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June 17, 2019

The Honorable Mark Hass and  
The Honorable Nancy Nathanson  
Co-chairs, Joint Committee On Tax Expenditures  
State Capitol  
Salem, Oregon 97301

RE: Support House Bill 2270A - Tax on tobacco products and inhalant products

Dear Senator Hass, Representative Nathanson and members of the committee:

Providence Health & Services is committed to working with policy makers and other community-minded organizations to find new ways to create healthier communities, together. Fulfilling this vision will require the adoption of proactive public policy solutions that promote healthy decision-making and fund programs that serve Oregonians in need. Increasing Oregon's tobacco tax is such a solution, and Providence strongly urges your support for House Bill 2270A.

According to Oregon's most recent state health assessment, tobacco use remains the number-one cause of preventable death and disease in Oregon – killing more than 7,500 people in our state each year. This is more than the top non-tobacco causes combined, which include obesity, alcohol use, motor vehicle accidents and firearms. The sad reality of this fact is evident in our ministries every day. With the best cardiovascular clinicians in the state and significant medical advances, we have been able to increase the length of survival for patients with diseases such as cancer, cardiovascular and respiratory diseases. However, this problem will require more than just medical interventions to ensure we are able to reduce the number of patients fighting life threatening disease due to a lifetime of tobacco use.

This battle costs our state greatly. It is estimated that tobacco use costs Oregonians more than \$2.5 billion a year in medical expenses, lost productivity and early death – Oregon cannot afford to continue down this path. Increasing Oregon's tobacco tax serves us all in three critical ways:

**Increasing Oregon's tobacco tax will reduce the number of people developing a lifelong addiction.**

Since 1996, when Oregonians passed Measure 44, raising the tobacco tax, Oregon has seen a steady decline in cigarette pack sales. We can expect this trend to increase if we pass a tax increasing the price of cigarettes by two dollars a pack, bringing the price more in line with California and Washington.

**Increasing Oregon's tobacco tax will improve resources for individuals trying to quit smoking.**

Tobacco use cessation and education programs work. With dedicated funding from the tobacco tax, Oregon has an opportunity to develop innovative programs that are better integrated into the continuum of care.

**Increasing Oregon's tobacco tax will fund critical safety-net programs.**

Making these changes now is critical to the financial stability of Oregon's Medicaid budget. With the prevalence of tobacco use among adult Oregon Health Plan members, nearly two times higher than the general public and approximately 10% of annual OHP medical expenditures related to smoking, this funding will protect the long-term stability of Medicaid in Oregon.

In the five years after House Bill 2270A passes, we know we can expect the following cost savings:

- \$14.2 million from fewer smoking-affected pregnancies and births in Oregon.
- \$13.6 million from fewer smoking-caused heart attacks and strokes.
- \$5.9 million from fewer smoking-caused lung cancer cases.

Thank you for the opportunity to discuss this important issue. Providence hopes you'll join us in supporting of increasing the tobacco tax and improving the well-being and life expectancy of Oregonians.

Sincerely,



Lisa Vance  
Chief Executive  
Providence Health & Services - Oregon