

To: Rep. Mitch Greenlick and members of the House Health Committee

Date: March 15, 2017

Re: Increase Access to Federal Lifeline Phone Program. Support for HB 3268!

Our organizations stand in support of legislative action to improve access to the federal Lifeline phone program. HB 3268 removes unneeded state regulation that poses a barrier to Oregonians who need this service.

For low-income Oregonians, a phone is much more than a convenience. A phone is the critical contact when you apply for a job or fill out an application to rent a house. A phone is your link to your doctor and health plan. It is your connection to family, community and critical social workers that help navigate life back from poverty.

Unfortunately, in Oregon the federal Lifeline Phone Program that provides free phones to categorically eligible Medicaid members is a failure.

Oregon has one of the smallest percentages of eligible people receiving a phone in the country (17%). And where most states have many phone carriers competing for Lifeline customers, Oregon is down to just one major carrier.

The reason Oregon is different is the added costly regulations put on phone carriers through the Oregon Public Utility Commission (PUC).

At least 41 states let the federal government regulate this federal program. Only Oregon imposes an additional requirement. After an application is determined eligible and the phone is shipped, the phone carriers don't receive payment until the member calls the carrier to provide a Social Security number. TracFone recently pulled out of the Oregon market, reporting that 45% of its phones were not being activated. The cost of shipping and phone units sent but never activated caused this carrier to leave the Oregon market rather than lose money here.

HB 3268 simply removes Oregon PUC's role in regulating this program.

We recognize that the PUC is a regulatory body that is not expected to promote an entitlement program. If Oregon were going to have an agency in charge of this program, it would have made more sense to house it in the Oregon Health Authority.

We applaud the PUC staff efforts to curb fraud. However, the same regulations that prevent fraud have needlessly prevented tens of thousands of eligible Oregonians from gaining the critical telecommunications benefits the Lifeline Program was intended to provide. For that reason we are all committed to supporting the passage of HB 3268.

