CALIFORNIA PUBLIC UTILITIES COMMISSION

Efforts to Improve California LifeLine Program Accessibility

January 2009

CALIFORNIA LifeLine TELEPHONE PROGRAM

California Public Utilities Commission
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In response to Universal LifeLine Telephone Program Workload Report, pursuant to the 2007 Budget Act: Item 8660-001-0471

Executive Summary

An April 2004 order of the Federal Communications Commission (FCC 04-87) mandated state programs that provide reduced rates for low-income customers, including the California LifeLine (formerly Universal LifeLine Telephone Service), verify customer eligibility. Prior to this change, carriers permitted customers to self-certify that they met requirements for participation in the California LifeLine. In 2006, to ensure compliance with the FCC order, the Commission assumed overall administration from the telephone carriers, and contracted with an independent verification agent. The Commission's Consumer Affairs Branch (CAB) adjudicates customer appeals of disqualification by the verification agent, and also resolves all corresponding billing complaints.

Implementation of the new verification requirements triggered a large unanticipated workload for CAB, as consumers were removed from the program and protested the removal and reinstatement charges, among other things. LifeLine increased from zero complaints before the new requirements to about 6,000 appeals per month in the fall of 2006. The Commission did not anticipate program or workload stabilization until 2009, and was uncertain of the magnitude of the future workload. The Commission submitted a Budget Change Letter (BCL) requesting positions to ameliorate the workload. The Legislature granted thirty one (31) limited-term positions.

CAB established an office in Sacramento, posted job opportunity bulletins, interviewed candidates and hired new representatives. The work of addressing LifeLine appeals and complaints began for the Sacramento office in November 2007 with a team of 10 positions including:

- 8 Program Technician IIIs (PT III)
- 1 Consumer Affairs Representative (CAR)
- 1 Consumer Service Supervisor (CSS)

The team immediately took over all LifeLine phone inquiries, and over the next six months steadily reduced 3,756 outstanding appeals and billing complaints by 50%. With the completion of a full LifeLine verification cycle, our workload has now stabilized. Based on this current caseload, the Commission projects ongoing LifeLine workload of seven (7) Full Time Equivalents (FTEs):

- 2.7 FTEs for LifeLine appeals
- 1.8 FTEs for LifeLine phone calls
- 1.4 FTEs for LifeLine billing complaints

- 1.0 FTEs for a CSS

Permanent funding for these seven (7) positions will allow continued program success.

In addition to the increased number of customer service representatives, the Commission has undertaken a number of program changes to improve LifeLine accessibility. Applications are mailed in seven different languages, all of which are supported by the third party administrator with operators who are fluent in the languages. The Commission meets with all parties on a weekly or bi-monthly basis to discuss the status of the program. Additionally, we have made numerous process improvements to the customer interaction process, including an interactive website, an outbound dialer, and a marketing contract to raise the visibility of the program.

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Background

On April 2, 2004, the Federal Communications Commission (FCC) issued FCC 04-87, which required California to conduct verification of customer eligibility in the Universal LifeLine Telephone Service (ULTS, now called "LifeLine or "California LifeLine") Program. Previously under the California program, LifeLine applicants would self-certify under penalty of perjury. The FCC's order was instituted to provide more accountability in the low-income program, and address concerns about ineligible customers receiving ratepayer-funded discounts.

In response, the California Public Utilities Commission (CPUC or Commission) approved Decision (D.) 05-04-026 to comply with the FCC's order. Among other initiatives, the CPUC hired a third party administrator, Solix, to maintain a database of LifeLine customers and conduct all correspondence (including application forms, denial letters, etc.). Solix, Inc. is based in New Jersey, and performs administration of low-income programs for a number of states. In addition, the CPUC designated its Consumer Affairs Branch (CAB) as the venue where LifeLine customers could challenge eligibility determined by Solix and/or dispute LifeLine-related billing issues.

Prior to institution of D.05-04-026 which moved the role of administrator and appeal arbiter to the CPUC, there were a *de minimus* number of LifeLine complaints resolved by CAB. By March 2007 due to the new verification processes, approximately 37 percent of all informal complaints and 32 percent of telephone calls received by CAB were related to LifeLine. As a result, resolving LifeLine complaints had become the focus of CAB's efforts to the exclusion of its traditional work resolving complaints regarding billing and quality of service between consumers and the California's utilities the CPUC regulates. LifeLine populations include consumers of limited income, the elderly, and those of limited English proficiency. CAB's resources were immediately shifted to aid those consumers with Lifeline issues.

In November 2006, by D. 06-11.017, the CPUC suspended the LifeLine verification process until the roles and responsibilities of CAB, the carries and the contractor hired for program administration could be clarified and more effective compliance mechanisms could be put in place. Starting in November 2006, the Commission directed its Communications Division (CD) to find solutions to make consumers more aware of the new LifeLine requirements and to increase visibility for the program. In addition, CD was required to develop and implement solutions to make the LifeLine program more accessible to applicants and current participants. The CPUC resumed implementation of the federal verification requirements in May 2007 after ordering necessary changes to the program. During the suspension period, the CPUC prepared the BCL that requested 31 positions to assist LifeLine customers with questions, appeals of the contractor's eligibility determination and billing complaints related to unauthorized LifeLine charges.

Ongoing Need for CAB Staff for Customer Appeals

In cases where customers believe they were denied eligibility for the Lifeline program unfairly, they have the option of appealing to CAB.

The Legislative Analyst's Office requested an analysis of the ongoing need for CAB staffing for appeals related to LifeLine including workload justification and projections. Based upon our workload analysis and projections, CAB will need a total of seven (7) full-time permanent positions to continue the LifeLine workload, including five (5) Program Technician IIIs (PT III), one (1) Consumer Affairs Representatives (CAR) and one (1) Consumer Services Supervisor (CSS).

There is an ongoing need for CAB staffing to resolve appeals and informal complaints associated with LifeLine. CAB's primary role in this program is to adjudicate consumer appeals that arise from denied program eligibility. As stated in the CPUC's 2007-08 Budget Change Proposal, in Budget Change Letter (BCL-1), a large unanticipated workload associated with LifeLine arose as a result of the CPUC assuming the role of program administrator from carriers, as directed in the FCC order.

During that time, the CPUC's CAB designed an administrative program, designed a training program, conducted a large scale hiring effort and secured office space in Sacramento for the LifeLine staff. The CPUC also required changes to the LifeLine program which would improve and streamline processes including better channels of communication between the consumer, carrier and Solix. In CAB's implementation process, it was determined that review of eligibility through the LifeLine appeals process could best be handled by PT IIIs. Related LifeLine billing complaints would be handled by CARs. Two previously hired permanent CARs were available in Sacramento but CAB was able to recruit only one additional CAR from the established list. Hiring into the limited term positions began in November 2007 and consisted of 8 PT IIIs, 1 CAR and 1 CSS. The CAB LifeLine team began to work down the number of phone inquiries, appeal requests and billing complaints for LifeLine immediately.

With the resumption of the federal verification requirements in May 2007, under the PUC's streamlined and improved processes, CAB was able to handle all LifeLine appeals, phone calls and billing complaints with seven (7) Full Time Equivalents (FTEs). This is a reduced workload from what was estimated in the Budget Change Proposal BCL-1. During the latter part of FY 07/08, the complexity of LifeLine appeals and billing complaints reduced significantly to a point where LifeLine was no longer responsible for using approximately one third of CAB's resources as in the beginning of FY 07/08. The initial complexity of handling appeals and complaints was due, in large part, to consumers having attempted multiple times to become eligible for LifeLine and accruing large charges after being deemed ineligible. This issue was resolved and the time and resources that CAB spent on related appeals and billing issues was reduced.

Also, as projected in the 2007-08 Budget Change Proposal BCL-1, CAB LifeLine workload began to stabilize in 2008. CAB projects that workload data derived in the

period July 1, 2008 to December 31, 2008 will be the benchmark for operations into the foreseeable future. CAB projects 2.7 FTEs for LifeLine appeals, 1.8 FTEs for LifeLine phone calls, 1.4 FTEs for LifeLine billing complaints, and 1.0 supervisor. These seven (7) positions will continue to fulfill the program successfully. See Table 1 for detail workload calculations.

Table1. LifeLine Appeals – Workload Justification

LifeLine Appeals Cases	FY 2007-08	FY 2008-09*	Ongoing FY Workload
Appeals Filed	6,293	2,866	5,732
Appeals Closed	6,275	3,188	6,376
Appeals Granted	1,493	757	1,514
Appeals Denied	4,782	2,431	4,862
Average Time Per Appeal (Min)	35	23	23
Annual Time for all Appeals (Hrs)	10,332	N/A	6,899
FTEs Needed for Appeal Cases	4.0	2.7	**2.7**

Phone Calls RE: LifeLine Appeals	FY 2007-08	FY 2008-09*	Ongoing FY Workload
Live Calls	8,659	4,147	8,294
Recorded/Returned Calls	2,985	610	1,220
Total Calls	11,644	4,757	9,514
Average Call Time (Min.)	6:57	6:52	6:52
Post Call Processing Time (Min.)	0:45	0:45	0:45
Total Time to Process Call (Min.)	7:42	7:37	7:37
Annual Time for Calls (Hrs.)	1,494	571	1,142
FTEs Needed for Calls	2.4	1.8	**1.8**

LifeLine Billing-Related Complaints (Written)	FY 2007-08	FY 2008-09*	Ongoing FY Workload
Related Billing Complaints	3,809	471	942
Avg Time To Process Complaint (Min.)	97:00	97:00	97:00
Annual Time for Complaints (Hrs.)	6,163	762	1,524
FTEs Needed for Complaints	5.7	1.4	**1.4**

Total FTEs Needed for LifeLine Workload	8.6	5.9	**5.9**
Consumer Services Supervisor - LifeLine	1.0	1.0	**1.0**
Total FTEs with Supervision	9.6	6.9	**6.9**

***2008-09 Represents data from July 1, 2008 - December 31, 2008.**

Program Changes to Improve LifeLine Accessibility

- **Additional Opportunities Provided for Customer Response**

Originally, customers were only given two weeks to return application forms to Solix (the third party administrator) from the day they signed up with their carrier. Complaints were received about application forms that were either lost in the mail or delivered late by the post office. In response, we increased the time frame for returned application forms to 45 days for new applicants (Certification) and 105 days for renewing participants (Verification). Solix also began sending all correspondence by first class mail to speed delivery and obtain returned envelopes in cases of invalid addresses. CD also implemented the use of pink envelopes to help increase visibility for the applications (to help distinguish the forms from junk mail). A second pink envelope with alternate wording was instituted for non-essential correspondence (confirmations, etc.). Each denial letter includes CAB's mailing address, and a phone number to call (recently increased to 18 point font to increase visibility) to receive clarification about the denial.

Due to the high level of non-English speaking consumers in California, all forms from Solix are available in English, Spanish, Chinese (Mandarin and Cantonese), Korean, Vietnamese, Tagalog and Japanese. Forms are also available in large font and English Braille. The Commission is considering requests to add Russian and Armenian to the languages supported by the implementation contract.

To assist in monitoring the progress of the communication process, Solix reports on response rates and approval rates (forms returned that were either accepted or rejected for compliance with program rules) every week. In addition, every month CD compiles statistics on the number of denials by type, as well as a breakdown of the three largest denials by carrier. This information is shared as part of the implementation working group conference call, which brings together all stakeholders every two weeks.

On occasion, a customer is denied due to carriers not keeping their database information current. For instance, if a customer is listed as belonging to AT&T and Solix receives an application for service from Blue Casa, the customer would be denied. This is done to help prevent "double-counting" of LifeLine customers. Due to an increase of complaints, CD instituted a contact list of carrier representatives so that denials of this sort can be reviewed and corrected among the carriers themselves.

As some LifeLine applicants are elderly or may have difficulty communicating (in nursing homes, etc.), CD modified the rules regarding customer contact. If a person has

trouble speaking or has difficulty contacting service representatives, they can designate someone (for example, a relative) to speak with Solix representatives about account information.

In addition, new applicants are sent a reminder postcard if their forms have not been received. We have also added an automatic outbound dialer that sends a recorded message reminding applicants to return their completed forms.

There have been some recorded cases of the postal service not delivering correspondence despite having a valid address. Originally, if a letter was returned as "undeliverable", the customer was immediately denied. Due to these complaints, Solix changed its process so that an initial application returned as undeliverable would no longer result in an immediate denial. The customer would remain in the process and then still receive an outbound dialer call, as well as a reminder postcard so that every effort would be made to reach them.

To speed up the process even further, Solix created an interactive website that allows Certification customers (program eligible[1] only) and Verification customers to sign up (or renew) online. Forms sent to the customer now include a web address and individual PIN. Applicants can log onto the website, follow a series of simple instructions (complete with error messages for failing to input all necessary information), and submit their application instantly.

- **Eliminated Problem of Customer Back-billing**

A major concern raised was the issue of back-billing. Under current program rules, a customer who applies for LifeLine is immediately enrolled in the program and then sent the application forms. A customer who fails to return the form (or fails to qualify in any other way) is removed from the program and back-billed for any discounts they had received during the application process. With the application period covering multiple billing cycles, a customer who is denied could receive a bill for hundreds of dollars. In response, the Commission instituted a rule modifying the LifeLine application process called "pre-qualification". Starting July 1, 2009, a customer who applies for LifeLine is kept at regular rates until he submits his application. If he is denied, no charge is assessed against him. If he is approved, he begins receiving LifeLine discounts from that date, <u>and</u> receives a credit for discounts he would have received had he been participating on LifeLine from the date he initially applied.

- **Efforts Made to Clarify Program Eligibility**

The Commission strives to stay current with all issues related to LifeLine eligibility. Some of the public assistance programs have changed over the years, or been marketed to

[1] Customer can qualify for LifeLine in one of two ways. They can claim income eligibility (if they make less than the threshold amount, which approximates 150% of the federal poverty guideline. Or they can apply if they are already receiving benefits in a qualifying assistance program (Section 8 Housing, CalWORKs, Food Stamps (SNAP), etc.

customers under different names. The Commission's CD has distributed information to all carriers (as well as Solix) about alternate names for programs so a customer won't be denied for applying based on participation in a program under an old name. For example, "Food Stamps" is now known as the Supplemental Nutrition Assistance Program, or SNAP. TANF, a standard Federal assistance program (and eligible for LifeLine applicants) is known in California under the names CalWORKs, StanWORKS, WTW, or GAIN. In addition, we have made an effort to use a consistent name for the program (LifeLine or California LifeLine) to minimize confusion for customers. At times there was confusion about the name, previously known as "ULTS" or the Universal LifeLine Telephone Service.

- **Enhanced Marketing and Outreach Efforts to Increase LifeLine Visibility**

In 2003, the Universal LifeLine Telephone Service Marketing Board (ULTSMB) awarded Richard Heath and Associates, Inc. (RHA) a contract to perform marketing services for LifeLine, which ended November 2007. Through RHA, the Commission conducted a variety of media campaigns, directed by the Commission to focus on the hardest-to-reach audience segments. The Commission also utilized RHA to work in partnership with community-based organizations (CBOs) to assist consumers who would like to learn more about LifeLine and receive in-depth assistance. RHA's past work predominantly aimed at increasing calls to the LifeLine Call Center.

In late July of 2008, the Commission began a new contract with RHA to design, develop, and implement a competitively neutral marketing and outreach campaign. This campaign intends to increase California LifeLine awareness and participation and expands the target audience to all eligible low-income households in California. Moreover, it encourages consumers to directly contact their preferred service provider to enroll in LifeLine if they deem themselves to be eligible.

For the first media buy under this new contract, the Commission's CD approved over 2,300 television and radio spots of which 29% were free. This media campaign had an estimated reach of about 9.3 million. In upcoming media buys, we intend to also use other mediums such as print and outdoor advertising. In addition to traditional advertising, we developed a plethora of outreach materials such as brochures, posters, training documents, guides, etc. Through RHA, the Commission also conducts presentations at various agencies to expand support for LifeLine.

- **Call Center Role Expanded to Assist Customers with Program Enrollment**

In 2003, the ULTSMB also awarded the contract for the operation of the LifeLine Call Center to RHA. Under the Commission's direction, this call center received calls from interested consumers about LifeLine, provided general information, determined whether they were likely to be eligible for LifeLine, and transferred them to a qualified LifeLine telephone service provider in the caller's area. From April 2006 to December 2008, the LifeLine call center received more than 145,000 calls.

In mid-August 2008, the Commission began a new contract with RHA to again perform call center services for LifeLine. RHA provides complimentary in-language customer information in the following languages: English, Spanish, Cambodian, Cantonese, Hmong, Korean, Laotian, Mandarin, Tagalog, Vietnamese, Japanese, and TTY. The call center has telephone numbers specifically set up for all of these required languages. If a consumer wants in-language help for a non-required language, then they can request interpretation services.

For this new contract, CD included Japanese as one of the required languages, extended the evening hours by an hour, streamlined the optional consumer survey, and augmented the telephone system functionality.

- **Additional Improvements Under Consideration**

The Commission is considering a number of initiatives to further increase LifeLine participation. One proposal is to increase the income eligibility requirement from its current level that approximates 150% of the Federal Poverty Guideline (FPG) to 200% of the FPG. Current enrollment in LifeLine is about 2.1 million, whereas the CARE energy program (which has a 200% FPG enrollment criteria) has about 3.6 million participants.