

June 17, 2019

The Honorable Senator Mark Hass and Representative Nancy Nathanson, Co-Chairs  
Joint Committee on Tax Expenditures  
900 Court St. NE  
Salem OR 97301

RE: Support for House Bill 2270A

Dear Co-Chairs Hass, Nathanson and members of the Joint Committee on Tax Expenditures,

Kaiser Permanente has long recognized the deleterious public health effects of tobacco and has consistently supported policies designed to discourage tobacco use and youth access to tobacco products, advance research on the health impacts of tobacco use, and promote evidence-based prevention and cessation strategies. HB 2270A is an important step towards improving public health in Oregon and one we urge this committee to support.

As an integrated health system that provides both care and insurance coverage to our members, we at Kaiser Permanente see the impact that tobacco use has on individual health outcomes and our collective health care costs. The Affordable Care Act (ACA) eliminated most of the underwriting factors that health carriers used to use in the interest of protecting consumers. Carriers can now only consider three health-related factors to determine premiums:

- Age,
- Zip code, and
- **Tobacco use**

The inclusion of tobacco use acknowledges the high long-term costs that smoking and use of tobacco products has for the health care system. These costs are so high that **the ACA allows carriers to charge a tobacco user up to 50% more in premium than someone who does not**. In addition, the ACA also requires that smoking cessation programs must be covered in full with no cost-sharing as preventative care.

Raising the price of tobacco by \$2 per pack and taxing products like e-cigarettes that specifically target youth will save lives by getting people to quit or never start this deadly and costly habit. We know that:

- **Vaping among youth is skyrocketing.** U.S. Surgeon General Jerome Adams released a [rare U.S. Surgeon General advisory](#) declaring teen vaping an epidemic, calling on the nation to protect kids. We must act.
- **Raising taxes is *especially effective* in reducing experimentation and use among youth.** For decades, over and over again, taxes have been proven to be one of the most effective ways to keep tobacco products out of the hands of youth, because kids are the single-most price-sensitive consumers.



Thousands of youth become addicted to tobacco each year. Now tobacco companies are targeting kids with candy-flavored electronic cigarettes containing nicotine. Tobacco use is the number one preventable cause of death and disease in Oregon. More people die from tobacco than from obesity, alcohol, motor vehicle accidents, fire arms and illicit drug use combined. Tobacco use is also a major risk factor for developing chronic diseases like cardiovascular disease, asthma and diabetes and can make it harder for patients to manage these conditions.

It is time to raise the price of tobacco products in Oregon. Kaiser Permanente urges you to support HB 2270A.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Fauver", written over a horizontal line.

Amy Fauver  
Director, Government and Community Relations