

**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. 2023-20  
Department of Health and Human Services No. 2307**

**Effective Date - October 15, 2023  
Expiration Date - April 14, 2025**

**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) Lifeline Program (Lifeline). The Universal Service Administrative Company (USAC) has been designated by the FCC as the administrator of the Lifeline Program.

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

The results used to determine eligibility for Lifeline will also be used to determine eligibility for the Affordable Connectivity Program (ACP), as well as eligibility for any federal program that uses qualification for Lifeline as an eligibility criterion. ACP is a federal program administered by USAC on behalf of FCC that reimburses participating broadband providers for discounted broadband service and connected devices provided to qualifying households.

The Privacy Act of 1974, as amended 5 United States Code (U.S.C) § 552a or Privacy Act), requires parties participating in a matching program to execute a written agreement specifying the terms and conditions under which the matching program will be conducted (5 U.S.C. § 552a(o)). The Parties to this Agreement have determined that eligibility determinations for participation in the Lifeline program will constitute a “matching program” as defined in 5 U.S.C. § 552a(a)(8).

The terms and conditions of this Agreement will be carried out by authorized employees, users, agents, contractors, and subcontractors 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, or govern, the matching program:

1. This matching program is governed by the Privacy Act 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 Federal Register (FR) 94424 (Dec. 23, 2016) and OMB guidelines pertaining to computer matching published at 54 FR 25818 (June 19, 1989).
2. The Privacy Act at 5 U.S.C. § 552a(b)(3) authorizes a federal agency to disclose information about an individual that is maintained by the agency in a system of records (SOR), without the prior written consent of the individual, when the disclosure is pursuant to a routine use published for that SOR. Each Party has published a routine use for its applicable SOR(s) (identified in section IV.A.) authorizing the disclosures under this Agreement to be made without the subject individuals’ prior written consent.
3. The FCC is authorized to use a matching program for Lifeline eligibility determination purposes by Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254, and the rules it has promulgated to implement Lifeline in Subpart E of Part 54 of its rules, 47 CFR §§ 54.400-423. Pursuant to those Lifeline rules, USAC is the administrator of the Lifeline program, 47 CFR §§ 54.701-717. The FCC is authorized to use a matching program for ACP eligibility determination purposes under the Consolidated Appropriations Act, 2021 (Public Law No. 116-260), 134 Statutes at Large (Stat.) 1182, as amended by the Infrastructure Investment and Jobs Act, (Public Law No. 117-58), 135 Stat. 429; 47 U.S.C. § 1752. Pursuant to the Memorandum of Understanding between the FCC and USAC, USAC administers the ACP consistent with the FCC’s rules contained in 47 CFR Part 54, orders, written directives, and other instructions promulgated by the FCC or its bureaus and offices, and other laws as applicable.

### C. Definitions

For the purposes of this Agreement:

1. “ACP” means “Affordable Connectivity Program”;
2. “Applicant” means an individual who is seeking a determination through an application submitted to USAC or a state agency, whether directly or through a participating provider, of the individual’s eligibility for benefits through Lifeline or ACP (including any federal program using qualification for Lifeline as an eligibility criterion) (hereafter referred to collectively as Federal Programs);
3. “Authorized User” means a user who is provided with access privileges to sensitive data, including personally identifiable information (PII), on a need-to-know basis and with the least amount of access required to perform the assigned authorized tasks;
4. “Breach” is defined in 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 (1) a person other than an authorized user accesses or potentially accesses personally identifiable information (PII); or (2) an authorized user accesses or potentially accesses PII for an other than authorized purpose;
5. “CMS” means the Centers for Medicare & Medicaid Services;
6. “FCC” or “Federal Communications Commission” means an independent agency of the United States government created by statute to regulate interstate communications by radio, television, wire, satellite, and cable;
7. “Federal Programs” means Lifeline, ACP, or any federal program using qualification for Lifeline as an eligibility criterion;
8. “HHS” means the Department of Health and Human Services;
9. “PII” or “Personally Identifiable Information” is defined in OMB Memorandum M-17-12, Preparing for and Responding to a Breach of Personally Identifiable Information (January 3, 2017), and means information that can be used to distinguish or trace an individual’s identity, either alone or when combined with other information that is linked or linkable to a specific individual;
10. “Recipient Agency” is defined in the Privacy Act at 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;

11. “Record” is defined in the Privacy Act at 5 U.S.C. § 552a(a)(4) and 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;
12. “Security Incident” means “Incident,” which is defined in OMB Memorandum M-17-12, Preparing for and Responding to a Breach of Personally Identifiable Information (January 3, 2017), as an occurrence that (1) actually or imminently jeopardizes, without lawful authority, the integrity, confidentiality, or availability of information or an information system; or (2) constitutes a violation or imminent threat of violation of law, security policies, security procedures, or acceptable use policies;
13. “Source Agency” is defined in the Privacy Act at 5 U.S.C. § 552a(a)(11) and means any agency which discloses records contained in a SOR to be used in a matching program. CMS is the source agency in this Agreement;
14. “Subscriber” means an individual who has been deemed eligible for Federal Programs through an application submitted to USAC to verify such eligibility;
15. “System of Records” or “SOR” is defined by the Privacy Act at 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;
16. “USAC” or “Universal Service Administrative Company” is the administrator of Lifeline and ACP.

## **II. RESPONSIBILITIES OF THE PARTIES**

### **A. FCC/USAC Responsibilities**

1. The FCC will provide CMS with electronic file(s) in a format defined by CMS, on an on-demand 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 Lifeline and eligibility for the ACP using qualification for Lifeline as an eligibility criterion.
4. The FCC/USAC will share an individual's qualification or participation status for Lifeline, which may be determined in part from data exchanged under this matching program, and may share such information with other Federal Programs using Lifeline as an eligibility criterion.
5. 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.
6. The FCC/USAC will transmit data to CMS via encrypted representational state transfer (RESTful) web service request.
7. Unless otherwise provided for by statute, the FCC will provide Congress and OMB with advance notice of this matching program and, upon completion of OMB's advance review, will publish the required matching notice in the Federal Register and address any public comments received on the notice.

#### B. CMS Responsibilities

CMS will use the FCC-submitted electronic file(s) to conduct a data match—using the Medicaid and Children's Health Insurance Program (CHIP) Business Information Solution (MACBIS) information technology system—against the Medicaid enrollment records found in the Transformed Medicaid Statistical Information System (T-MSIS), and return either a positive CMS match of enrollees, or a no-match-found response to FCC.

### III. JUSTIFICATION AND ANTICIPATED RESULTS

#### 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 the Federal Programs are cost effective, and includes a specific estimate of the savings.

### IV. DESCRIPTION OF THE DATA TO BE EXCHANGED

#### A. Systems of Records

##### 1. CMS

The CMS System of Record Notice (SORN) that supports this matching program

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

## 2. FCC

The FCC SORNs that support this matching program are:

“FCC/WCB-1: Lifeline Program”, last published in full at 86 FR 11526 (February 25, 2021). Routine Use No. 18 supports the FCC’s disclosures under this Agreement; and

“FCC/WCB-3: Affordable Connectivity Program”, last published in full at 86 FR 71494 (December 16, 2021). Routine Use No. 3 supports the FCC’s disclosures under this Agreement.

## B. Specific Data Elements Used in the Match

The matching data will use 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 for Lifeline is based on the number of individuals who apply and recertify eligibility annually for Lifeline program services. In the case of Lifeline, approximately 20,349,152 new applicants are vetted through the Lifeline eligibility process each year. Approximately 4,426,764 Lifeline subscribers will be recertified for Lifeline annually. Approximately 24,711,636 new applicants are vetted through the ACP eligibility process each year. Approximately 9,560,442 ACP subscribers will be recertified for ACP annually.
2. The match will be conducted on-demand.

## D. Projected Starting and Completion Dates of the Matching Program

Effective Date – October 15, 2023

Expiration Date – April 14, 2025 (April 14, 2026, if renewed for an additional year).

## V. NOTICE PROCEDURES

- A. The matching notice which the FCC will publish in the Federal Register as required by the Privacy Act at 5 U.S.C. § 552a(e)(12) will provide constructive notice of the matching program.
- B. The FCC will inform Applicants and current Subscribers at the time of certification

and recertification that the information they provide may be used in a matching program with other federal agencies. (See, e.g., FCC Form 5629, Lifeline Program Application Form, OMB Control Number 3060-0819; FCC Form 5630, Lifeline Program Annual Recertification Form, OMB Control Number 3060-0819; FCC Form 5645, Affordable Connectivity Program Application Form; and FCC Form 5648, Affordable Connectivity Program Recertification Form). In addition, the system of records notices pertaining to the Lifeline Program and the ACP and described above in section IV.A provide constructive notice that personal information in the Lifeline and ACP systems may be used in matching programs.

- C. The FCC will provide subsequent notices to both applicants and current subscribers as required.

## **VI. VERIFICATION PROCEDURES AND OPPORTUNITY TO CONTEST FINDINGS**

### **A. General**

The Parties acknowledge and agree that this matching program is not the sole basis through which a beneficiary's eligibility for the Federal Programs may be determined. The Privacy Act at 5 U.S.C. § 552a(p) requires that each agreement specify procedures for the recipient agency to independently verify information produced in the matching program, unless its Data Integrity Board determines in accordance with OMB guidance that the information is limited to identification and amount of benefits paid by the source agency under a federal benefit program and that there is a high degree of confidence that the information provided to the recipient agency is accurate.

### **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 the Federal Programs 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 the 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



matching process 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. 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 security requirements set forth in the Privacy Act at 5 U.S.C. § 552a(e)(10), (m), and (o)(1)(G), the E-Government Act of 2002, which includes the Federal Information Security Management Act of 2002 (FISMA), 44 U.S.C. §§ 3541-3549, as amended by the Federal Information Security Modernization Act of 2014 (Public Law 113-283) (FISMA Modernization Act), 44 U.S.C. §§ 3551-3558; related OMB circulars and memoranda, such as OMB Circular A-130, "Managing Information as a Strategic Resource," published at 81 FR 49689 (July 28, 2016); National Institute of Standards and Technology (NIST) Special Publications, including any applicable laws, directives, regulations, and amendments published after the effective date of this Agreement; and the Federal Acquisition Regulation. These laws, directives, and guidance include requirements and standards for safeguarding federal information systems and PII used in business processes and related reporting requirements. The Parties recognize and will implement the laws, regulations, NIST standards, and OMB directives, including those published subsequent to the effective date of this Agreement.

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)). The Parties are responsible for oversight and compliance of their contractors and agents.

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, subcontractors, agents, 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 access any data by computer, remote terminal, or other means.

2. CMS and the FCC/USAC will strictly limit access to this electronic data to that which is 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 140-3.

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 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. Each user's supervisor will ensure that CMS or the FCC/USAC (as applicable) is notified when the user has departed or when the user's 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. Incident Reporting And Notification Responsibilities

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 the CMS IT Service Desk by telephone at 1-800-562-1963 or via email notification at [CMS IT Service Desk@cms.hhs.gov](mailto: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](mailto: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, (202) 772-6252.

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](mailto:nsoc@fcc.gov) or (202) 418-4011. In the event of 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).

CMS and the FCC/USAC agree to notify all 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:

1. 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);
2. 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
3. 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.

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.

## **IX. RECORDS USAGE, DUPLICATION AND REDISCLOSURE RESTRICTIONS**

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

- A. Absent additional statutory authorization, the records obtained to carry out this matching program and this Agreement will be used only for the purpose stated under this Agreement, i.e., determining eligibility for the Federal Programs. (In California, the state's Lifeline administrator may determine eligibility of Lifeline Applicants and Subscribers in California based on Medicaid enrollment, and will be responsible for all requirements in this Agreement applicable to FCC/USAC in connection with any such matching data.) Unless compelled to do so by law or regulation, neither

CMS nor FCC/USAC will use the data derivatively, or disclose the data internally or externally, without the other's written consent. 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 disclosures 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. 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 Record (Rcd) at 4021, para. 160 (2016).

## **X. RECORDS ACCURACY ASSESSMENTS**

Based on operational experience with the data submitted by applicants in USAC's National Verifier system, the FCC/USAC estimates that the FCC records to be used in this matching program are at least 99 percent accurate.

Based on inquiries using the eligibility data in the CMS system, CMS attests the responses to USAC will correlate with qualifying eligibilities reflected in the CMS system with at least 99 percent accuracy. CMS is confident the CMS Medicaid data used in this matching agreement is verifiably accurate.

## **XI. COMPTROLLER GENERAL ACCESS**

Pursuant to 5 U.S.C. § 552a(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).

## **XII. 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 (5 U.S.C. App.).

## **XIII. REIMBURSEMENT**

USAC has paid CMS for the API development and will continue to pay for 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.

## **XIV. DURATION OF AGREEMENT**

### **A. Effective Date and Duration**

The Effective Date of this Agreement is October 15, 2023, provided that FCC reported the proposal to re-establish this matching agreement 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 OMB's advance review period, the FCC published notice of the matching program in the Federal Register for at least thirty (30) days in accordance with 5 U.S.C. § 552a(e)(12). This Agreement replaces the existing computer matching agreement between the Parties as of the Effective Date.

This agreement will be in effect for a period of eighteen (18) months.

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 Data Integrity Boards (DIB):

1. The matching program will be conducted without change; and
2. The Parties have conducted the matching program in compliance with this Agreement.

If either agency does not want to renew this Agreement, it must notify the other agency

of its intention to discontinue at least ninety days (90) before the expiration of the agreement.

#### B. 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.

#### C. 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.

### XV. LIABILITY

- A. Neither Party to this Agreement shall be liable for acts and omissions of the other Party's employees.
- B. Neither Party shall be liable for any injury to another Party's personnel or damage to another Party's property, unless such injury or damage is compensable under the Federal Tort Claims Act (28 U.S.C. § 1346(b)), or pursuant to other Federal statutory authority.
- C. Neither Party shall be responsible for any financial loss incurred by the other, whether directly or indirectly, through the use of any data furnished pursuant to this Agreement.

### XVI. INTEGRATION CLAUSE

This Agreement constitutes the entire agreement of the Parties with respect to its subject matter and supersedes all other computer matching agreements between the Parties that pertain to the disclosure of data between FCC and CMS for the purposes described in this Agreement. CMS and FCC have made no representations, warranties, or promises outside of this Agreement. This Agreement takes precedence over any other documents that may be in conflict with it.

### XVII. PERSONS TO CONTACT

- A. USAC and FCC Contacts

**Programmatic Issues**

Tim O'Brien

Vice President, Lifeline USAC

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 Email: [tim.obrien@usac.org](mailto:tim.obrien@usac.org)

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 Managing Director  
 Federal Communications Commission  
 45 L Street NE  
 Washington, DC 20554  
 Telephone: (202) 418-1919  
 E-mail: [mark.stephens@fcc.gov](mailto:mark.stephens@fcc.gov)

**Privacy Issues**

Elliot S. Tarloff  
 FCC Senior Agency Official for Privacy  
 Office of General Counsel  
 Federal Communications Commission  
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 Washington, DC 20554  
 Telephone: (202) 418-0886  
 E-mail: [elliott.tarloff@fcc.gov](mailto:elliott.tarloff@fcc.gov)

B. The CMS Contacts

**Medicaid/CHIP Issues**

Brent Weaver  
 Director, Data and Systems Group  
 Center for Medicaid and CHIP Services  
 Centers for Medicare & Medicaid Services  
 7500 Security Boulevard  
 Baltimore, MD 21244-1850  
 Telephone: (410) 786-0070  
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**Privacy and Agreement Issues**

Barbara Demopulos

CMS Privacy Act Officer  
Division of Security, Privacy Policy and Oversight  
Information Security & Privacy Group  
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E-mail: [Barbara.Demopulos@cms.hhs.gov](mailto:Barbara.Demopulos@cms.hhs.gov)



**XVIII. APPROVALS**

A. CMS Program Approval

The authorized representative of the source agency, whose signature appears below, accepts and expressly agrees to the terms and conditions expressed herein, confirms that no verbal agreements of any kind shall be binding or recognized, and hereby commits their respective organization to the terms of this agreement.

Sara M. Vitolo -S Digitally signed by Sara M. Vitolo -S  
Date: 2023.07.11 12:07:09 -04'00'

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Sara Vitolo  
Deputy Director  
Center for Medicaid and CHIP Services  
Centers for Medicare & Medicaid Services

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Date

## B. CMS Agency Certification

The authorized representative of the source agency, whose signature appears below, accepts and expressly agrees to the terms and conditions expressed herein, confirms that no verbal agreements of any kind shall be binding or recognized, and hereby commits their respective organization to the terms of this agreement.

**Leslie Nettles -S** Digitally signed by Leslie Nettles -S  
Date: 2023.07.12 14:14:14 -04'00'

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Leslie Nettles, Director  
Division of Security, Privacy Policy and Oversight, and  
Acting Senior Official for Privacy  
Information Security and Privacy Group  
Office of Information Technology

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Date

C. U.S. Department of Health and Human Services Data Integrity Board Official

The authorized DIB official, whose signature appears below, accepts and expressly agrees to the terms and conditions expressed herein, confirms that no verbal agreements of any kind shall be binding or recognized, and hereby commits their respective organization to the terms of this agreement.

**Cheryl R.  
Campbell -S**

Digitally signed by Cheryl R.  
Campbell -S  
Date: 2023.08.16 13:12:33 -04'00'

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Cheryl Campbell  
Chairperson  
HHS Data Integrity Board  
U.S. Department of Health and Human Services

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Date

**XIX. FEDERAL COMMUNICATIONS COMMISSION APPROVING OFFICIALS**

A. FCC Agency Certification

The authorized representative of the recipient agency, whose signature appears below, accepts and expressly agrees to the terms and conditions expressed herein, confirms that no verbal agreements of any kind shall be binding or recognized, and hereby commits their respective organization to the terms of this agreement.

**MARK  
STEPHENS**

 Digitally signed by MARK  
STEPHENS  
Date: 2023.07.06 16:09:35 -04'00'

\_\_\_\_\_  
Mark Stephens  
Managing Director  
Federal Communications Commission

\_\_\_\_\_  
Date

**B. FCC Data Integrity Board Certification:**

The authorized DIB official, whose signature appears below, accepts and expressly agrees to the terms and conditions expressed herein, confirms that no verbal agreements of any kind shall be binding or recognized, and hereby commits their respective organization to the terms of this agreement.

**ELLIOT  
TARLOFF**

Digitally signed by ELLIOT  
TARLOFF  
Date: 2023.07.06 16:23:41 -04'00'

\_\_\_\_\_  
Elliot S. Tarloff  
Chairperson, Data Integrity Board  
Federal Communications Commission

\_\_\_\_\_  
Date

## Attachment 1

# **Cost Benefit Analysis for Computer Matching Agreement (CMA) between the Centers for Medicare & Medicaid Services and the Federal Communications Commission for Verification of Eligibility for the Lifeline Program for Low-Income Consumers and the Affordable Connectivity Program**

## **Match Objective**

This matching program will provide the Federal Communications Commission's (FCC or Commission) Lifeline program (Lifeline) and Affordable Connectivity Program (ACP) (collectively, Federal Programs), 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 benefits in Federal Programs, matching a Federal Programs applicant or subscriber to his or her Medicaid record confirms that person's eligibility for Federal Programs. Verifying Federal Programs eligibility through an automated computer matching process reduces the time and expense of program enrollment for both consumers and service providers that participate in the Federal Programs. It will also reduce program costs by preventing ineligible consumers from enrolling in the Federal Programs.

## **Background**

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

Lifeline 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.<sup>3</sup>

In a Report and Order the FCC adopted March 31, 2016, after completing a rulemaking proceeding in accordance with 5 U.S.C. § 553, the Commission directed USAC to create the National Verifier, including the National Lifeline Eligibility Database (LED). The purpose of the National Verifier is 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 system is "to increase the integrity and improve the performance of the Lifeline

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<sup>1</sup> 47 U.S.C. § 254.

<sup>2</sup> 47 C.F.R. § 54.400 *et seq.*

<sup>3</sup> 47 C.F.R. § 54.409(a).

program for the benefit of a variety of Lifeline participants....”<sup>4</sup> 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 Consolidated Appropriations Act, 2021, Public Law No. 116-260, 134 Statutes at Large (Stat.) 1182, as amended by the Infrastructure Investment and Jobs Act, Public Law No. 117-58, 135 Stat. 429, and pursuant to the Memorandum of Understanding between the FCC and USAC, USAC administers the ACP consistent with the FCC’s rules contained in Part 54 of the Code of Federal Regulations, orders, written directives, and other instructions promulgated by the FCC or its bureaus and offices, and other laws as applicable.

The ACP provides support for discounted broadband services and connected devices to low-income consumers. Consumers qualify for ACP through proof of income or participation in a qualifying program, such as Medicaid, the Supplemental Nutritional Assistance Program (SNAP), federal housing assistance programs, Supplemental Security Income (SSI), qualifying Veterans and Survivors Pension Benefit programs, Tribal-specific programs,<sup>5</sup> or are approved to receive free and reduced-price lunch program benefits under the Richard B. Russell National School Act or the school breakfast program under section 4 of the Child Nutritional Act of 1966, or have received a Federal Pell Grant under section 401 of the Higher Education Act of 1965 in the current award year, or meet the eligibility criteria for a participating provider’s existing low-income program.<sup>6</sup>

In accordance with the Consolidated Appropriations Act of 2021, Public Law No. 116-260, 134 Stat. 1182, the Commission directed USAC to leverage the National Verifier to verify eligibility for ACP. The purpose of the National Verifier is to match data about ACP applicants and subscribers with other federal and state data sources to verify the eligibility of an applicant or subscriber.

The National Verifier will verify program eligibility through an automated process that compares the Federal Programs 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 Federal Programs 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.

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<sup>4</sup> *Lifeline and Link Up Reform and Modernization, et al.*, Third Report and Order et al., 31 FCC Rcd 3962, para. 126 (2016).

<sup>5</sup> 47 C.F.R. § 54.409(a).

<sup>6</sup> See generally 47 C.F.R. § 54.1800(j) (setting forth ACP eligibility criteria).

## **Methodology**

The estimated cost savings for this matching program are based on the avoidance of manual eligibility review costs incurred by USAC for the Federal Programs.

The matching program will not result in benefits to CMS. This analysis uses only imposed costs and cost savings estimates attributable to conducting this matching program during the term of this new Agreement 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 maintained by CMS for the purposes described in this Agreement.
- USAC will obtain and store a “yes” or “no” response from CMS that indicates whether an individual participates in Medicaid based on personally identifiable information (PII) provided by USAC.
- Errors in data through this matching program should be rare, and affected individuals can contest adverse findings.
- USAC is continuing to build and operate 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.

## **Imposed Costs**

Total imposed costs for the matching program are estimated to be \$972,180 in the matching period (18 months). Costs included in this amount consist of personnel and computer costs for the source (\$972,180) and recipient (\$37,500) agencies. 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 there will be 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 \$25,000 per year to maintain the connection.



## Key Element 2: Agencies' Computer Costs

- **Source Agency (CMS)**

USAC is compensating CMS for computer costs of \$972,180 associated with the operation and maintenance of the interconnection.

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

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

### Cost Savings

Total cost savings to Lifeline resulting from the matching program are estimated to be \$22.7 million in the matching period (18 months). Additional cost savings to ACP are estimated to be \$26.1 million. Key elements of the overall cost savings of this matching program are discussed in more detail below.

## Key Element 3: Avoidance of Future Improper Payments

- **Source Agency (CMS)**

The matching program will not result in savings to CMS.

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

Total improper payments for Lifeline were estimated to be \$37 million in FY2022, which is a reduction of \$80 million in overpayments from the prior year.<sup>7</sup> Since approximately 60% of subscribers demonstrate eligibility for Lifeline through participation in Medicaid, we estimate that automated eligibility verification through a matching program with CMS results in a significant portion of the improper payment savings and will continue to do so during the term of this matching program (18 months). There is currently insufficient data to determine the amount of reduction in the total improper payments for ACP; however we anticipate that significant improper payment savings will also occur for ACP during this matching program.

## Key Element 4: Recovery of Improper Payments and Debts

- **Source Agency (CMS)**

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

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<sup>7</sup> *Annual Improper Dataset 2022*, PAYMENTACCURACY, <https://www.paymentaccuracy.gov/payment-accuracy-the-numbers/> (last visited Jan. 5, 2023); *see also Annual Improper Dataset 2021*, PAYMENTACCURACY, <https://www.paymentaccuracy.gov/payment-accuracy-the-numbers/> (last visited Jan. 5, 2023).

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

By maintaining a database connection with CMS, USAC will avoid the manual review of eligibility documentation for an estimated 7.9 million<sup>8</sup> applications for subscribers who may qualify for Lifeline through Medicaid over the term of the matching program. The total cost to review documentation from these subscribers manually would be approximately \$22.7 million less than the amount to reimburse CMS for its computer costs.<sup>9</sup> There will be additional cost savings from avoiding manual reviews for an estimated 8.7 million applications for subscribers who may qualify for ACP through Medicaid over the term of the matching program. The total cost to review documentation from these subscribers manually would be approximately \$26.1 million.

### **Benefits**

The matching program will not result in additional benefits to CMS. Nor will it have any effect on the benefits provided directly to Federal Programs participants. We nonetheless expect it to produce a net benefit of approximately \$48.8 million in the 18 months of operation. This amount consists of approximately \$49.8 million in cost savings to USAC due to its avoidance of a manual review of approximately 16.6 million applications less the amount to reimburse CMS for its computer costs.

### **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 matching program will avoid the manual review of 7.9 million applications resulting in a net savings of about \$22.7 million in the 18-month period of the matching program.<sup>10</sup> It will also decrease improper payments. There will be additional cost savings from avoiding manual reviews for 8.7 million ACP applications resulting in additional net savings of about \$26.1 million. Accordingly, we recommend approval of this matching activity.

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<sup>8</sup> We estimate that about 60% of subscribers' eligibility will be validated through CMS.

<sup>9</sup> The estimated cost per one manual review is \$3 per application.

<sup>10</sup> \$49,800,000 (Total Savings) - \$972,180 (Total Costs) = \$48,827,820