

Effectively Managing the Lifeline Administration with Centralized State Programs

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In February 2012, the Federal Communications Commission (FCC) took significant steps to reform and modernize the federal Lifeline program by releasing a major Report and Order and Further Notice of Proposed Rulemaking (Order).¹ The FCC's stated performance goals for the Lifeline program are to ensure the availability of voice service for low-income Americans, ensure the availability of broadband service for low-income Americans, and minimize the contribution burden on consumers and businesses.

One of many steps taken by the FCC to provide consistency in Lifeline programs throughout the U.S. was to establish a uniform set of baseline eligibility criteria. At a minimum, states must utilize the income and program criteria currently utilized by federal default states. The federal default eligibility criteria require consumers to either:

- Have household income at or below 135% of the Federal Poverty Guidelines (FPG), or
- Participate in at least one of a number of federal assistance programs.²

A state may adopt additional eligibility criteria on top of the baseline requirements provided that additional programs are based on income or factors directly related to income.³

The FCC also clarified other aspects of Lifeline eligibility. For example, the FCC codified a rule limiting Lifeline support to a single subscription per household. An important clarification in the Order was the FCC's definition of a household as "any individual or group of individuals who are living together at the same address as one economic unit."⁴ This definition is consistent with that used by the U.S. Department of Health and Human Services for the Low-Income Home Energy Assistance Program (LIHEAP), and will serve as the basis for "duplicates" screening to ensure that eligible households receive only one Lifeline discount regardless of the technology used to provision the service.

The numerous reforms included in the Order will result in program improvements but may also require changes to existing or yet-to-be-implemented state processes. To effectively manage these changes and allow for comprehensive and timely program modifications in the future, states should consider the numerous benefits that can be realized through centralized Lifeline administration.

Centralized administration usually includes the establishment of a coordinated solution that can serve as the program "hub" for consumers, service providers, and oversight agencies. Centralization offers a highly effective approach for improving the participation rates of eligible consumers, minimizing duplicate discounts, quickly implementing program design or criteria changes, streamlining processes for Lifeline providers and recipients, and increasing regulatory oversight capabilities. Centralization has been proven to drive efficiencies and improve program effectiveness through comprehensive process controls and high levels of automation. Often, centralization includes the utilization of a third-party administrator to consolidate various functions ranging from managing initial customer contacts to reviewing applications and communicating eligibility decisions to applicants, service providers, and oversight agencies.

Solix administers centralized Lifeline programs or provides Lifeline eligibility determination services in more than 35 states. With over 15 years of experience supporting Lifeline initiatives, we have implemented solutions in accordance with federal requirements while also customizing processes to satisfy unique state criteria. We have designed solutions on the forefront of the transition from wireline-only to wireless and more recently, broadband technology. In doing so, we have established best practices that improve program integrity and effectiveness, and that will assist in managing change now and in the future.

Where feasible, real-time data exchanges between the administrator, service providers, and social services or regulatory agencies streamline data flows and speed eligibility decisions. If real-time data exchanges are not practical, experienced administrators can offer a number of alternative data collection methods that allow for efficient and secure transactions. A statewide, centralized repository of Lifeline customer information allows for the identification of potential duplicate credits among service providers and effective auditing of current and historic customer eligibility data.

Based on Solix's experience with centralized Lifeline administration, following are key best practices and recommendations that support implementation of the FCC's Order

1: Flexible Solutions Allow for Ongoing Compliance and Consistent Application of Rules

In order to manage program change and evolution, it is imperative to implement flexible solutions that allow for timely modification of processes. Program change and evolution are inevitable; solutions must be designed to allow for modifications and enhancements over time to ensure ongoing program compliance.

As part of a comprehensive solution, documented and tested protocols that safeguard consumer information ensures a confidential, objective, and neutral approach to eligibility reviews. A centralized management approach minimizes variations in application review procedures. Further, a pool of reviewers that receives consistent and ongoing training allows for objective application of state and federal criteria.

2: Technology Improves Program Integrity and Elimination of Duplicates

Program integrity and data security can be enhanced through automated routines and comprehensive controls that help safeguard against waste, fraud, and abuse. Automation and independently-verified process and internal controls are vital in managing high volumes of customer transactions and ensuring that only eligible recipients receive Lifeline discounts in accordance with program rules.

The Order required all Lifeline service providers to re-certify their June 1, 2012, subscriber base by the end of the year. These subscribers were allowed to self-certify their ongoing eligibility without documentation, either in writing or using other methods such as an Interactive Voice Response system or text message. The results of this initial re-certification process were to be reported to the Universal Service Administrative Company (USAC) by January 31, 2013. Annually, on a going-forward basis, service providers are required to verify the ongoing eligibility of their entire Lifeline subscriber base.

This forward-looking focus on the use of technology to enhance program integrity will streamline interactions while providing for more comprehensive re-certification procedures. Lifeline program participants that require less automated solutions should be accommodated but a drive towards paperless transactions will allow for real-time processing and automated controls to eliminate potential duplicate credits.

3: Centralization Increases Effectiveness of Coordinated Enrollment

The Order encourages the use of coordinated enrollment as a means to increase overall program effectiveness.⁵ By combining the tasks of applying for multiple programs into one coordinated application process, consumers enjoy a more user-friendly experience while agencies realize efficiencies and cost savings. Furthermore, process modifications can be quickly implemented in a controlled manner as regulatory objectives evolve, such as future modifications of program or income eligibility criteria.

For example, a consumer may want to apply for both a Lifeline discount and a Low-Income Household Energy Assistance Program (LIHEAP) discount. If the required information can be collected on a single application or through one interaction, a single eligibility review can determine an applicant's eligibility for both programs. The result is a streamlined process for state agencies and an improved experience for the consumer.

Cost savings can also be realized through centralized administration and coordinated enrollment by eliminating the need for agencies or service providers to design, implement and manage non-core functions such as eligibility determination and customer care. Total program administration costs, ultimately paid by consumers, can be reduced by taking advantage of expertise and economies of scale offered by a central administrator.

4: Comprehensive Reporting Tools Improve Oversight and Stakeholder Satisfaction

Public benefit programs like Lifeline require comprehensive oversight to ensure compliance and achievement of program objectives. Centralization supports these objectives by providing enhanced data collection, analysis, auditing, and reporting options. When automated data collection processes are combined with flexible reporting tools supported by the latest technologies, such as dashboards with real-time data analysis capabilities, summary and detail level data can be accessed and analyzed on demand.

- Oversight agencies can be notified of activity levels and anomalies to allow for immediate follow-up or further analysis.
- Service providers are able to quickly fulfill customer orders and begin serving eligible consumers.
- Consumers enjoy the benefits of immediate eligibility decisions and can avoid service interruptions when switching providers

Real-time data exchange capabilities between a central administrator, service providers, consumers, and oversight agencies allow for the immediate population of databases, streamlined eligibility reviews, and corresponding improvements in data analysis and reporting capabilities. Such streamlined processes improve program understanding, outcomes, and compliance.

Conclusion

Solix has found that centralized Lifeline administration offers a powerful solution for efficient program management. Expert centralization offers process clarity, consistent application of standards to ensure compliance, and real-time data collection, management, and analysis capabilities. Further, consolidated information management combined with comprehensive process controls and proven procedures maximize program integrity and effectiveness.

As the regulatory environment continues to evolve and market demands drive consumer choice and flexibility, a centralized and technology-based solution can achieve public policy goals while providing timely, efficient, and customer-focused interactions.

About Solix Inc.

Solix is a leading provider of eligibility determination, qualification program management and customer care services to government, telecommunications, broadband, utility and healthcare organizations. For over a decade, we've delivered smart, cost-effective, compliant outsourcing solutions that leverage our unique technologies and consultative expertise. Our customers benefit from faster, more accurate applicant qualification, increased program efficiency and improved customer communications. For more information, please visit www.solixinc.com.

¹ Lifeline and Link Up Reform and Modernization, WC Docket Nos. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11(Released February 6, 2012).

² The qualifying federal assistance programs include Medicaid; Supplemental Nutrition Assistance Program (SNAP); Supplemental Security Income (SSI); Federal Public Housing Assistance; Low-Income Home Energy Assistance Program (LIHEAP); National School Lunch Program's free lunch program; or Temporary Assistance for Needy Families (TANF).

³ Lifeline and Link Up Reform and Modernization, WC Docket Nos. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11(Released February 6, 2012), Para. 65 and FN 168.

⁴ Id, Para. 74.

⁵ Id, Para. 174.