

## ***Best Practices in Centralized Lifeline Administration***

### **Introduction**

As regulated industries continue to evolve, several states have decided to implement centralized Lifeline programs to increase participation rates and provide an expanded range of services and benefits to consumers. A centralized process offers increased accessibility and simplified interactions for customers, regulators, and service providers while ensuring the integrity of program objectives. Within a centralized system, customers can qualify for Lifeline either through an automatic enrollment process or by applying directly to the centralized administrator. An automatic enrollment process allows customers to receive the Lifeline discount if they are identified by the appropriate social services agency as eligible for a qualifying benefit program. In this case, customers receive the Lifeline discount with no additional actions required. Alternatively, customers who may be eligible for the Lifeline discount but have not applied for qualifying program benefits through a social services agency can apply directly to the centralized administrator. Such consumer-driven initiatives allow for maximum participation while centralization maintains process controls and a consistent application of program rules and requirements.

Centralized Lifeline administration involves the utilization of a third-party administrator to perform functions such as managing the customer application (or “certification”) and renewal (or “verification”) processes; collecting and matching service providers and social service agencies; standardizing addresses for matching and mailing purposes; providing customer support to all stakeholders; managerial reporting; and conducting reviews and audits on behalf of oversight agencies. As the administrator of centralized Lifeline programs in Texas and California, as well as numerous Lifeline funding mechanisms in other states, Solix has identified a number of best practices in centralized Lifeline administration.



- (1) **Consistent and Objective Application of Rules:** Centralized administration results in consistent and objective application of eligibility rules and requirements, ensuring that all applications are evaluated based on the same standards of review.
- (2) **Automated Data Collection, Standardization, and Matching:** Automated data collection, address standardization, and record matching procedures allow for accurate processing and minimize the possibility of issuing duplicate credits for the same customer.
- (3) **Ease-of-Use for Consumers and Service Providers:** Multiple enrollment options and a single point of contact for application processing and status inquiries provide high quality service for consumers and service providers.
- (4) **Program and Data Integrity:** Streamlined access to detailed customer information and supporting documentation aids in reporting, reconciliation, fraud detection, investigation, and auditing activities.



## **Consistent and Objective Application of Rules**

Centralized Lifeline administration by a third-party administrator produces consistent and objective application of state and federal Lifeline eligibility criteria by employing formal and uniform processes and standards of review. Since Lifeline eligibility determination is not a core function for service providers, these companies can realize cost savings when a centralized process is established because it eliminates internal costs of qualifying customers for Lifeline discounts. On a statewide basis, the total administration cost incurred by ratepayers can be reduced through achieved economies of scale.

Without a centralized system, service providers must review program or income documentation for their own customers to determine Lifeline program eligibility. A centralized administration process removes this burden from these companies while also normalizing the variations in procedures that can occur when eligibility reviews are conducted by companies with wide ranging resources, priorities, and experience. In-place and tested protocols to safeguard confidential information and adhere to legislative and regulatory requirements further ensure a confidential and objective approach to eligibility reviews.

## **Automated Data Collection, Standardization, and Matching**

Automated processes are a critical component of efficient and accurate Lifeline program administration. While some aspects of the certification and verification processes may require manual review of supporting paper documentation, the vast majority of the processes can and should be performed electronically. A system designed to securely collect, process, and store required information, standardize addresses, and perform customer matching routines allows for greater efficiency and accuracy. Consequently, this minimizes the possibility that more than one company would receive Lifeline credits for the same customer or that eligible customers would receive more than one discount.

A major advantage of a system-based approach is the ability to automatically enroll eligible customers for the Lifeline discount based on predefined criteria. For example, a customer's participation in at least one of numerous public benefit programs can confer Lifeline eligibility. Qualifying programs can include Medicaid, Low Income Home Energy Assistance Program (LIHEAP) support, Food Stamps, Federal Public Housing Assistance, Supplemental Security Income (SSI), Health Benefit Coverage under the Child Health Plan (CHIP), or others. Real-time data feeds or access from the appropriate oversight agency to the centralized administrator enables customer matching routines. The matching routines reconcile eligible discount recipients with service provider-reported customer lists, update eligible customer records, and flag entries requiring additional investigation. After the matching and data standardization processes are complete, the administrator can produce company-specific output files listing eligible customers qualified to receive a discount for a specific time period.

Solix performs an automated process in support of the Texas Public Utility Commission Lifeline program. "LITE-UP Texas" provides both telephone and electric service discounts to qualifying low-income consumers in the state. On a monthly basis, Solix matches more than 8 million customer records from 120 telephone companies and approximately 5 million customer



records from 48 electric providers with the nearly 2 million records of low-income Texas residents provided by the state Health and Human Services Commission using predefined criteria. Customer addresses are standardized in accordance with U.S. postal requirements and duplicate records are identified and removed. Upon completion of the matching process, an electronic output file is provided to each telephone and electric company, listing their current discount-eligible customers. Thorough, comprehensive data reconciliation and matching of this scale could not be accomplished as quickly or accurately if the process were not automated.

### **Ease-of-Use for Consumers and Service Providers**

Consumers should be afforded multiple avenues for applying for low-income benefits, including automatic enrollment and self-enrollment options. A choice in how to apply for Lifeline benefits allows customers to utilize the means that best fits their situation and preferences, whether that involves interaction with a social services agency, a telephone company, or applying directly with a centralized administrator.

As previously illustrated, automatic enrollment can be achieved by virtue of a customer's participation in an eligible public benefit program, with information transmitted through electronic interfaces between agencies, service providers, and a central administrator. Understanding that not all potentially eligible customers will enroll in an automatically-qualifying benefit program, a self-enrollment process should be provided as an alternative for obtaining Lifeline benefits. This self-enrollment process allows customers to file an application for program benefits based on qualifying program participation or household income level, as determined by state law or agency rules. As part of the self-enrollment process, consumers should be required to provide proof of program participation or income documentation. Official program eligibility documentation from a qualifying agency and income verification such as pay stubs, W-2 forms, or related documents can be acceptable forms of proof, all of which can be reviewed and safeguarded while maintaining customer privacy and confidentiality. The self-enrolling applicant should be required to certify to the accuracy of all information submitted under penalties as provided by law.

To facilitate participation and ensure a high level of customer service and accuracy, the administrator's call center representatives can be employed to assist consumers with the application process and respond to inquiries. During the intake process, representatives can pre-populate an application with much of the required customer information. This data can be used to generate a customized application form that can be mailed or delivered electronically to the applicant for completion and signature. The applicant can then return the completed signed form along with required supporting documentation for review and eligibility determination.

After a customer is initially certified as eligible to receive support, ongoing eligibility reviews should be conducted through a periodic verification process. The verification eligibility reviews follow state-specific verification requirements, which may differ from initial certification requirements. In states where customers are allowed to self-certify their ongoing program eligibility with no documentation required, the process can be fully automated through a web-based reporting system using unique ids and passwords serving as electronic "signatures."



## **Program and Data Integrity**

Program integrity, transparency, and data security are of utmost importance to oversight agencies. Implementation of automated routines and comprehensive internal controls to safeguard against waste, fraud, and abuse are essential when processing high volume transactions. Additionally, thorough internal and external audit procedures further assure program compliance.

On behalf of the California Public Utilities Commission, Solix implemented and administers the centralized California LifeLine program. California LifeLine typically processes approximately 1.2 million new applications and 2.1 million renewals per year. To accomplish these volume demands, daily electronic customer feeds are provided by each participating telephone service provider to Solix. Applications and instructions are printed in English, Spanish, five Asian languages, large font, and Braille. Applicants are sent unique bar-coded application forms designed to facilitate automated tracking and accurate processing upon return. Upon completion of each day's reviews, personalized eligibility determination letters are mailed to applicants. Electronic files are simultaneously provided to each telephone company, informing them of eligibility decisions processed for their customers.

To further support California LifeLine program integrity, Solix performs eligibility audits of a random sample of approximately 60,000 customers annually, requesting detailed documentation to verify program eligibility and to test the validity of self-certifications. This combination of automation, process controls, reviews, and audits allows for effective administration while maintaining program and data integrity.

## **Conclusion**

Centralized Lifeline administration offers many benefits and efficiencies to states, agencies, consumers, and service providers. In addition to realizing economies of scale that lower the overall costs of administration, state agencies and consumers can benefit from multiple avenues for applying for benefits while receiving professional and thorough assistance throughout the entire process. By utilizing automated procedures and formal review processes, program integrity and quality are assured through consistent and verifiable eligibility determination decisions. Comprehensive process and quality controls combined with reviews and audits of eligibility decisions result in efficient program administration while promoting maximum appropriate participation and program integrity.

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*Solix, Inc. is a process outsourcing firm serving government and commercial clients. We provide complete solutions for program administration, with an emphasis on eligibility determination, funds distribution, grant administration, managerial reporting, and compliance reviews. Solix-managed programs include Internet and telecommunications infrastructure grant administration for schools, libraries, and rural health care providers; low-income telephone and electric service discount certification and verification; and support services for the physically impaired. Through its wholly-owned subsidiary, Lytmos Group, Solix offers peer-review and grant program administration services, with a focus on high-technology research, economic development projects, and social services interventions.*