Goal: Getting Payments Right

Program or Activity
Universal Service Funds - Lifeline

Reporting Period
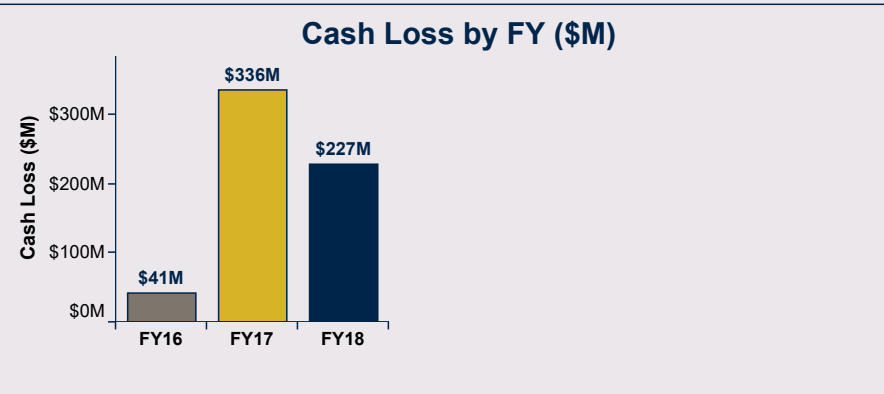Q4 2019

Change from Previous FY ($M) | **-$109M** ⬇

FCC
Universal Service Funds - Lifeline

Brief Program Description:
Lifeline is a federal program that lowers the monthly cost of phone and internet. Eligible customers will get at least $9.25 toward their bill; residents of federally-recognized Tribal lands may receive an additional $25 per month.

Key Milestones		Status	ECD
1	Finalize estimated cash loss estimation methodology	Completed	Oct-18
2	Identify estimated cash loss amount for FY 2018	Completed	Oct-18
3	Identify true root causes of cash loss	Completed	Oct-18
4	Develop mitigation strategies to get the payment right the first time	Completed	Oct-18
5	Evaluate the ROI of the mitigation strategy	Completed	Oct-18
6	Determine which strategies have the best ROI to prevent cash loss	Completed	Oct-18

Cash Loss by FY ($M)

	FY16	FY17	FY18
Cash Loss ($M)	$41M	$336M	$227M

Quarterly Progress Goals			Status	Notes	ECD
1	Q4 2019	Establish a data connection with Center for Medicare and Medicaid Service (CMS) and with 2 additional states to automate eligibility checking for the National Verifier (total of 2 federal connections and 14 automated state connections).	On-Track	N/A	Nov-19
2	Q4 2019	Soft-Launch 18 additional states into the National Verifier (total of 56 states & territories soft or hard launched into National Verifier).	On-Track	10 states successfully soft launched in October, with 8 more expected in December.	Dec-19

Recent Accomplishments		Date
1	Began manual eligibility checking of current Lifeline subscribers in the National Verifier for 11 states (total of 27 states that have begun manual checks of current subscribers [reverification]).	Aug-19
2	Began automated eligibility checking of current Lifeline subscribers for entry in the National Verifier for 23 states (total of 38 states that have begun automated checks of current subscribers [reverification]).	Sep-19

FY18 Amt($)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
$222M	Insufficient documentation to determine	Inadequate Certifications - Carrier provided an inadequate enrollment certification.	Inadequate Certifications - Universal Forms went into effect on 7/1/18. All Eligible Telecom Carriers (ETCs) are required to use the Universal Forms, regardless of whether the ETC is in a state that has transitioned to the National Verifier.	Ineligible Certifications - Resolving improper forms that the ETCs are using through the Universal Forms will resolve the vast majority of the issue. Full implementation of National Verifier by 12/2019 resolves the issue entirely.
		Missing Certifications - Carrier failed to provide enrollment certification or re-certification form.	Missing Certifications - USAC collects and retains Lifeline subscriber certification and re-certification forms for the National Verifier, taking this requirement out of the service providers' hands.	Missing Certifications - USAC's independent collection, review and retention of the certifications will nearly eliminate this issue.
$5M	Other reason	Ineligible Subscribers - Carrier allowed ineligible subscribers into the program or did not collect or retain proper documentation.	Ineligible Subscribers - USAC independently collects, reviews, and retains necessary eligibility documentation for subscribers entering the National Verifier.	Ineligible Subscribers - USAC's independent collection, review and retention of necessary eligibility documentation will drastically reduce ineligible subscribers in the Program.

Cash Loss - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.