



To: Senate Assessment and Taxation Committee

From: Rachelle Colombo
Director of Government Affairs

Date: March 23, 2015

Re: SB 233; concerning the increase of taxes on tobacco products

The Kansas Medical Society appreciates the opportunity to submit these comments in support of SB 233 as a means to deterring tobacco consumption and thereby improving the health of all Kansans.

Long-term research shows that states that have increased the price of tobacco products have seen an increase in revenue and a decrease in smoking rates, particularly among youth, low-income individuals and pregnant women. While the increased revenue is an attractive incentive for the state, the health benefits and associated cost containment on health spending should not be minimized.

According to the American Lung Association more than \$40 billion is spent nationwide through the Medicaid system in healthcare costs for smoking-related diseases each year, comprising more than 15 percent of total Medicaid spending. They also report that smoking costs the U.S. economy \$356 million in direct healthcare costs.

Current studies show that smoking rates are almost twice as high for Medicaid recipients compared to those with private insurance, and that low-income individuals are among those most likely to stop smoking entirely when price increases by ten cents per pack or more.

Economic estimates focused on revenue lost to border states or internet sales fail to consider that many smokers, teens and medicaid recipients especially are not only the most likely to stop smoking as prices increases, they comprise future health care cost savings for state programs. Diseases such as lung cancer, chronic obstructive pulmonary disease, heart disease, stroke, asthma and diabetes are all more likely for individuals that smoke.

The Kansas Medical Society supports efforts to encourage tobacco cessation, especially measures most likely to protect children and responsibly utilize state resources. We respectfully request your favorable consideration of SB 233 and support of ensuring that fewer teens start or continue smoking.