

June 17, 2019

Health Share of Oregon Comments on HB 2270

Members of the Joint Committee on Tax Expenditures:

Health Share of Oregon is writing in support of HB 2270, which would both reduce smoking and raise revenue to fund health care services for low income Oregonians through a \$2 per pack increase in the cost of cigarettes and the first ever tax on e-cigarettes in the state.

Health Share is the state's largest coordinated care organization (CCO), serving approximately 315,000 Oregon Health Plan (OHP) members living in Clackamas, Multnomah, and Washington counties. I served as a member of the Governor's OHP Budget Workgroup. HB 2270 is one of the mechanisms the Workgroup identified as part of a longer-term funding solution for the OHP.

Currently 9% of all spending on the OHP is directly tied to smoking related illness. This equates to roughly \$374 million per year. HB 2270 will provide approximately \$173 million dollars per year for OHP, which provides health care for nearly 1 million of the most vulnerable Oregonians, as well as meaningful investments in community and culturally specific programs to address prevention and cessation of tobacco and nicotine.

Over 24% of Health Share members smoke cigarettes—more than higher income populations. Health Share and other CCOs cover a full spectrum of smoking cessation methods as part of the OHP benefit package—nicotine replacement therapies, complimentary medicine, and more—and our providers make referrals to the Oregon Quit Line and other public health resources, too. **But the best way to ensure Oregonians don't smoke is to make sure they never start, and raising the price of tobacco is the single most effective tool for reducing use.**

Big Tobacco is already taxing Oregonians in the form of higher costs for the OHP and increased insurance premiums. I supported including this proposal in the Governor's OHP funding proposal because it's time we directed those resources to help provide affordable health coverage for Oregonians, rather than lining the pockets of Big Tobacco.

Respectfully submitted by Maggie Bennington-Davis, Interim Chief Executive Officer and Chief Medical Officer.

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