

April 11, 2019

House Revenue Committee  
Oregon 2019 Legislative Session

**Subject: AOC Testimony on HB 2270**

Dear Chair Nathanson, Vice-Chairs Findley & March, and Members of the Committee,

Thank you for the opportunity to testify on HB 2270. AOC **supports HB 2270** for three overarching reasons:

1. Raising the tax on tobacco and creating a tax on e-cigarettes is critically important as a public policy action step that will improve the health of citizens, especially youth, who will use fewer tobacco products as a result of these additional taxes.
2. This bill will provide very important funding to maintain the stability our Oregon Health Plan (OHP), and to maintain current levels of healthcare coverage ---- approximately 1 million Oregonians rely on Medicaid. Please see the chart I have included in this testimony showing the percentage of citizens in each county who are served by Medicaid. For example, this number is 35% for Malheur County, 36% for Josephine County and 38% for Jefferson County.
3. This bill will provide very important funding for public health modernization. Our state's current level of investment in public health modernization is only \$5 million a biennium. HB 2270 will get us far closer to the \$47.7 million we critically need to serve Oregonians across a broad spectrum of public health programs and services, including: promoting maternal and child health, suicide prevention programs, overseeing immunization programs to prevent communicable disease outbreaks, testing and keeping our public water supplies safe, mitigating the air quality impacts of forest fires, providing nutrition and health screening, HIV/STD and TB programs, adolescent and school based health programs and restaurant food safety inspections.

**HB 2270 will make a tremendous difference:**

- By raising the tobacco tax and also creating a critically important e-cigarette tax, Oregon would gain an estimated \$95 million of revenues in the current biennium and an estimated \$346 million in the 2021-23 biennium to fund these needed investments;
- By raising the price of tobacco and nicotine products, HB 2270 is one of the most effective ways to support those who want to quit --- with a 10% increase in price there is an estimated 4% reduction in adult use and a 7% reduction in youth use;

- Revenue under HB 2270 would be dedicated to the Oregon Health Plan as part of a six-year funding plan; additionally, this revenue would bolster tobacco prevention efforts, and make a huge difference in our efforts to fully fund public health modernization. In 2013, when “Medicaid Expansion” was launched in Oregon, about 600,000 people were served by the OHP. Today, that number has grown by 400,000 and our Coordinated Care Organization (CCO) model has helped reduce our state’s uninsured rate for healthcare from approximately 15% to about 6%. HB 2270 is needed to make sure we don’t go backwards after such important progress has been made.

Sincerely,

A handwritten signature in black ink, appearing to read 'AS', with a long horizontal flourish extending to the right.

Andy Smith  
Policy Manager, Association of Oregon Counties