



April 11, 2019

Honorable Chair Nancy Nathanson, House Committee on Revenue
900 Court St NE, S-211
Salem, OR 97301

RE: HB 2270 – Tobacco taxation

Chair Nathanson and members of the House Committee on Revenue:

PacificSource is an independent, not-for-profit health plan based in Oregon. We serve commercial, Medicaid, and Medicare lives and are the contracted Coordinated Care Organization (CCO) in Central Oregon and the Columbia River Gorge through PacificSource Community Solutions. Our mission is to provide better health, better care, and better value to the people and communities we serve.

We are here today to testify in support of HB 2270, a bill that will increase taxes on tobacco products and nicotine delivery devices to help fund OHP programs, including meaningful investments in community-based programs to address prevention and cessation of tobacco and nicotine products. During 2018, I had the honor of serving as a member of the Governor's workgroup on Medicaid funding. This \$2 per pack tobacco tax increase was identified as a key component of the broad-based funding package analyzed and recommended by the workgroup.

Tobacco use is the leading-cause of preventable illness and death in the United States, and adds billions of dollars in avoidable costs to our health care system due to the impact of cancer, chronic lung diseases, heart disease, stroke and other medical issues. In spite of this accepted medical evidence, tobacco companies continue to target communities of color, tribes, low-income, and LGBTQ communities in their advertising campaigns; and now, our youth are the target of e-cigarette campaigns. Numerous studies clearly document that increasing tobacco taxes reduces both adult and underage smoking. The general consensus is that every 10 percent increase in the real price of cigarettes reduces overall cigarette consumption by approximately three to five percent. The reduction in consumption is even more significant for children and communities of color.

PacificSource uses a variety of tools to help our members stop smoking. These tools are available to members in all our product lines (Medicaid, Medicare Advantage and commercial), and include: tobacco cessation classes, counseling, telephone help-lines and tobacco cessation medications (all as described in our plan documents). In addition, we provide resources and educational tools to our network of primary care providers -- to support them in providing care and treatment to our members struggling to cease tobacco use. Our CCOs (in collaboration with OHA and public health officials), use evidence-based strategies to help address tobacco use among the most vulnerable Medicaid members.

In order to effectively address this public health challenge, Oregon needs to adopt an approach that leverages every available tool to discourage use of tobacco and nicotine products and help current users quit. Increasing tobacco taxes is shown to be one of the most powerful tools available. We encourage your support for HB 2270.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken P. Provencher", written over a light blue background.

Kenneth P. Provencher

President and CEO, PacificSource