

**COMPUTER MATCHING AGREEMENT
BETWEEN
THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES
AND
THE FEDERAL COMMUNICATIONS COMMISSION
FOR
DISCLOSURE OF INFORMATION TO SUPPORT ELIGIBILITY DETERMINATION FOR
PARTICIPATION IN THE FEDERAL LIFELINE PROGRAM**

**CMS Computer Matching Agreement No. 2019-20
Department of Health and Human Services No. 1906**

**To be Effective Approximately July 1, 2019,
Expiring Approximately January 1, 2021**

I. PURPOSE, LEGAL AUTHORITIES, and DEFINITIONS

A. Purpose

The purpose of this Computer Matching Agreement (Agreement) is to establish the terms, conditions, safeguards, and procedures between the Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS), and the Federal Communications Commission (FCC) governing the disclosure of Medicaid eligibility information to support eligibility determinations for participation in the Federal Universal Service Fund (USF or Fund) Lifeline Program. The Universal Services Administrative Company (USAC) has been designated by the FCC as the permanent Federal Administrator of the USF programs, including the Lifeline program that is the subject of this Agreement.

This Agreement seeks to ensure that Lifeline program applicants and subscribers are eligible to receive the Lifeline benefit as set forth in 47 Code of Federal Regulations (CFR) § 54.400 *et seq.* USAC will match Lifeline program applicant or subscriber data against CMS Medicaid data to provide affirmative or negative responses using a secure Automated Programming Interface (API). The results generated by this matching program will serve as one of several data points to verify eligibility of applicants to and subscribers of the USF Lifeline program using the National Lifeline Eligibility Verifier and to further the integrity of the Lifeline program.

The Computer Matching and Privacy Protection Act of 1988 (CMPPA) (Public Law 100-503) amended the Privacy Act (5 U.S.C. § 552a) to require Parties participating in a matching program to execute a written agreement specifying the terms and conditions under which the matching program will be conducted. The Parties to this Agreement have determined that eligibility determinations for participation in the USF's Lifeline Program will constitute a "matching program" as defined in the CMPPA.

The terms and conditions of this Agreement will be carried out by authorized employees, users, and contractors of CMS, the FCC, and USAC. FCC and CMS are each a Party, and collectively the Parties to this Agreement. By entering into this Agreement, the Parties agree to comply with the terms and conditions set forth herein and the applicable law and implementing regulations.

B. Legal Authorities

The following statutes and regulations provide legal authority for the uses of data, including disclosures, under this Agreement:

1. This Agreement is executed pursuant to the Privacy Act (5 U.S.C. § 552a) and the regulations and guidance promulgated thereunder, including Office of Management and Budget (OMB) Circular A-108 "Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act" published at 81 FR 94424 (Dec. 23, 2016), and OMB guidelines pertaining to computer matching published at 54 FR 25818 (June 19, 1989).
2. The Privacy Act (5 U.S.C. § 552a(b)(3)), authorizes a federal agency to disclose information about an individual that is maintained by an agency in an agency system of records (SOR), without the prior written consent of the individual, when such disclosure is pursuant to a routine use published for that SOR. CMS has a routine use in its system of records to authorize the disclosures under this Agreement.
3. The FCC is authorized to disclose the data utilized in this matching program by Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254, and the rules it has promulgated to implement the Lifeline program in Subpart E of Part 54 of its rules, 47 CFR 54.400 et seq. Pursuant to those rules, USAC is the permanent Administrator of the Lifeline program, 47 CFR §§ 54.701-717.

C. Definitions

For the purposes of this Agreement:

1. "Applicant" means an individual who is seeking eligibility for him or herself through an application submitted to USAC to verify eligibility and receive benefits through the USF Lifeline program;
2. "Breach" is defined by OMB Memorandum M-17-12, Preparing for and Responding to a Breach of Personally Identifiable Information, January 3, 2017, as the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, or any similar occurrence where (a) a person other than an Authorized User accesses or potentially accesses personally identifiable information (PII); or (b) an Authorized User accesses or potentially accesses PII for an other than authorized purpose;
3. "CMS" means the Centers for Medicare & Medicaid Services;

4. "FCC" means the Federal Communications Commission, the independent agency of the United States government created by statute to regulate interstate communications by radio, television, wire, satellite, and cable;
5. "HHS" means the Department of Health and Human Services;
6. "PII" or "Personally Identifiable Information" is defined by OMB M-17-12, January 3, 2017, and means information that can be used to distinguish or trace an individual's identity, such as their name, social security number, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.;
7. "Recipient Agency" is defined by the Privacy Act (5 U.S.C. § 552a(a)(9)) and means any agency, or contractor thereof, receiving records contained in a SOR from a source agency for use in a matching program. The FCC is the recipient agency in this Agreement;
8. "Record" means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, his or her education, financial transactions, medical history, and criminal or employment history and that contains his or her name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph;
9. "Security Incident" means the act of violating an explicit or implied security policy, which includes attempts either failed or successful, to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent;
10. "Source Agency" is defined by the Privacy Act (5 U.S.C. § 552a (a) (11)), and means any agency that discloses records contained in a SOR to be used in a matching program. CMS is the source agency in this Agreement;
11. "Subscriber" means an individual who has been deemed eligible for him or herself through an application submitted to USAC to verify eligibility and receive benefits through the USF Lifeline program;
12. "System of Records" or "SOR" is defined by the Privacy Act (5 U.S.C. § 552a(a)(5)), and means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual, and
13. "USAC" is the permanent Administrator of the Federal USF support mechanisms.

II. RESPONSIBILITIES OF THE PARTIES

A. CMS Responsibilities

CMS will use the FCC-submitted electronic file(s) to conduct a data match against Medicaid enrollment records maintained in the Transformed Medicaid Statistical Information System (T-MSIS) SOR, and return either a positive CMS match of enrollees, or a no-match-found response.

B. FCC/USAC Responsibilities

1. The FCC will provide CMS with electronic file(s) in a format defined by CMS, on a timeframe agreed upon by the FCC and CMS, on a daily basis. The FCC will provide CMS with FCC's electronic files via the secure API interconnection. The electronic file(s) will include the data fields identified in Section IV.B. of this Agreement.
2. The FCC will review the electronic file(s) returned by CMS containing the matched enrollment-related data, perform additional validation, and if deemed appropriate, conduct further investigation. The FCC/USAC will grant access to a limited number of people who have a need for the data. The FCC will require USAC, including its employees, contractors, and agents, to follow all applicable federal privacy and security standards.
3. The FCC/USAC will use the data received from CMS to make eligibility determinations for participation in the USF Lifeline Program.
4. The FCC/USAC will ensure the receipt of appropriate consents from applicants or subscribers for use of PII collected, used, and disclosed for the purposes and programs outlined in this Agreement.
5. The FCC/USAC will transmit data to CMS via encrypted representational state transfer (RESTful) web service request.
6. The FCC will provide Congress and OMB with advance notice of this matching program and, upon completion of their advance review period, will publish the required matching notice in the FR and address public comments that may result from publication in the FR.

III. COST BENEFIT ANALYSIS

A. Cost-Benefit Analysis

As directed by the Privacy Act at 5 U.S.C. § 552a(u)(4)(A), the FCC has conducted a cost-benefit analysis of this matching program. This analysis, which is attached to this Agreement as Attachment 1, demonstrates that this program is likely to be cost effective, and includes a specific estimate of any savings.

IV. DESCRIPTION OF THE DATA TO BE EXCHANGED

A. Systems of Records.

1. CMS

Transformed - Medicaid Statistical Information System (T-MSIS), System No. 09-07-0541 last published in full at 84 FR 2230 (Feb. 16, 2019). Routine Use No. 3 supports CMS' disclosures under this Agreement.

2. FCC

FCC/WCB-1: Lifeline Program published in full at 82 FR 38686 (Aug. 15, 2017). Routine Use No. 7 supports the FCC's disclosures under this Agreement.

B. Specific Data Elements Used in the Match

The match will be based on the following list of data elements: Last name, first name, last four digits of social security number (SSN), state of residence, and date of birth (DOB).

C. Number of Records and Frequency of Matching

1. The estimated number of records is subject to the number of individuals who apply and recertify eligibility for Lifeline program services. Approximately 14,400,000 new subscribers are vetted through the eligibility process each year. Approximately 9,700,000 subscribers will be recertified annually.
2. The match will be conducted on a daily basis.

D. Projected Starting and Completion Dates of the Matching Program

Effective Date – approximately July 1, 2019

Expiration Date – approximately January 1, 2021 (January 1, 2022 if renewed for 12 months)

V. NOTICE PROCEDURES

- A. The matching notice which the FCC will publish in the FR as required by the Privacy Act (5 U.S.C. § 552a (e)(12)) will provide constructive notice of the matching program.
- B. The FCC will inform applicants and current subscribers of Lifeline benefits at the time of certification and recertification that the information they provide may be used in a matching program with other Federal agencies. (See FCC Form 5629, Lifeline Program Application Form, OMB Control Number 3060-0819 and FCC Form 5630, Lifeline Program Annual Recertification Form, OMB Control Number 3060-0819.)

- C. The FCC will provide subsequent notices to both applicants and current subscribers as required. The FCC provides notice to the public about matching activities with publication of the SORN, by making a copy of this Agreement available to the public upon request, by providing a link to this Agreement on the Privacy program page of the FCC/USAC website, and by other means of communications (e.g. e-mails, direct mail).

VI. VERIFICATION PROCEDURES AND OPPORTUNITY TO CONTEST

A. General

The Parties acknowledge and agree that this matching program is not the sole basis through which a beneficiary's eligibility for the Lifeline program may be determined. The Privacy Act requires that each agreement specify procedures for verifying information produced in the matching program as required by 5 U.S.C. § 552a(p). This subsection requires agencies to independently verify the information produced by a matching program and to provide the individual an opportunity to contest the agency's findings before an adverse action is taken against the individual because of the information.

Subsequent amendments and regulations allow for an agency to authorize a waiver of independent verification procedures when it finds high confidence in the accuracy of the data. *See* OMB, "Final Guidance Interpreting the Provisions of Public Law 100-503, the Computer Matching and Privacy Protection Act," (54 FR 25818 (June 19, 1989)).

B. Verification Procedures

1. The FCC/USAC will be responsible for independently verifying the results of the match.
2. The FCC/USAC may not deny, terminate, or make a final decision of any benefit to an individual or take other adverse action against such individual solely as the result of the information produced by this matching program until the FCC/USAC has independently verified such information.
3. This independent verification includes: (1) giving the applicant or subscriber the opportunity to present evidence of eligibility, (2) comparing automated data with manual files to verify applicant or subscriber identification, and (3) analyzing the confirmed information.
4. Denial of benefits will not be predicated on the result of an initial match between systems. Denial of benefits will be made upon an independent verification made by a federal employee or designated contractor validating the results of the match received from CMS.

C. Notice and Opportunity to Contest

1. The FCC/USAC will not terminate, suspend, reduce, deny, or take other adverse action against an applicant for or subscriber to Lifeline benefits based on data disclosed from CMS records until the information has been verified as provided in B., above, and the individual has been notified in writing of the potential adverse action, and provided an opportunity to contest the findings and planned action. "Adverse action" means any action resulting in a termination, suspension, reduction, or final denial of eligibility, payment, or benefit.
2. The FCC/USAC will provide such notices in writing, and such notices will:
 - a. Inform the individual of the match findings and the opportunity to contest these findings;
 - b. Give the individual an opportunity to submit, within 30 days, to the FCC/USAC, documentation to contest the findings and proposed actions before FCC/USAC makes a final determination. The time to contest begins on the date on which notice is mailed or otherwise provided to the individual to respond; and
 - c. State clearly that, unless the individual responds to the notice in the required time period, the FCC/USAC will conclude that the matched data is correct and will effectuate the threatened action or otherwise make the necessary adjustment to the individual's benefit or entitlement.
3. To enable rapid response and resolution, authorized FCC/USAC database users will be provided the FCC/USAC telephone number to call if a dispute occurs. The FCC/USAC will respond to these calls when reasonably possible, and when requested, in writing.

VII. DISPOSITION AND RECORDS RETENTION OF MATCHED ITEMS

- A. FCC/USAC will retain data it receives from CMS under this Agreement only to the extent required under FCC auditing requirements and will then destroy all such data according to the proper records retention schedule.
- B. CMS will retain data it receives from the FCC/USAC under this Agreement only for the processing times required for the applicable federally-funded benefit programs to verify data, and will then destroy all such data.
- C. An exception will apply if the information is required for evidentiary reasons, in which case, the information will be destroyed upon completion of any criminal, civil, or administrative actions and cases.
- D. Other identifiable records that may be created by each Party during the course of the investigation will be destroyed as soon as they have served the matching program's

purpose pursuant to records retention requirements established in conjunction with the National Archives and Records Administration (NARA).

- E. CMS will erase the matching file generated through this matching operation as soon as the information has served the matching program's purpose and all legal retention requirements established in conjunction with the NARA under applicable procedures have been met.

VIII. RECORDS ACCURACY ASSESSMENTS

The FCC/USAC estimates that the FCC records to be used in this matching program are at least 99 percent accurate.

CMS estimates the CMS records to be used in this matching program are most accurate and complete as provided by the states.

IX. SECURITY PROCEDURES

CMS and the FCC/USAC agree to these information security procedures:

A. Administrative Safeguards

CMS and the FCC/USAC will comply with the requirements set forth by the Privacy Act (5 U.S.C. § 552a(e)(10), (m), and (o)(1)(G)), Federal Information Security Management Act (FISMA), 44 U.S.C. Chapter 35, Subchapter II, as amended by the Federal Information Security Modernization Act of 2014 (Pub. L. 113-283); related OMB circulars and memoranda, such as OMB Circular A-130, "Managing of Federal Information as a Strategic Resource" (July 28, 2016), and National Institute of Standards and Technology (NIST) directives including any applicable amendments published after the effective date of this Agreement. These laws, directives, and regulations include requirements for safeguarding federal information systems and personally identifiable information used in business processes and related reporting requirements. Specifically, FISMA requirements apply to all federal contractors, organizations, or entities that possess or use federal information, or that operate, use, or have access to federal information systems on behalf of an agency (44 U.S.C. § 3554(a)).

CMS and the FCC/USAC will restrict access to the data matched and to any data created by the match to only those authorized employees, contractors, and officials who need it to perform their official duties for the uses of the data authorized in this Agreement. CMS and the FCC/USAC will also notify such authorized users of the civil and criminal sanctions for noncompliance contained in the applicable federal laws.

B. Technical Safeguards

1. CMS and the FCC/USAC will process the data matched and any data created by the match under the immediate supervision and control of authorized personnel to protect the confidentiality of the data, so that unauthorized persons cannot retrieve any data by computer, remote terminal, or other means.
2. Systems personnel have to enter personal identification numbers when accessing data on the agencies' systems. CMS and the FCC/USAC will strictly limit authorization to these electronic data areas necessary for the authorized user to perform their official duties. All data in transit will be encrypted using algorithms that meet the requirements of the Federal Information Processing Standard (FIPS) Publication 140-2
3. Authorized system users will be identified by User ID and password, and individually tracked to safeguard against the unauthorized access and use of the system. System logs of all user actions will be saved, tracked and monitored periodically.

C. Physical Safeguards

CMS and the FCC/USAC agree to maintain all automated matching records in a secured computer environment that includes the use of authorized access codes (passwords or public key infrastructure (PKI)) to restrict access. Those records will be maintained under conditions that restrict access to persons who need them for official duties related to the matching process. The user's supervisor will ensure that CMS or the FCC/USAC are notified when a user has departed or duties have changed so the user no longer needs access to the system, to ensure timely deletion of the user's account and password.

D. On-Site Inspections

CMS and the FCC/USAC may make on-site inspections of each other's recordkeeping and security practices, or make provisions beyond those in this Agreement to ensure adequate safeguarding of records exchanged.

X. INCIDENT REPORTING AND NOTIFICATION RESPONSIBILITIES

- A. CMS and the FCC/USAC agree to report and track security and privacy incidents in accordance with the most current Department of Homeland Security and the United States Computer Emergency Readiness Team (US-CERT) guidelines. Upon detection of an incident related to this interconnection, the Party experiencing the incident will promptly notify the other Party's System Security Contact(s) named below:

FCC/USAC will promptly notify this contact at CMS: the CMS IT Service Desk by telephone at (410) 786-2580 or 1-800-562-1963 or via email notification at cms_it_service_desk@cms.hhs.gov within one (1) hour after discovery of the incident.

CMS will promptly notify the FCC/USAC by sending an email to incident@usac.org to activate USAC's Incident Response Team and notifying simultaneously one of these contacts at the FCC/USAC: USAC Privacy Officer, Laurence Schecker, (202) 263-1646 or USAC Director of Information Security, John Jackson (202) 423-2670.

As soon as possible after receiving a notification of an incident from CMS, USAC will report the incident to the FCC's Network Security Operations Center (NSOC) at nsoc@fcc.gov or (202) 418-4011.

If the Party experiencing the incident cannot speak with the other Party's System Security Contacts within one (1) hour, or if contacting the System Security Contact is not practical (e.g., outside of normal business hours), then the following contact information shall be used: USAC Director of Information Security, John Jackson, (202) 423-2670 and e-mail to incident@usac.org.

- B. If either CMS or the FCC/USAC experiences a loss of PII provided under this Agreement, the Party that experienced the loss incident will also comply with the PII breach reporting and security requirements set forth by OMB M-17-12, "Preparing Responding to a Breach of Personally Identifiable Information" (January 3, 2017).
- C. CMS and the FCC/USAC agree to notify all the Security Contact(s) named in this Agreement as soon as possible, but no later than one (1) hour, after the discovery of a breach (or suspected breach) involving PII. The Party that experienced the incident will also be responsible for following its internal established procedures, including:
- Notifying the proper organizations (e.g., United States Computer Emergency Readiness Team (US-CERT), the Information Systems Security Officers (ISSOs), and other contacts listed in this document);
 - Conducting a breach and risk analysis, and making a determination of the need for notice and/or remediation to individuals affected by the loss; and
 - Providing such notice and credit monitoring at no cost to the other Party, if the analysis conducted by the Party having experienced the loss incident indicates that individual notice and credit monitoring are appropriate.
- D. In the event of any incident arising from or in connection with this Agreement, each Party will be responsible only for costs and/or litigation arising from a breach of the Party's own systems. FCC/USAC is responsible only for costs and litigation associated with breaches to FCC/USAC systems and CMS is responsible only for breaches associated with CMS systems.

FCC/USAC shall not be liable to CMS or to any third person for any cause of action arising from the possession, control, or use by CMS of applicant or subscriber PII, or for any loss, claim, damage or liability, of whatever kind or nature, which may arise from or in connection with this Agreement or the use of applicant or subscriber PII.

CMS shall not be liable to FCC/USAC, or to any third person for any cause of action arising from the possession, control, or use by FCC/USAC of applicant or subscriber PII, or for any loss, claim, damage or liability, of whatever kind or nature, which may arise from or in connection with this Agreement or the using applicant or subscriber PII.

XI. RECORDS USAGE, DUPLICATION AND REDISCLOSURE RESTRICTIONS

CMS and the FCC/USAC agree to these restrictions on use, duplication, and disclosure of information furnished by the other Party:

- A. Absent additional statutory authorization, the records obtained for the administration of this matching program, and this Agreement, will be used to match for the purposes stated under this Agreement and for no other purpose. Unless compelled to do so by law or regulation, CMS and FCC/USAC will not use the data derivatively, or disclose the data internally or externally, without the written consent of all Parties to this Agreement. Information about "non-matching" individuals will not be used or disclosed by either Party for any purpose outside of this agreement and shall be destroyed or returned to the respective Party.
- B. Records obtained for this matching program or created by the match will not be disclosed outside the Party except as may be essential to conduct the matching program, or as may be permissible or required by law. Each Party will obtain the permission of the other Party before making such disclosure.
- C. Data or information exchanged will not be duplicated unless essential to the conduct of the matching program (e.g., should the original file become damaged or for back-up contingency purposes) or compelled by law or regulation. All stipulations in this Agreement will apply to any duplication.
- D. If required to disclose these records to Congress, to a federal, state or local agency, or to a government contractor to accomplish the matching program's purpose, each Party will notify the other Party regarding the disclosure request.
- E. CMS and FCC/USAC will not duplicate or create a separate file comprising information regarding those individuals involved in the specific matching programs except as necessary to monitor the results of the matching program.
- F. Each Party will keep an accounting of disclosure from an individual's record as required by 5 U.S.C. § 552a(c) and will make the accounting available upon request by the individual or other Party.
- G. CMS and the FCC/USAC employees, contractors, and agents who access, use, or disclose CMS and/or the FCC/USAC data in a manner or purpose not authorized by this Agreement may be subject to civil and criminal sanctions under applicable federal statutes.

- H. The restrictions listed above in this section do not apply to data, information and reports that USAC is required to submit to the FCC to allow the FCC to carry out its oversight duties, including but not limited to, the National Verifier Annual Report required by the Lifeline Reform Order, 31 FCC Rcd at 4021, para. 160 (2016).

XII. COMPTROLLER GENERAL ACCESS

Pursuant to 5 U.S.C. § 552(o)(1)(K), the Government Accountability Office (Comptroller General) may have access to all CMS, FCC, and USAC records, as necessary, in order to verify compliance with this Agreement. This Agreement also authorizes the Comptroller General to inspect any records used in the matching process covered by this matching agreement under 31 U.S.C. § 717 and 5 U.S.C. § 552a(b)(10).

XIII. INSPECTOR GENERAL ACCESS

CMS, FCC, and USAC authorize the FCC Office of Inspector General to use results from the data match conducted under this matching program, for investigation, audits, or evaluation matters under the Inspector General Act of 1978, as amended.

XIV. REIMBURSEMENT

USAC will pay CMS for the API development and on-going operations necessary for the matching services described in the Agreement pursuant to a separate fee agreement. Other than the costs covered by such fee agreement, each Party will be responsible for all other expenses it may incur in connection with the preparation, negotiation, and execution of this Agreement and performance of the activities described in the Agreement.

XV. DURATION, MODIFICATION, AND TERMINATION

- A. **Effective Date:** The Effective Date of this Agreement will be July 1, 2019, provided that the FCC has first provided the proposed matching program report to the Congressional committees of jurisdiction and OMB in accordance with 5 U.S.C. § 552a(o)(2)(A) and (r) and OMB Circular A-108, and upon completion of their advance review period, the FCC has published notice of the matching program in the FR for a 30 day public comment period as required by 5 U.S.C. § 552a(e)(12).
- B. **Duration:** This Agreement will be in effect for a period of 18 months subject to renewal as provided in section XV.C.
- C. **Renewal:** The Parties may, within three (3) months prior to the expiration of this Agreement, renew this Agreement for a period not to exceed twelve (12) months if CMS and the FCC certify the following to their respective DIBs:
1. The matching program will be conducted without change; and

2. The parties have conducted the matching program in compliance with this Agreement.
- D. If either agency does not want to renew this Agreement, it must notify the other agency of its intention to discontinue at least 90 days before the 18 month term of XV.B. expires.
 - E. Modification: The parties may modify this Agreement at any time by a written modification, mutually agreed to by both parties, upon a finding that the modification is not significant so does not require a new agreement.
 - F. Termination: This Agreement may be terminated at any time upon the mutual written consent of the parties. Either Party may unilaterally terminate this Agreement upon written notice to the other party, in which case the termination will be effective ninety (90) days after the date of the notice, or at a later date specified in the notice.

XVI. PERSONS TO CONTACT

A. USAC and FCC contacts are:

1. Programmatic Issues:

Michelle Garber
Vice President, Lifeline
USAC
700 12th Street, NW, Suite 900
Washington, DC 20005
Tel.: 202-772-5251
Email: michelle.garber@usac.org

Mark Stephens
Managing Director
Federal Communications Commission
445 12th Street SW
Washington, DC 20554
Telephone: (202) 418-1919
E-mail: mark.stephens@fcc.gov.

2. Privacy Issues:

John Williams
FCC Senior Agency Official for Privacy
Office of General Counsel
Federal Communications Commission
445 12th Street SW,

Washington, DC 20554
Telephone: (202) 418-1747
E-mail: john.williams2@fcc.gov.

B. The CMS contacts are:

1. Medicaid/CHIP Issues:

Julie Boughn Director
Data and Systems Group
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Mail Stop: S2-22-27 Location: S2-23-06
Baltimore, MD 21244-1850
Telephone: (410) 786-9361
E-mail: julie.boughn1@cms.hhs.gov

2. Privacy and Agreement Issues:

Walter Stone
CMS Privacy Act Officer
Division of Security, Privacy Policy & Governance
Information Security & Privacy Group
Office of Information Technology
Centers for Medicaid & Medicare Services
Mail Stop: N1-14-56
Phone: 410-786-5357
E-Mail: walter.stone@cms.hhs.gov.

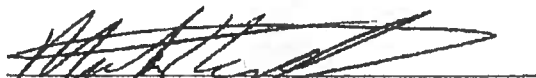
Barbara Demopulos, Privacy Advisor
Division of Security, Privacy Policy & Governance
Information Security & Privacy Group
Office of Information Technology
Centers for Medicare & Medicaid Services
Location: N1-14-40
7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-6340
E-mail: Barbara.Demopulos@cms.hhs.gov.

Scott Blumberg, Privacy Advisor
Division of Security, Privacy Policy & Governance
Information Security & Privacy Group
Office of Information Technology
Centers for Medicare & Medicaid Services
Location: N1-15-25

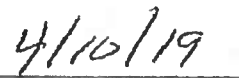
7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-7329
E-mail: Scott.blumberg@cms.hhs.gov.

XVII. APPROVALS AND SIGNATURES**A. FEDERAL COMMUNICATIONS COMMISSION**

The signatories below warrant and represent that they have the competent authority to approve the model of this Computer Matching Agreement, and enter into the obligations set forth in this Agreement, on behalf of the FCC.



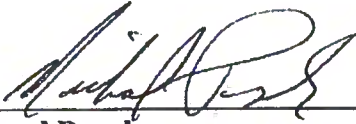
Mark Stephens
Managing Director
Federal Communications Commission



Date

B. CENTERS FOR MEDICARE AND MEDICAID (CMS)

The signatories below warrant and represent that they have the competent authority to approve the model of this Computer Matching Agreement, and enter into the obligations set forth in this Agreement, on behalf of CMS.



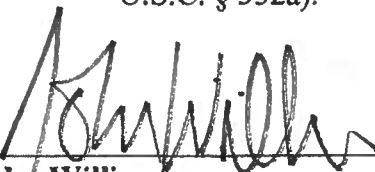
Michael Pagels

Director, Division of Security, Privacy Policy and Governance, and
Acting Senior Official for Privacy,
Information Security and Privacy Group,
Office of Information Technology
Centers for Medicare & Medicaid Services

4/5/19
Date

XVIII. DATA INTEGRITY BOARDS**A. FCC DATA INTEGRITY BOARD**

FCC Data Integrity Board has reviewed and approved this Computer Matching Agreement and has found it to comply with the Privacy Act of 1974, as amended (5 U.S.C. § 552a).

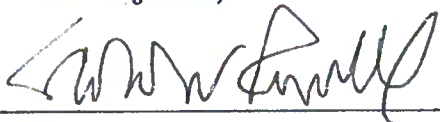


John Williams
Chairperson, Data Integrity Board
Federal Communications Commission

5/23/19
Date

B. HHS DATA INTEGRITY BOARD

HHS Data Integrity Board has reviewed and approved this Computer Matching Agreement and has found it to comply with the Privacy Act of 1974, as amended (5 U.S.C. § 552a).



5.14.9

Date

Scott W. Rowell

Assistant Secretary for Administration, and
Chairperson, Data Integrity Board
U.S. Department of Health and Human Services

Attachment 1: Cost Benefit Analysis

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Cost Benefit Analysis for the Computer Match between the Centers for Medicare & Medicaid Services and the Federal Communications Commission for Verification of Eligibility for the Lifeline Program for Low-Income Consumers

Match Objective

This matching program will provide the Federal Communication Commission's (FCC or Commission) Lifeline program, as administered by the Universal Service Administrative Company (USAC), with information about whether a particular individual is enrolled in the Medicaid program. Because participation in Medicaid qualifies individuals for Lifeline benefits, matching a Lifeline applicant or subscriber to his or her Medicaid record confirms that person's eligibility for Lifeline. Verifying Lifeline eligibility through an automated computer matching process reduces the time and expense of program enrollment and recertification for both consumers and the eligible telecommunications carriers that provide Lifeline services. It will also reduce program costs by preventing ineligible consumers from enrolling in the Lifeline program and will advance the goal of implementing the Lifeline National Eligibility Verifier (National Verifier) system adopted by the FCC in 2016.

Background

As part of the universal service authority Congress gave the FCC in section 254 of the Communications Act of 1934, as amended,¹ the FCC created the Lifeline program. Lifeline is administered by USAC under FCC direction and supervision.²

The Lifeline program provides support for discounted broadband and voice services to low-income consumers. Consumers qualify for Lifeline through proof of income or participation in a qualifying program, such as Medicaid, the Supplemental Nutritional Assistance Program (SNAP), Federal Public Housing Assistance, Supplemental Security Income (SSI), Veterans and Survivors Pension Benefit, or Tribal-specific programs.³

In a Report and Order the FCC adopted on March 31, 2016, after completing a rulemaking proceeding in accordance with section 4 of the Administrative Procedure Act,⁴ the Commission directed USAC to create the National Verifier, including the National Lifeline Eligibility Database (LED).⁵ The purpose of the National Verifier was to match data about Lifeline applicants and subscribers with other federal and state data sources to verify the eligibility of an applicant or subscriber. The stated goal of this new system was "to increase the integrity and improve the performance of the Lifeline program for the benefit of a variety of Lifeline

¹ 47 U.S.C. § 254.

² 47 CFR § 54.400 *et seq.*

³ 47 CFR § 54.409(a).

⁴ 5 U.S.C. § 553.

⁵ *Lifeline and Link Up Reform and Modernization, et al.*, Third Report and Order et al., 31 FCC Rcd 3962 (2016).

participants, including Lifeline providers, subscribers, states, community-based organizations, USAC, and the Commission.”⁶ Based on the record of the proceeding, the Commission concluded that the National Verifier would reduce compliance costs for Lifeline service providers, improve service for Lifeline subscribers, and reduce waste, fraud, and abuse in the program.

Under the program’s current procedures, telecommunications companies that have been approved to provide Lifeline services to consumers (eligible telecommunications carriers or ETCs) are generally responsible for verifying that a consumer is eligible to receive Lifeline services.⁷ ETCs manually review eligibility documentation when they enroll subscribers and check USAC’s National Lifeline Accountability Database (NLAD) to make sure the subscriber is not already enrolled in the program.

As the National Verifier is implemented, the responsibility for checking consumer eligibility will shift to the National Verifier, operated by USAC. The National Verifier will verify program eligibility through an automated process that compares Lifeline applicant and subscriber information with information in data systems maintained by other federal and state agencies. This Computer Matching Agreement documents one such data sharing agreement and will work in the following manner: if a Lifeline applicant claims eligibility through Medicaid benefits, the National Verifier will automatically send information about that applicant through a bi-directional computer interface to the Centers for Medicare and Medicaid Service (CMS) for verification. The CMS system will respond either “yes,” the applicant is a Medicaid enrollee or “no,” he or she is not.

Methodology

The newly imposed costs for this matching program consist primarily of personnel and computer costs associated with the initial system changes necessary to build the interconnection between CMS and USAC and costs to maintain the system for the initial term of the matching program (18 months). Cost estimates were provided by the FCC, USAC, and CMS. These estimates rely on a variety of sources, including estimates provided by the vendors building the overall system and the National Verifier Plan.

Cost savings for this matching program are quantified separately from costs. The estimated savings for this matching program are estimated based on the improper payment rate for the Lifeline program identified in the FCC’s Agency Financial Report for Fiscal Year 2017 and through the reduction in manual eligibility review costs incurred by USAC.

The matching program will not result in benefits to CMS. We use the newly imposed costs and cost savings estimates to calculate net benefits of this matching program.

The FCC and USAC used the following assumptions in development of the cost benefit analysis:

- The matching program will use Medicaid data collected by CMS for other purposes.

⁶ *Id.* at 4006, para. 126.

⁷ Some states have created processes to assist service providers in confirming eligibility.

- USAC will obtain and store a “yes” or “no” response from CMS that indicates whether an individual participates in Medicaid based on personally identified information (PII) provided by USAC.
- Errors in data through this matching program should be rare and affected individuals can contest adverse findings.
- USAC is building the National Verifier system regardless of whether this matching program exists; however, USAC would be required to perform costly manual reviews for these subscribers without the matching program.
- Only initial implementation costs and costs of routine maintenance and operation of the interconnection system during the initial term of the matching program (18 months) are included in the CBA. Any system changes following the initial matching period are not considered in the estimates.

Newly Imposed Costs

Total newly imposed costs for the matching program are estimated to be \$1,136,765 in the initial matching period (18 months).⁸ Costs included in this amount consist of personnel and computer costs for the source and recipient agencies and cost savings due to the avoidance of manual eligibility verification reviews by USAC. Key elements of the overall costs of this matching program are discussed in more detail below.

Key Element 1: Personnel Costs

- **Source Agency (CMS)**

We expect most of the costs will be incurred prior to using the matching program, to implement system changes, and subsequent years will have little to no personnel costs associated with system changes. CMS’ costs are counted as FCC/USAC costs, because USAC will reimburse CMS for them.

- **Recipient Agency (FCC/USAC)**

USAC’s Information Technology staff and its contractors will spend \$250,000 developing the interface with CMS and \$25,000 per year to maintain the connection once it is operational. Therefore we expect to incur \$12,500 on maintenance for the initial life of this matching program since the connection will not be made until sometime within the 18-month period.

Key Element 2: Agencies’ Computer Costs

- **Source Agency (CMS)**

USAC is compensating CMS for computer costs of \$874,265 associated with analysis, planning and development of the interconnection.

⁸ \$250,000 (USAC Development Cost) + \$12,500 (Maintenance) + \$874,265 (CMS Development Cost) = \$1,136,765

- **Recipient Agency (FCC/USAC)**

FCC/USAC will not incur specific computer costs for this matching program.

Cost Savings

Total cost savings to the Lifeline program resulting from the matching program are estimated to be \$23.3 million in the initial matching period (18 months).⁹ Key elements of the overall cost savings of this matching program are discussed in more detail below.

Key Element 3: Avoidance of Improper Payments

- **Source Agency (CMS)**

The matching program will not result in savings to CMS.

- **Recipient Agency (FCC/USAC)**

Total improper payments for the Lifeline program were estimated to be \$227 million in FY2018.¹⁰ Overpayments due to ineligible subscribers were \$3.1 million of the overall total.¹¹ Since approximately 60% of subscribers demonstrate eligibility for Lifeline through participation in Medicaid, we estimate that an interconnection with CMS would result in the avoidance of \$2.4 million in future improper payments over the initial life of this matching program (18 months).¹²

Key Element 4: Recovery of Improper Payments and Debts

As overpayments due to ineligible subscribers were \$3.1 million in 2018, we anticipate we could have avoided about 60% of those improper payments by having an interconnection with CMS, or \$2.8 million over the life of the matching program (18 months)¹³. This recovery amount is larger than the amount in the Avoidance of Improper Payments because the National Verifier currently obtains cost savings benefits from other interconnections it has with state agencies. These connections did not exist prior to the National Verifier.

Avoidance of Manual Eligibility Verification Reviews

- **Source Agency (CMS)**

⁹ \$2,414,880 (Avoidance of Improper Payments) + \$2,808,000 (Recovery of Improper Payments) + \$18,126,462 (Avoidance of Manual Eligibility Verification Reviews) = \$23,349,342.

¹⁰ Federal Communications Commission, Agency Financial Report Fiscal Year 2018, p. 82 (Nov. 15, 2018), <https://docs.fcc.gov/public/attachments/DOC-355122A1.pdf>.

¹¹ *Id* at p. 83.

¹² As shown in Key Element 4: Recovery of Improper Payments and Debts, we anticipate we could have historically avoided about \$2.8 million in improper payments over an 18-month period. Currently, 86% of the program is not otherwise covered by state automated connections to prevent improper payments. 86% of \$2,808,000 equals \$2,414,880.

¹³ Federal Communications Commission, Agency Financial Report Fiscal Year 2018, p. 83 (Nov. 15, 2018), <https://docs.fcc.gov/public/attachments/DOC-355122A1.pdf>.

The matching program will not result in additional savings to CMS.

- **Recipient Agency (FCC/USAC)**

By establishing a database connection with CMS, USAC will avoid the manual review of eligibility documentation for an estimated 7.3 million¹⁴ applications for subscribers who may qualify for Lifeline through Medicaid over the initial life of the matching program. The total cost to review these subscribers manually over the period of 18 months is approximately \$18 million.¹⁵

Benefits

The matching program will not result in additional benefits to CMS. Nor will it have any effect on the benefits provided directly to Lifeline recipients. We nonetheless expect it to produce a net benefit of approximately \$22 million in the first 18 months of operation. This amount consists of an approximately \$18 million in cost savings to USAC due to its avoidance of a manual review of 7.3 million applications, together with a \$5.3 million savings due to the avoidance and recovery of overpayments caused by waste, fraud, and abuse.

Conclusion

This matching program will improve eligibility determinations for individuals enrolling in the FCC's Lifeline program, as administered by USAC, through participation in Medicaid. Verifying Lifeline eligibility through an automated interconnection will avoid the manual review of 7.3 million applications and decrease improper payments resulting in a net savings of about \$22 million in the initial 18-month period of the matching program.¹⁶ Accordingly, we recommend approval of this matching activity.

¹⁴ We estimate that 60% of subscriber's eligibility will be validated through CMS in states that have not yet rolled into the National Verifier or that have rolled in without connections to state databases. To date, MS, NM, UT, CO, MO, NC, PA, and TN have rolled into the NV with an automated connection to a state database. Of those states, MS, NC, and TN have connections to only SNAP databases. In these states, we estimate that CMS will provide an additional 15% of subscriber eligibility. The percentage in the initial states is lower because we have access to state databases with overlapping eligibility program information. With a current Lifeline population of 8,038,206 (sum excludes automated state subscribers) times 60% ($8,038,206 \times 60\% = 4,822,924$) plus the remaining population in states that currently have an automated connection (539,277) times 15% ($539,277 \times 15\% = 80,892$) run through CMS for reverification, we get a total expected subscriber count of 4,903,815 for the first 12 months. For the remaining six months, we expect an 8% monthly enroll, move and transfer of subscribers, so 8% times the six remaining months give us 48%, therefore about 2,353,831 ($4,903,815 \times 48\% = 2,353,831$) for that period. Summing these up to get an expected number of manual reviews (4,903,815 + 2,353,831) in an 18-month period of 7,257,646.

¹⁵ The cost per one manual review by the call center is \$1.68, but not all subscribers will only require one review (e.g., request for additional documentation due to reverification) so USAC calculates a blended \$2.89 per enrolled subscriber (which also accounts for failed applications). Because reverification would take place in the first year, we apply the blended \$2.89 per subscriber to the 4,903,815 subscribers ($4,903,815 \times \$2.89 = \$14,172,026$). For the following 6 months, reverification will not be a factor, therefore we apply the \$1.68 per review for the 2,353,831 subscribers ($2,353,831 \times \$1.68 = \$3,954,437$). The total estimated cost to manually review the 7.3 million subscribers comes to \$18,126,462 ($\$14,172,026 + \$3,954,437$).

¹⁶ $\$23,349,342$ (Total Savings) - $\$1,136,765$ (Total Costs) = $\$22,212,577$.