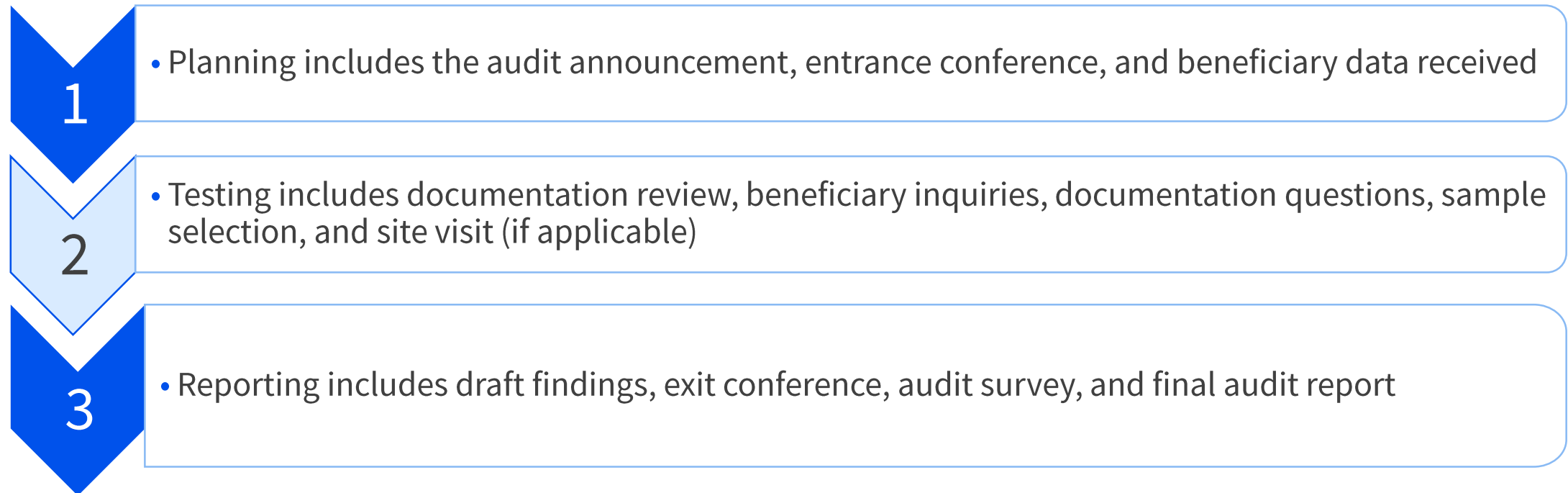
Lifeline Program Audits and Assessments

- Beneficiary and service providers audits may be performed by:
 - USAC's Audit and Assurance Division (AAD)
 - FCC Office of Inspector General
 - Offices of other federal agencies
 - A firm under contract to USAC or the FCC
 - A firm under contract to the ETC (e.g., Biennial audits)

Lifeline Program Audits and Assessments

- Audit types include:
 - Beneficiary and Contributor Audit Program (BCAP)
 - Beneficiary and Contributor Audit Program - External (BCAPx)
 - Office of Inspector General (OIG)
- Service providers might also be required to obtain a third-party biennial audit of their compliance with program rules
- Assessments include:
 - Payment Quality Assurance (PQA)

Lifeline Program Audits: Process



Lifeline Program PQA: Process



1

- Planning includes the PQA notification letter

2

- Testing includes documentation review

3

- Reporting includes final closure email to service providers, calculation and reporting of improper payments, and assessment survey

Non-usage

Definitions, Provider Obligations, Common Finding,
Prevent the Finding, Additional Tips

Non-usage Defined

- If the service provider does not assess or collect a monthly fee, the consumer must use the Lifeline-supported service at least once every 30 days

What Counts as Usage

- Usage is defined as the subscriber:
 - Making an outgoing call or using data
 - Sending a text message
 - Buying minutes or data to add to the subscriber's service plan
 - Answering an incoming call (calls from the subscriber's Lifeline service provider or the Lifeline service provider's agent or representative do not count)
 - Responding to direct contact from the subscriber's Lifeline service provider to confirm the subscriber wants to continue receiving Lifeline service

Provider Obligations: Non-usage

- Lifeline service providers are required to:
 - Have an effective process for identifying subscribers that have not used their service within 30 consecutive days if the eligible telecommunication carrier (ETC) does not collect a monthly fee
 - Provide the subscriber 15 days notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within 15 days will result in service termination
 - De-enroll subscribers that have not used their service in 45 consecutive days
 - Retain documentation to demonstrate the ETC is in compliance with the non-usage rule

Non-usage Common Audit Finding



- The service provider did not provide documentation to demonstrate the usage of its subscribers to determine whether the subscriber had used the phone service in 30 consecutive days

How to Prevent this Finding



- The service provider must implement a system to retain documentation to demonstrate how it evaluates the usage of its subscribers to determine when the subscriber has not used the phone service in 30 consecutive days

Other Non-usage Tips for Providers



Service Provider Outreach to Affected Subscribers

- Service providers are required to conduct outreach to begin the 15-day cure period
- USAC encourages service providers to send follow-up outreach to de-enrolled subscribers informing them of their de-enrollment from the Lifeline program and how to reapply
- USAC recommends that service providers include their contact information in all non-usage outreach to allow the subscriber to contact their Lifeline service provider with any questions regarding the notice
- In the non-usage notification, service providers should not direct subscribers to contact USAC's Lifeline Support Center

Questions?

Submit Accurate Claims in LCS

Definitions, Provider Obligations, Common Findings,
Prevent the Findings, Additional Tips

LCS Defined

- The Lifeline Claims System (LCS) is the online filing system that service providers use to submit claims for reimbursement for offering Lifeline-supported services to Lifeline subscribers
 - Access LCS through [One Portal](#), USAC's single sign-in dashboard for all USAC systems, including Lifeline systems

Provider Obligations: LCS

- Service providers may only claim subscribers for a particular data month that they serve as of the first of the [following month](#)
- Service providers may not claim ineligible subscribers for reimbursement

LCS Common Findings



- Service providers inadvertently over-report subscribers for reimbursement in LCS, or claim subscribers who no longer qualify or should have been de-enrolled from the program

How to Prevent these Findings



Service providers in National Lifeline Accountability Database (NLAD) States

- Service providers may only claim subscribers for a particular data month that they serve as of the first of the following month in LCS

How to Prevent these Findings



Service Providers in NLAD Opt-out States

- Ensure the data submitted by the service provider is consistent with data from the state public utility commission (PUC) or third party administrator and reflects actual Lifeline subscribers for which the service provider should receive reimbursement
- Service providers in NLAD opt-out states can only claim subscribers listed on the file in LCS provided by their state PUC

How to Prevent these Findings



All Service Providers

- Maintain active subscriber listings to substantiate all subscribers in LCS, as required by the Lifeline rules
- The auditor will ask for subscriber listings to substantiate amounts claimed in LCS

Other LCS Tips for Providers



Omitting a Subscriber from Claim

- Double check that subscribers should be claimed
- Service providers have the ability to indicate which subscribers are not being claimed and why
 - These would be subscribers who appeared in NLAD (for NLAD states) or on the file provided by the state PUC (for NLAD opt-out states) but for whom the service provider should not receive reimbursement

Other LCS Tips for Providers



Omitting a Subscriber from Claim

- For example, service providers should omit any subscriber from their claim who is in a non-usage cure period (reason code “U2”)
 - If a subscriber cures within the 15-day cure period, service providers may upward revise their claim
 - Service providers can still get reimbursed by the end of the month if they submit and certify the form by the eighth of the month

Questions?

Duplicate Subscriber

Definitions, Provider Obligations, Common Finding,
Prevent the Finding


Duplicate Subscriber Defined

- A duplicate refers to situations where one subscriber receives more than one Lifeline benefit

Provider Obligations: Duplicates

- Service providers cannot claim support more than once for the same subscriber

Duplicate Common Finding

-  The service provider did not have adequate processes in place to prevent providing more than one Lifeline benefit to the same subscriber

How to Prevent this Finding



- Service providers should review their subscriber listing and remove any duplicate subscribers prior to submitting their claims to USAC for reimbursement
- Any duplicate checks should be confirmed by company databases in addition to the NLAD as a best practice

Questions?

Resources

USAC's Website, Lifeline Newsletter, Email Lifeline

USAC's Website



- USAC's Lifeline website for service providers, state and federal partners, consumer advocates, and Tribal partners: usac.org/lifeline

USAC's Website



Resources for Program Requirements

- Service providers interested in learning more about Lifeline program rules and how to comply should visit:
 - Lifeline's [Get Started](#) webpage
 - Lifeline's [Rules and Requirements](#) section
 - Lifeline's [Orders](#) webpage

Subscribe to Lifeline's Newsletter



- [Subscribe](#) to Lifeline's monthly newsletter
 - **Select “Lifeline Program Newsletter” in USAC’s subscription center**
 - You will receive monthly emails about program changes, updates, enhancements, and reminders about program compliance

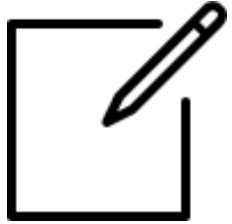
Connect with a Program Analyst



- Email LifelineProgram@usac.org to connect with a program analyst for any questions about Lifeline requirements

Questions?

Take Our Survey



- We want to hear about your webinar experience
- Expect an email from invites@mailersurveygizmo.com with a unique survey link in 1-2 business days
- We appreciate your feedback

Thank You!





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