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Testimony in Support of Senate Bill 233
Presented to
Committee on Assessment and Taxation

By
Aaron Dunkel
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Chairman Donovan and members of the committee, I am Aaron Dunkel, Deputy Secretary of the Kansas Department of Health and Environment. Thank you for the opportunity to discuss SB 233, which proposes to increase the tax on cigarettes and other tobacco products.

Tobacco use and exposure remains the number one preventable cause of death in Kansas: 433,900 Kansas adults smoke and 4,400 die from smoking each year. [i] One in ten high school students smoke and 2,900 Kansas kids become daily smokers every year. Nationwide, smoking is the cause of 1 in 5 deaths overall or about half a million people every year.[ii]

A 2014 Surgeon General's report outlined the scientific evidence of the impact of tobacco use on the human body and identified diseases that are causally associated with active smoking. These diseases include: age-related macular degeneration, diabetes, colorectal cancer, liver cancer, adverse health outcome in cancer patients and survivors, tuberculosis, erectile dysfunction, orofacial clefts in infants, ectopic pregnancy, rheumatoid arthritis, inflammation and impaired immune function.

To provide context on the health related costs of smoking in Kansas, 37.8% of adult Medicaid clients currently smoke.[iii] Reducing tobacco use and preventing initiation has not only the potential to save millions of lives but also millions of dollars attributable to tobacco-related health care costs.[iv] Smoking-related health care costs add up to more than $1 billion annually in Kansas, approximately $200 million of which are paid by KanCare.[v] In addition, approximately $400 million of these costs are paid for through the federal Medicare Program.

It is projected that a $1.50 cigarette tax increase in Kansas would prevent initiation, reduce consumption, encourage people to quit smoking and prevent relapse.[vi,vii] Raising the price of tobacco products has been shown to have the benefit of reducing the number of youth who become addicted and motivating those who are already addicted to quit.[viii]

Price increases have the greatest effect on youth who are the most price sensitive due to generally having smaller incomes. Increasing the price of tobacco to be cost prohibitive reduces the chances that youth will become regular smokers and addicted adults.[ix,x,xi] This impact on Kansas youth means that about 25,400 youth currently aged 17 and under would not start smoking.

Thank you for consideration of implementing a tobacco tax increase. The provisions of HB 2306 will have a profound impact on reducing tobacco related death and disease especially in youth and help slow the growth of health care costs in the state.

I will be happy to stand for any questions.

[i] Campaign for Tobacco-Free Kids. The Toll of Tobacco in Kansas. Washington, DC: Jan. 8, 2015.

[ii] Brian D. Carter, M.P.H., Christian C. Abnet, Ph.D., Diane Feskanich, Sc.D., Neal D. Freedman, Ph.D., Patricia Hartge, Sc.D., Cora E. Lewis, M.D., Judith K. Ockene, Ph.D., Ross L. Prentice, Ph.D., Frank E. Speizer, M.D., Michael J. Thun, M.D., and Eric J. Jacobs, Ph.D. Smoking and Mortality-Beyond Established Causes. N Engl J Med 2015; 372:631-640

[iii] 2012-2013 Kansas Adult Tobacco Survey Results. Kansas Department of Health and Environment.

[iv] Campaign for Tobacco-Free Kids. Toll of Tobacco in the United States of America. Washington, DC: Campaign for Tobacco-Free Kids; 2009.

[v] Campaign for Tobacco-Free Kids. The Toll of Tobacco in Kansas. Washington, DC: Jan. 8, 2015.

[vi] Centers for Disease Control and Prevention. Reducing Tobacco Use: A Report of the Surgeon General. Atlanta, GA: US Dept of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health; 2000.

[vii] Jha P, Chaloupka FJ, Corrao M, Jacob B. Reducing the burden of smoking world-wide: effectiveness of interventions and their coverage. Drug & Alcohol Review. 2006;25(6):597-609.

[viii] Centers for Disease Control and Prevention . Response to Increases in Cigarette Prices by Race/Ethnicity, Income, and Age Groups – United States, 1976-1993. Accessed 2/1/15 at http://www.cdc.gov/mmwr/preview/mmwrhtml/00054047.htm

[ix] Ahmad S. Increasing excise taxes on cigarettes in California: a dynamic simulation of health and economic impacts. Preventive Medicine. 2005;41(1):276-283. 10.
[x] Harris JE, Chan SW. The continuum of addiction: cigarette smoking in relation to price among Americans aged 15-29. Health Economics. 1999;8(1):81-86. 11.
[xi] Tauras JA, O'Malley PM, Johnston LD. Effects of price and access laws on teenage smoking initiation: a national longitudinal analysis. http:// www.nber.org/papers/w8331. National Bureau of Economic Research working paper 8331. Published June 2001.