

HB 3268 A STAFF MEASURE SUMMARY

Carrier: Rep. Keny-Guyer

House Committee On Health Care

Action Date: 04/17/17

Action: Do pass with amendments and rescind subsequent referral to Ways and Means. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Alonso Leon, Buehler, Greenlick, Hack, Hayden, Kennemer, Keny-Guyer, Malstrom, Nosse

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Creates the nine-member Oregon Telephone Assistance Program Advisory Committee. Specifies membership composition, to be appointed by the Governor, and issues that the committee will consider and develop recommendations. Directs the Public Utility Commission (PUC) to use the surcharge moneys on marketing and outreach to increase participation in the assistance plan established by the PUC.

ISSUES DISCUSSED:

- Federal Lifeline phone program
- Oregon's Public Utility Commission's (PUC) role in regulating the federal program
- PUC's Residential Service Protection Fund (RSPF)
- Impact on low-income and homeless individuals losing the Lifeline phone program
- Concerns relating to the Oregon Telecommunication Assistance Program being abolished
- Proposed amendment

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

The federal Lifeline program provides free phones to low-income people. All Medicaid members are categorically eligible (one phone or internet connection per household). There are approximately 1,000,000 people on the Oregon Health Plan. At least 41 states differ from the federal government to regulate this federal program. Oregon is the only state that has a regulatory agency, the Oregon Public Utility Commission, which adds additional regulations to the program.

Proponents assert that the utilization rate in Oregon is one of the lowest in the country—only 17 percent of eligible individuals actually receive a phone. And where most states have many phone carriers competing for Lifeline customers, Oregon is down to just one major carrier. Only Oregon PUC imposes this 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 percent 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.