



For Internal Distribution Only **Tobacco Tax Messages**

For clarity in promoting the advantages of the tobacco tax increase, the “Coalition to Heal Florida’s Healthcare” has organized its message into four main themes.

Please use these themes and their supporting facts as you encourage discussion and above all, ACTION, on the part of your employees and team members.

The FOUR THEMES

1. With each increase in the tobacco tax, a decrease in both adult and teen smoking will occur.
2. Florida has a long history of using taxes from the sale of tobacco to fund healthcare.
3. The failure to fund the Medicaid Medically Needy and Medicaid Aged/Disabled programs will result in the loss of healthcare coverage for 45,000 Floridians.
4. An increase in the tobacco tax would fund other health-promoting services and programs: hospital residencies; rural health; cancer research; nursing; and minority health education.

Theme #1: An Increase in the Tobacco Tax Will Decrease Teen Smoking

- There are now 369,000 Florida youth under the age of 18 who will ultimately die because of smoking cigarettes. Research shows that with each *ten percent increase* in the price of cigarettes, there is a *seven percent drop* in teen smoking. This is the one proven factor shown to cause a decrease in both adult and youth smoking habits.
- Teens buy 31 million packs of cigarettes each year. At \$4 per pack, that is over \$1.2 billion spent on cigarettes by youth.
- Over 14 percent of teenagers smoke. Another 10 percent use harmful smokeless tobacco products. Over 19 percent of adult Floridians smoke. These high

numbers of smokers result in high healthcare costs – much of which is not covered by private insurance.

- With an increase of only ten percent in the price of a pack of cigarettes, adult smoking is reduced by four percent and teen smoking by seven percent. Research suggests that price is the most effective means of stimulating such a decline.

Theme #2: Florida has a History of Funding Medicaid with Tobacco Taxes

- In Florida, there has been a long history of using tobacco taxes to help pay for the healthcare of the poor, needy, and elderly. Beginning in 1982, tobacco tax money was used for Chronic Disease Research and Treatment. In 1990, legislation passed earmarking over \$100 million of tobacco taxes for the Public Medical Assistance Trust Fund (Medicaid), which allowed for healthcare services to be expanded to Floridians.
- Today, tobacco taxes and hospital taxes contribute nearly \$500 million annually toward Medicaid payments; combined with matching federal funds, that figure soars to \$1.1 billion.
- Good public policy and a humane concern for the citizenry can go hand in hand. Even as an increase in the tobacco tax will assist in paying for Florida's healthcare, it will also prompt many smokers to quit. The precedent in tying the tobacco tax to paying for healthcare is long established. The benefit of an expected smoking reduction in youth and adults demonstrates the state's commitment to the health of its citizens.

Theme #3: Failure to Fund the Medicaid Medically Needy and Medicaid Aged/Disabled Programs Eliminates Coverage for 45,000 Floridians

- This year's tobacco tax has provided \$109 million in funding for the Medicaid Medically Needy and Medicaid Aged/Disabled programs. The elimination of these programs due to budget shortages would result in 45,000 chronically ill citizens without healthcare coverage.
- Without continued state funding for the Medicaid Medically Needy and Medicaid Aged/Disabled programs, an increasing number of uninsured persons will experience a decline in their health status, increasing pressure on physicians,

hospitals, and emergency rooms. These costs will be born by the average taxpayers, employers, and insured citizens – whether they smoke or not.

- Proposed elimination of the Medicaid Medically Needy and Medicaid Aged/Disabled programs would result in disruption of care for chronically ill Floridians and catastrophic losses to hospitals. The combined cuts to the Medicaid Medically Needy and Medicaid Aged/Disabled programs would affect literally tens of thousands of patients and hundreds of hospitals, and represent a loss of over \$782 million used to treat Florida’s most disadvantaged citizens. Most importantly, 45,000 Floridians would lose lifesaving healthcare coverage.
- The Medicaid Medically Needy and Medicaid Aged/Disabled programs provide catastrophic healthcare coverage to Floridians who cannot access healthcare in the private marketplace. Many are organ transplant patients or persons with complex medical conditions. In order to qualify for the programs, one must spend down all his/her income, leaving little to pay for basic necessities. These patients are typically employed yet have nowhere to turn for healthcare coverage and will be rendered uninsured without Medicaid Medically Needy or the Medicaid Aged/Disabled programs.

Theme #4: Increasing the Tobacco Tax Provides an Investment in Florida’s Healthy Future by Helping to: Reduce Smoking – Educate More Doctors and Nurses – Conduct Research – Care for the Medicaid Medically Needy, Medicaid Aged/Disabled without Coverage

- A healthy future for Florida relies upon a large pool of highly-trained physicians, nurses, and healthcare professionals. Residents-in-training provide up to 75 percent of the medical care for Floridians without healthcare coverage. Proposed legislation for an increased tobacco tax would support residency programs for doctors, enhance health access at rural hospitals, and invest in the documented need for nursing faculty and scholarships to stem the growing nurse shortage.
- In addition to the Medicaid Medically Needy and Medicaid Aged/Disabled programs, 18 other health-related entities or functions would be funded with the proposed increase in the tobacco tax.
- An increase in the tobacco tax will invest in the basic research necessary to fight the effects of smoking; in particular, cancer and other related tobacco illnesses. With an increase, early detection, screening, and treatment programs will not be lost.