



# Lifeline Compliance

## Lifeline Monthly Webinar

July 12, 2023



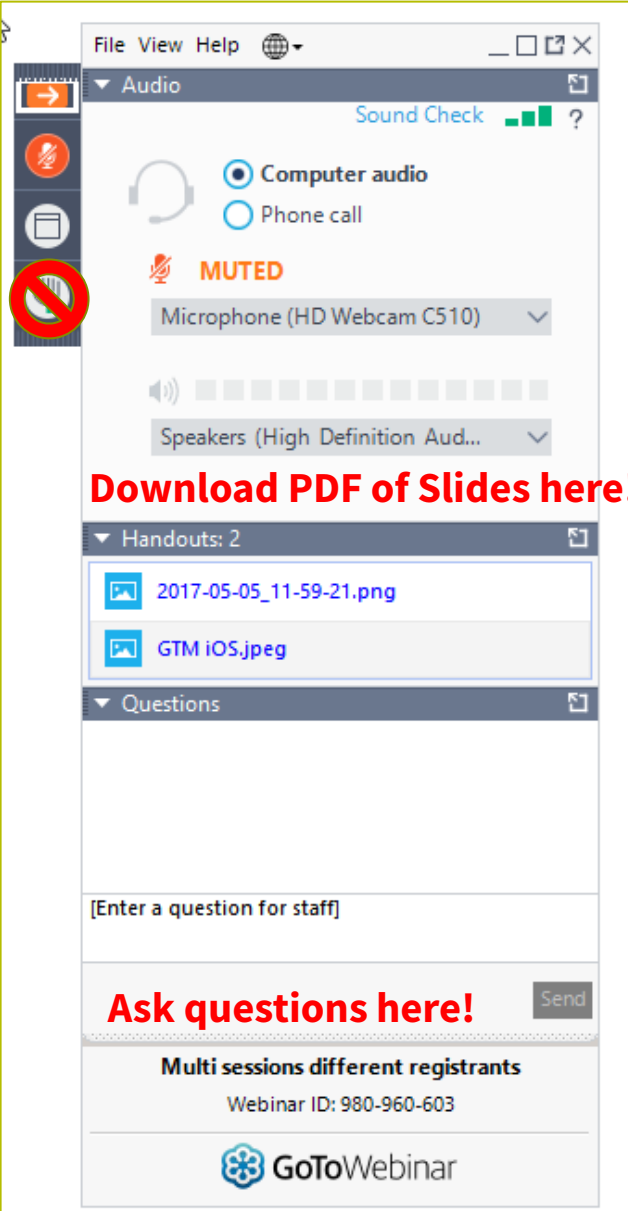
Universal Service  
Administrative Co.

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# Housekeeping

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



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# Meet Our Presenter



## Winta Woldu

Communications Specialist

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



## Delante Cherry

Communications Specialist

Delante develops internal and external communications

# Agenda

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

# Objectives

**At the end of the session, you will...**



## **be able to:**

- Identify Lifeline program rules and requirements in regard 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.

# Announcements

# Announcements

## Relief to Lifeline Participants Affected by Typhoon Mawar

- On June 30, 2023 , the Wireline Competition Bureau (WCB) of the Federal Communications Commission (FCC) released an Order (DA 23-571) that waives certain Lifeline rules and deadlines for Lifeline participants in Guam and the Northern Mariana Islands (Impacted Area).
  - For subscribers who reside in the impacted area, this Order temporarily waives, through August 31, 2023, the Lifeline non-usage rules that require a service provider to de-enroll Lifeline subscribers who do not pay a monthly fee for their Lifeline-supported service and do not use that service for 30 consecutive days.
  - This waiver also pauses the recertification and reverification requirements for subscribers through August 31, 2023.



# 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:** are 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 are not currently enrolled with 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:** are responsible for complying with all relevant program rules, including:
  - **Submitting claims to receive reimbursement in the [Lifeline Claims System \(LCS\)](#)**
  - Publicizing the availability of Lifeline service to their consumers
  - Providing USAC and auditors with correct information and documentation in response to program integrity, Payment Quality Assurance, and audit 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

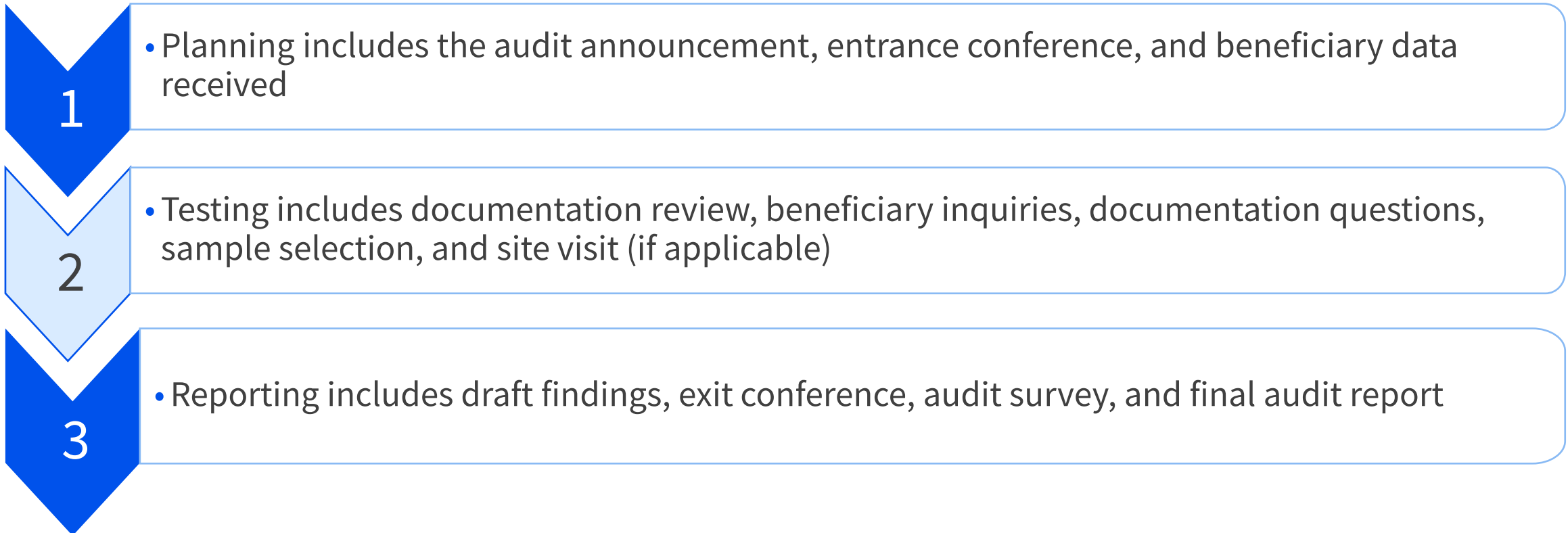
# Audits and Assessments

## How USAC Conducts Its Audits

- USAC obtains documentation to support different elements for each program:
- Lifeline program:
  - Number of subscribers claimed for reimbursement
  - Amount claimed per subscriber
  - Beneficiary eligibility to receive Lifeline program support
  - Subscriber eligibility to receive Lifeline program support
  - Lifeline program support passed through to subscribers
  - Adequacy of advertising efforts

# Audits and Assessments

## Audit Process



# 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

# Poll

**Questions?**

# Non-Usage

# Non-usage

## Common Audit Finding



### Improper Non-Usage Process:

- The service provider did not provide adequate documentation to demonstrate the phone service had been used by the subscriber within 30 consecutive days where required.



# 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. Not claim subscribers when they're in their 15-day cure period
  4. De-enroll subscribers that have not used their service in 45 consecutive days
  5. 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 their service within the preceding 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

## Enhancements to the LCS



- On June 21, 2023, USAC released enhancements to improve the LCS data upload process for service providers. Providers are no longer required to include all subscribers for a given Study Area Code (SAC) when uploading a claims template.
- Service providers can now upload smaller batches of subscribers. This new process is referred to as the “partial upload process.” All rows in a claims template that successfully pass row level validations are saved, and do not need to be resubmitted if other rows have errors or if the system encounters an error before the file completes processing.

# Lifeline Claims System

## Enhancements to the LCS



- A new download template is available so that providers can identify which subscriber entries are missing a reimbursement rate. A new SAC status called “Partially Uploaded” will indicate if some, but not all subscribers in a SAC, have a reimbursement rate.
- The new functionality is **optional**, so providers can continue to file Lifeline claims using the same process they were already using.



# 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

# Poll




**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 per month 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 monthly

# Duplicate Subscriber Provider Obligations

- Service providers cannot claim support for a subscriber if more than one member of a subscriber's household is receiving Lifeline service

# 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

## Compliance 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

# Resources

## USAC's Websites

- USAC has two websites available:
  - Lifeline's consumer website: [LifelineSupport.org](https://LifelineSupport.org)
  - USAC's Lifeline website for service providers, state and federal partners, consumer advocates, and Tribal partners: [usac.org/lifeline](https://usac.org/lifeline)

# Resources

## Consumer Educational Material



How to Apply – [Click to View](#)

How to Apply [Spanish] – [Click to View](#)



Manage Your Benefit – [Click to View](#)

Manage Your Benefit [Spanish] – [Click to View](#)

# Resources

## Consumer Educational Material



Tribal Flyer – [Click to View](#)



Tribal Toolkit – [Click to View](#)

# Resources

## Lifeline Support Center



- **Email:** [LifelineSupport@usac.org](mailto:LifelineSupport@usac.org)



- **Call:** (800) 234-9473 (press 1 for English; press 2 for Spanish)

# Resources

## Lifeline Support Center

- **Hours:** 7 days a week, from 9:00 a.m. to 9:00 p.m. ET
- **Support:**
  - Consumers with disabilities who need help submitting a Lifeline application may contact the support center for assistance
  - Consumer support representatives are able to provide assistance in English and Spanish
  - USAC offers a translation services vendor to provide assistance in up to an additional 200 languages in instances where the service is needed

# Resources

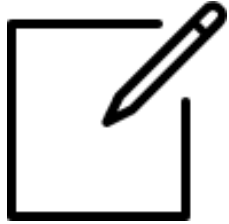
## Lifeline Program Team

- Service providers, state and federal partners, consumer advocates, and Tribal partners who need assistance outside of helping consumers with the application process should **email** [LifelineProgram@usac.org](mailto:LifelineProgram@usac.org) to connect with a program analyst about:
  - **Technical issues** or system questions
  - **Processes, rules, and requirements.**

**Questions?**

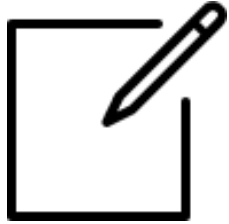


# We'd love your feedback



- We want to hear what topics you'd like the Lifeline Communications team to cover in future webinars this year.
- Please provide your responses to the questions box now.
- Thank you!

# Take Our Survey



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

**Thank You!**





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