



Healthy Maryland Initiative Resolution

- Because,** raising the state's tobacco tax by \$1.00 per pack will dramatically reduce teen and adult smoking, saving lives and reducing state health care costs; and
- Because,** over 1.5 million people in Maryland do not have access to quality, affordable health care which greatly puts their health at risk; and
- Because,** every time uninsured workers go to the emergency room and cannot pay their bills, these high costs get passed along to taxpayers and those currently with insurance; and
- Because,** reducing the number of uninsured Marylanders will save lives AND reduce health care premiums for those with insurance.

My Organization/Family (please circle one) supports:

Raising the state tobacco tax by \$1.00 per pack to:

- reduce teen and adult smoking by funding a comprehensive prevention program,
- give thousands of uninsured families access to care by expanding the HealthChoice program to parents earning below 100% of poverty (currently \$19,350/year for a family of four); and
- help small businesses afford health coverage for their workers by offsetting a portion of their health care costs.

Name of Family/Organization (*please print*) Number of Members

Authorized Signature Contact person (*please print*) Date

Organization/Family Street Address County

City State Zip

Phone Fax

Email

Best way to contact you: ☐ Email ☐ Phone ☐ Fax

Return to: Maryland Health Care for All!, 2600 St Paul St, Baltimore, MD 21218; **fax 410-235-8963**; or endorse online at <http://www.healthcareforall.com> Questions? Call 410-235-9000 or email healthymd@healthcareforall.com

How will any New Tobacco Tax Revenues be Spent?

In addition to significantly reducing teen smoking, this increase would give 50,000 uninsured Marylanders access to quality, affordable health care and conservatively raise \$155 million per year -- \$150 million from the increased tax on cigarettes and an additional \$5 million from the tax on other tobacco products. Below is our agreement on how this money should be spent:

\$100 Million to help tens of thousands get the health care coverage they need. This amount would allow us to expand Medicaid eligibility to parents who earn below 100% of poverty (< \$16,600 annually for a family of three). Medicaid currently covers only parents who earn up to 39% of poverty (< \$6,474 annually for a family of three). Experts estimate that the cost of the expansion would be ~\$40 million in state dollars. The remaining funds in this category would restore health care services for legal immigrant children and pregnant women, eliminate the chronic Medicaid budget deficit, and provide for a buffer to allow for future increases in Medicaid costs due to our planned expansion.

\$14 Million to help fully fund the state's tobacco use prevention & cessation program. The Centers for Disease Control states that Maryland should spend at least \$35 million per year on tobacco use prevention and cessation programs to be most effective. Current law requires the Governor to budget \$21 million for tobacco use prevention and cessation programs. Our bill will require the Governor to budget \$35 million for effective programs. We propose that Maryland meet this federal recommended minimum by spending \$14 million from this tobacco tax increase to add to \$21 million to be allocated from the tobacco settlement funds and other sources.

\$10 Million for specialist care given through community health centers. This amount will allow community health centers to provide necessary specialist care for uninsured people who use their services.

\$15 Million for a pilot program to help small businesses with health insurance costs. This money would be used to fund matching tax credits for small businesses that enroll their employees in the Small Group Benefit Plan to see if this approach would effectively increase the number of small businesses offering insurance coverage to their employees. Businesses would currently have to qualify for the "limited benefit plan" to be eligible for a subsidy.

\$1.5 Million for reducing health care disparities. This money will allow the Office on Minority Health and Health Disparities to develop and implement a plan to reduce health care disparities in Maryland, improving family health in all communities.

Note: We expect that the Comptroller will request additional monies to allow enforcement agents to have sufficient resources to continue its effective interdiction program to stop cigarette smuggling in Maryland. National data shows smuggling is not a significant problem when tobacco taxes go up but we want to make sure the state has the resources it needs to control whatever smuggling does occur.