July 2022 Monthly Webinar

Lifeline Compliance
DISCLAIMER

To accommodate all attendees, real-time closed captions will be present during this presentation. This feature is to improve webinar accessibility for all. We understand it is a significant change and appreciate your patience. We apologize in advance for any transcription errors or distractions. Thank you for your support.
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

**Winta Woldu**
Communications Specialist | Lifeline
Winta creates website content and training for consumer advocates, consumers, and service providers

**Delante Cherry**
Communications Specialist | Lifeline
Delante develops internal and external communications
Objectives

At the end of the session, you will…

**be able to:**

- Identify Lifeline program rules and requirements in regards to non-usage, claims, and duplicate subscribers

**understand:**

- Actions providers must take to comply with Lifeline program requirements
- Where to go to receive additional support
Agenda

• Announcements
• Stakeholders’ Roles & Program Rules
• Audits and Assessments
• Non-usage
• Submit Accurate Claims in LCS
• Duplicate Subscriber
• Resources
Announcements
Announcements

• COVID-19 Waivers have officially expired as of **July 1, 2022** for non-Tribal subscribers
  • This includes previous waivers of the Lifeline program rules governing the recertification, reverification, general de-enrollment, and income documentation requirements,
  • The waiver regarding documentation requirements for subscribers residing in rural areas on Tribal lands, and
  • Lastly as of **July 1, 2022** driver’s licenses or state identification cards that have expired on or after March 1, 2020, will no longer be accepted to complete Lifeline applications, current valid identification must be presented

• On June 30, the Wireline Competition Bureau released a [waiver](#) temporarily extending only the previous Lifeline waivers of the recertification and reverification requirements through **September 30, 2022** for Tribal subscribers
Stakeholders’ Roles, Program Rules
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
Stakeholders’ Roles, Program Rules
Each Stakeholder Helps Support Lifeline’s Objectives

- **Service providers**: responsible for complying with program rules, including:
  - Registering for Representative IDs in the Representative Accountability Database (RAD) to perform applicable transactions
  - Ensuring Lifeline eligible consumers have qualified through the National Verifier
  - Enrolling Lifeline qualified consumers in the National Lifeline Accountability Database (NLAD), ensuring that 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
Stakeholders’ Roles, Program Rules
Each Stakeholder Helps Support Lifeline’s Objectives

- **Service providers**: responsible for complying with all relevant program rules, including:
  - Submitting claims to receive reimbursement in the [Lifeline Claims System](#) (LCS)
  - Advertising Lifeline to their consumers
  - Provide USAC with correct information in response to program integrity requests
  - Preparing forms and 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
Stakeholders’ Roles, Program Rules

Lifeline Program Rules

• 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
Audits and Assessments
Audits and Assessments

• USAC is committed to safeguarding the integrity of the Lifeline program
• 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
Audits and Assessments

- Beneficiary and service providers audits may be performed by:
  - The Beneficiary and Contributor Audit Program (BCAP)
  - 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)
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) in which USAC provides the FCC with information about improper payments to program beneficiaries
Audits and Assessments

Audit Process

1. Planning includes the audit announcement, entrance conference, and beneficiary data received

2. Testing includes documentation review, beneficiary inquiries, documentation questions, sample selection, and site visit (if applicable)

3. Reporting includes draft findings, exit conference, audit survey, and final audit report
Audits and Assessments
PQA Process

1. Planning includes the Payment Quality Assurance 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
Questions?
Non-Usage
Non-usage
Common Audit Finding

❗ Improper Non-Usage Process:

- 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
**Non-usage**

**Definition**

- 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.

- Usage is defined as the subscriber:
  - Making an outgoing call or using data
  - Sending a text message (received text messages are not considered usage)
  - 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
Non-usage
Provider Obligations

• Lifeline Service Providers are required to:

  1. 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

  2. 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

  3. De-enroll subscribers that have not used their service in 45 consecutive days

  4. Retain documentation to demonstrate that an effective non-usage process is in place
Non-usage
Prevention

How to Address or 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.
Non-usage
Tips for Providers

• 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
Submit Accurate Claims in LCS
Lifeline Claims System
Common Findings

Over-Reporting Subscribers for Reimbursements:

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

Definition

- 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
Lifeline Claims System
Provider Obligations

• 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
Lifeline Claims System
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
Lifeline Claims System
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.
Lifeline Claims System
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

Note: For more information see 47 C.F.R. § 54.407(a)
Lifeline Claims System
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
Lifeline Claims System
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
Duplicate Subscriber
Common Finding

- The service provider did not have adequate processes in place to prevent providing more than one Lifeline benefit to the same subscriber in the Lifeline Claims System (LCS)
  - This finding may apply to both National Lifeline Accountability Database (NLAD) states and NLAD opt-out states
Duplicate Subscriber
Defined

• A duplicate refers to situations where one subscriber receives more than one Lifeline benefit
Duplicate Subscriber
Provider Obligations

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

- 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
Learn More About Lifeline

• **Sign up** for Lifeline email updates and upcoming events

• Need help? Contact us!
  • Connect with a program analyst for any questions about Lifeline requirements: LifelineProgram@usac.org
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• Expect an email from invites@mailer.surveygizmo.com with a unique survey link in 1-2 business days
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Thank You!

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