
Oregon Health Authority

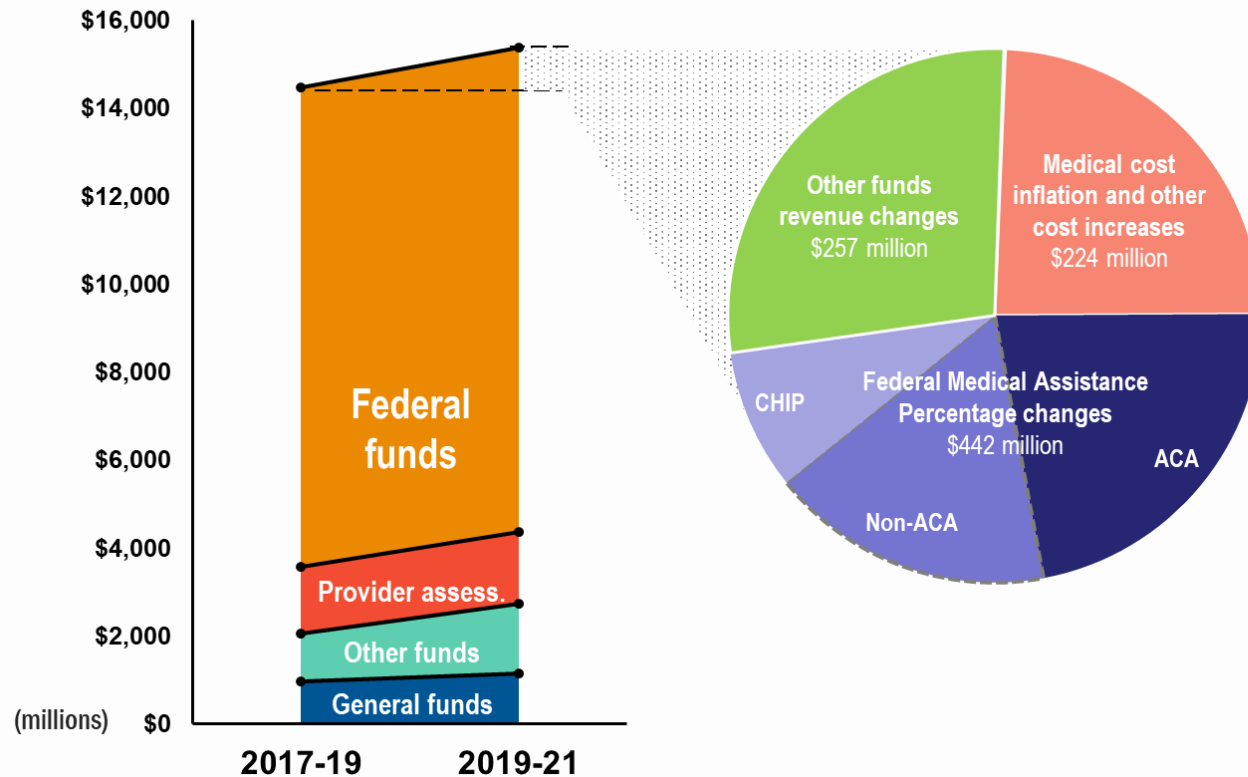
Presented to
House Revenue Committee
March 21, 2019

Patrick Allen, Oregon Health Authority Director



Challenge: Medicaid Funding

How do we close the gap in the six-year state Medicaid budget, due to reduced federal funding, expiring revenue sources, and inflation?



The yearly toll of tobacco in Oregon



529,600

Adults who regularly smoke cigarettes

235,290

People with a serious illness caused by tobacco



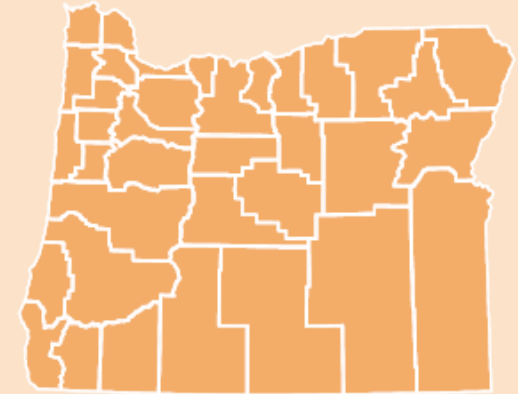
8,000

Tobacco-related deaths



\$1.5 billion

Spent on tobacco-related medical care

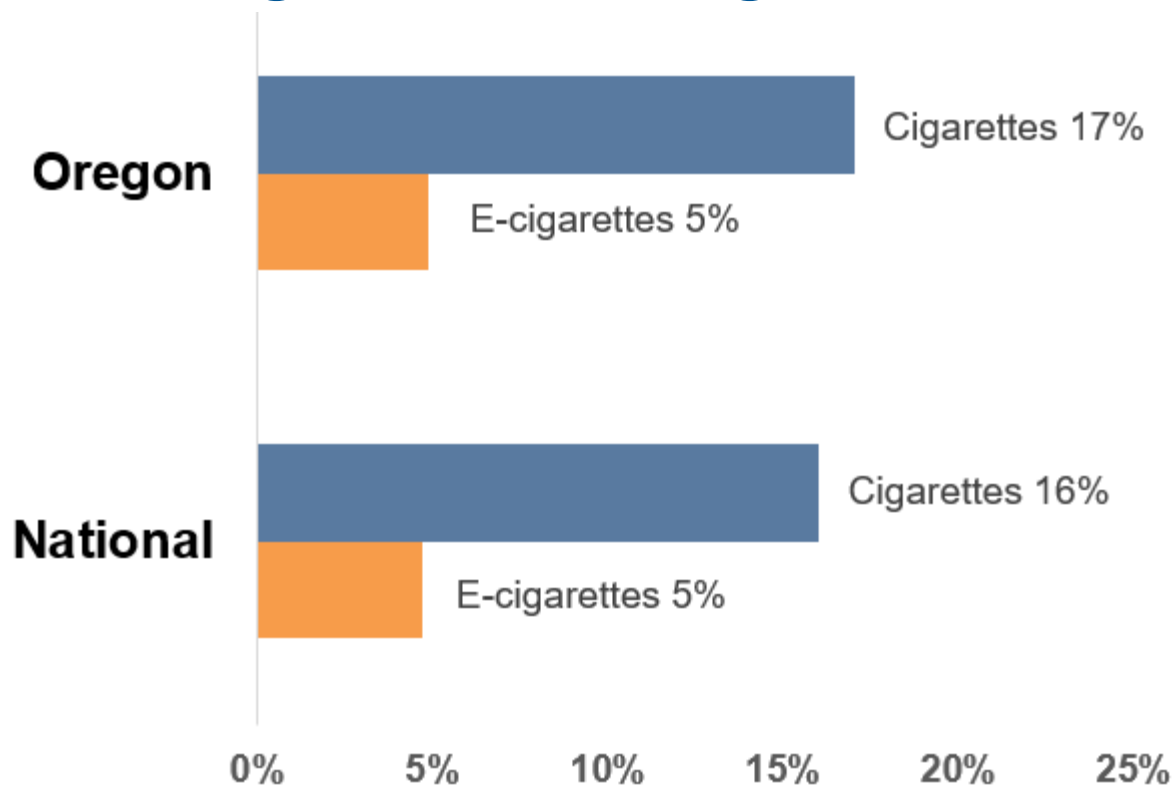


\$1.4 billion

In productivity losses due to premature tobacco-related deaths

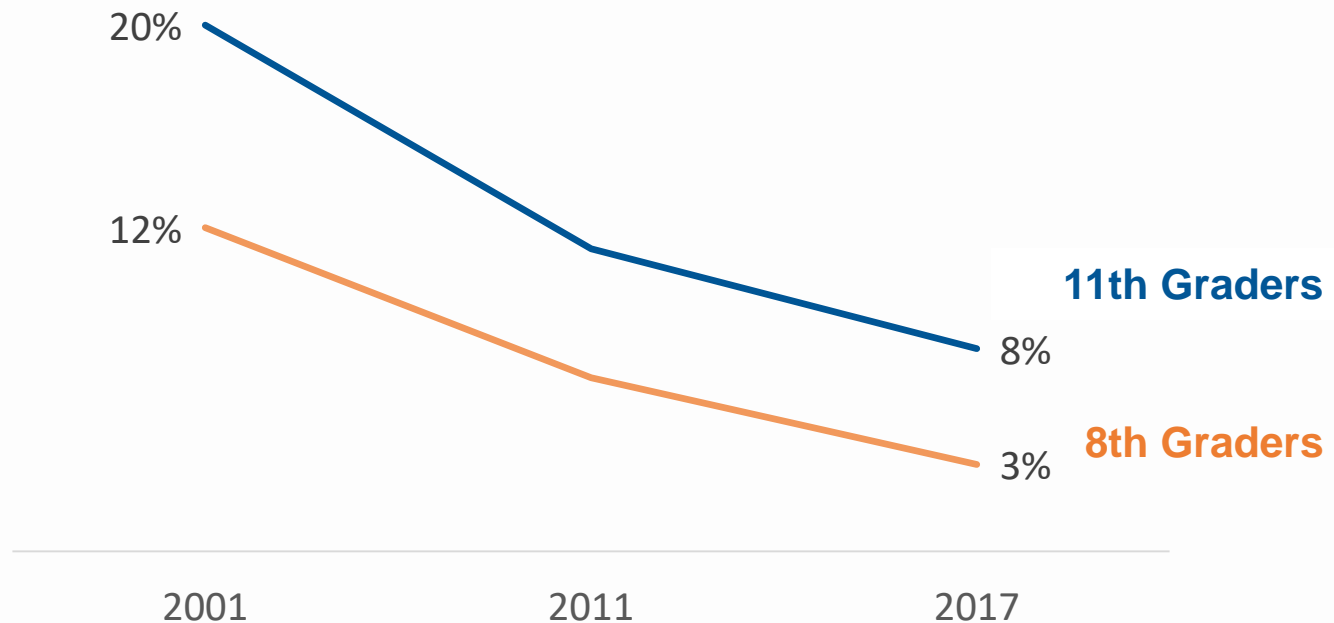
Tobacco is still the leading cause of death and disease in Oregon

Adult cigarette and e-cigarette use, 2017



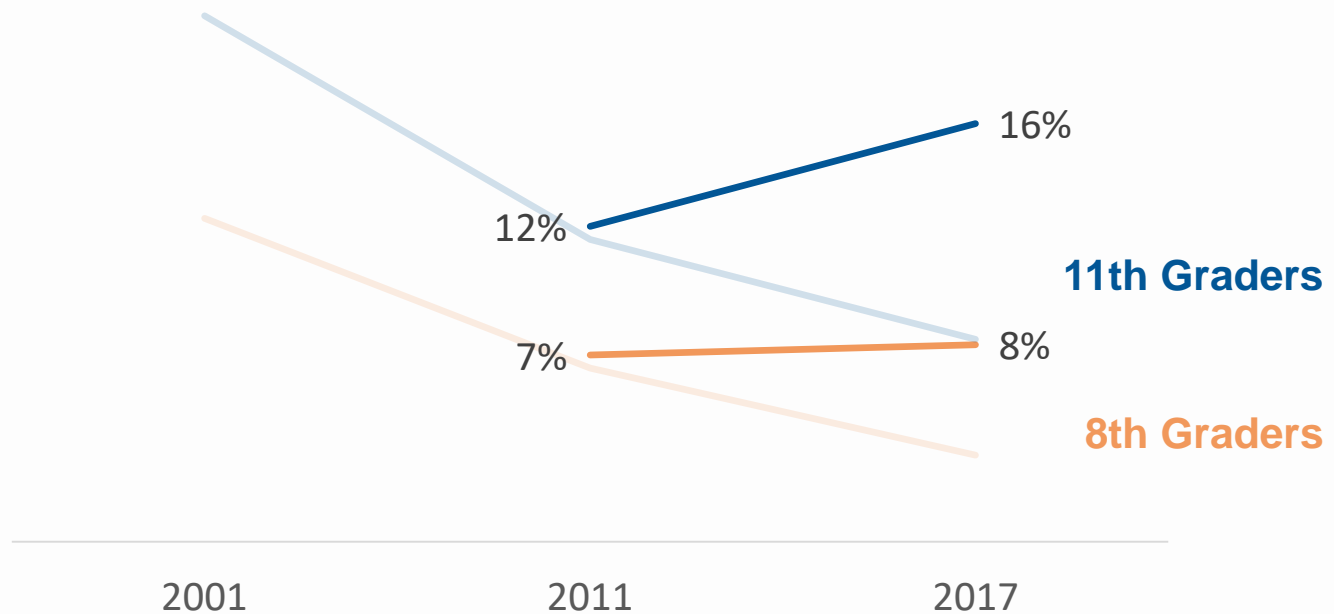
Success: Tobacco Use

Percentage of teens who currently smoke cigarettes

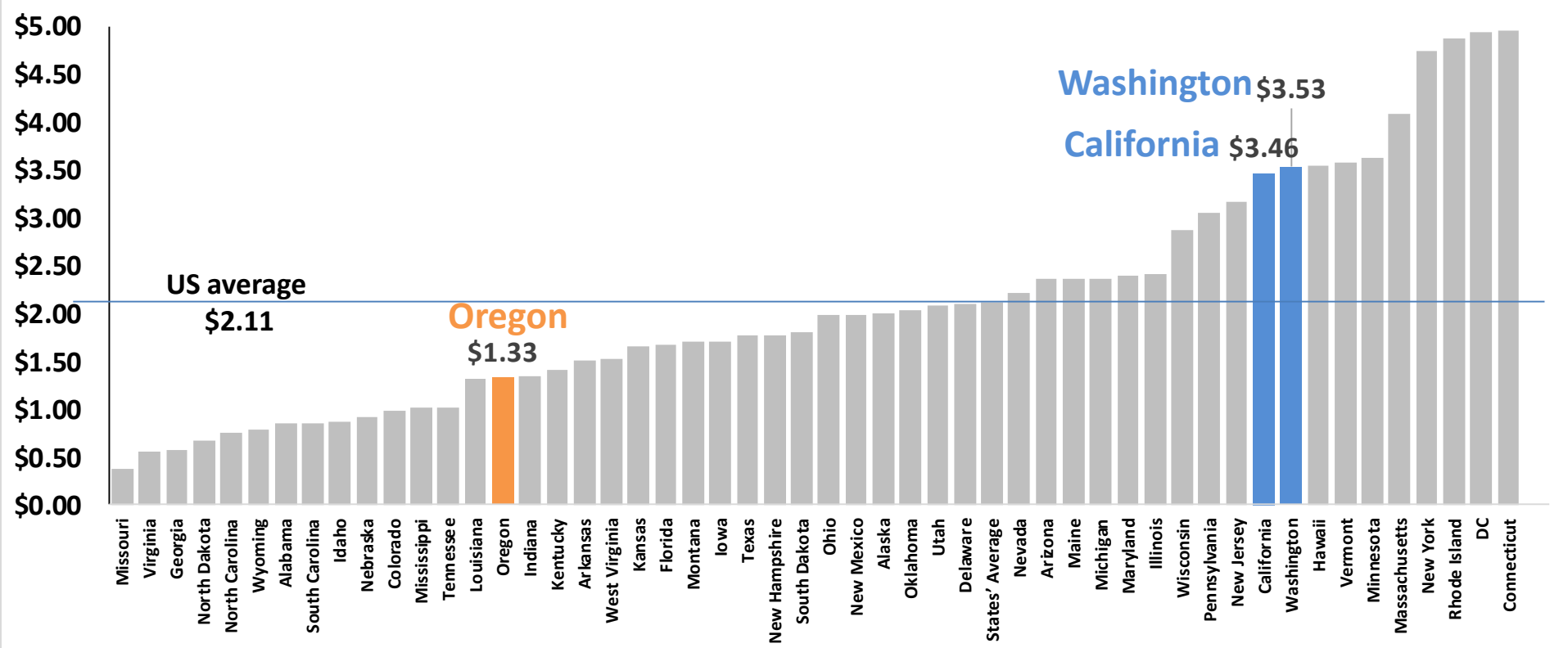


Concern: Vaping

Percentage of teens who currently smoke cigarettes
and/or use e-cigarettes



Oregon has low tobacco taxes



Note: State cigarette tax rates include excise tax and sales tax

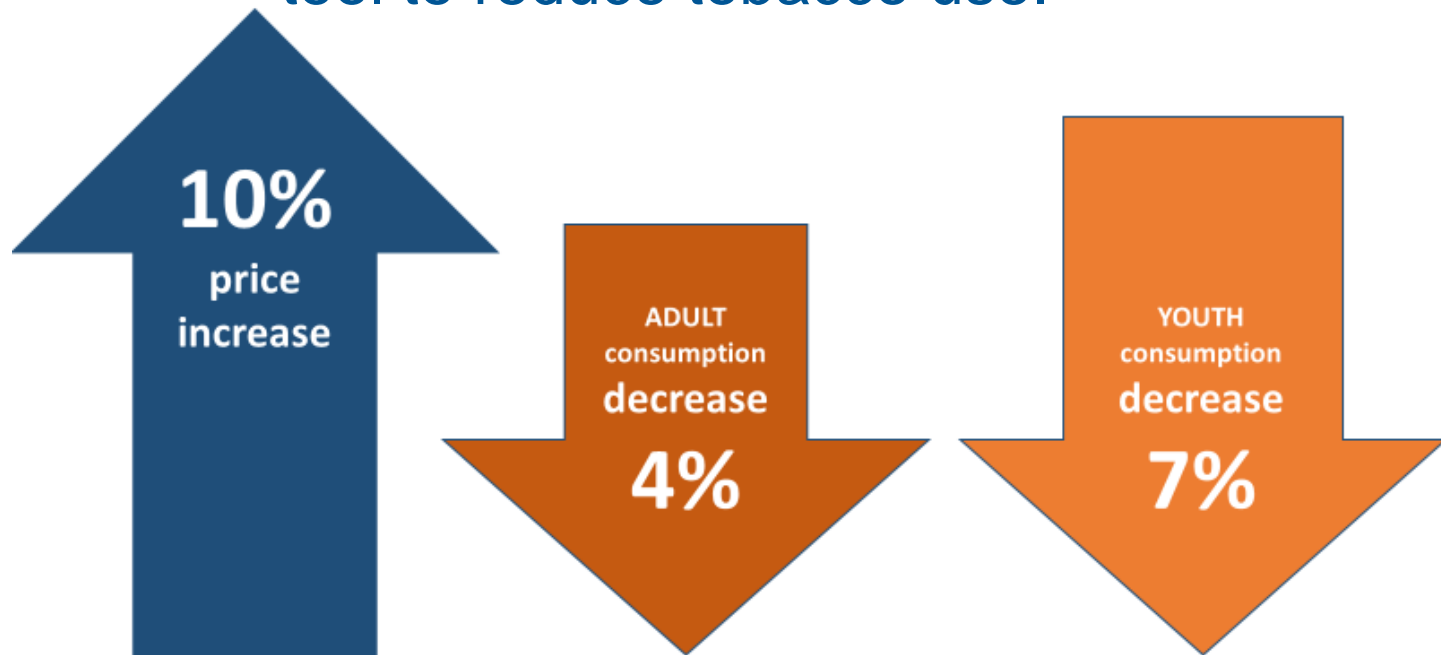
Oregon has low tobacco taxes



At \$1.33 per pack, Oregon ranks 37th for cigarette taxes nationally, well behind Washington (9th) and California (10th).

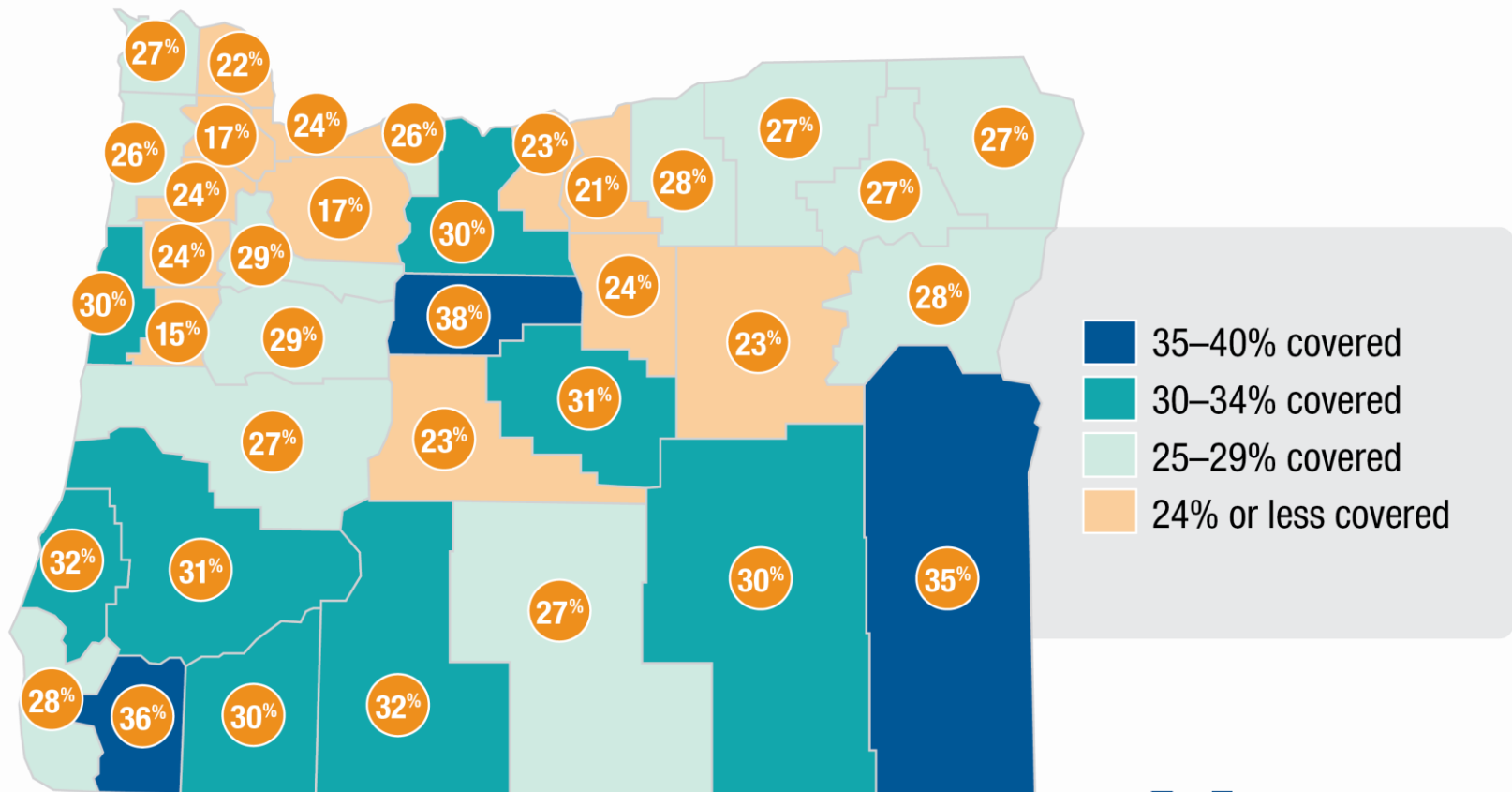
Raising the price of tobacco is a public health intervention

Increasing the price of tobacco is the single most effective tool to reduce tobacco use.



Oregon Health Plan membership by county

Percentage of county population receiving Medicaid benefits



Tobacco taxes and public spending



67% of adult Oregon Health Plan members who smoke want to quit. A \$2.00 tobacco tax increase would help **24,000 Oregon Health Plan members** to quit smoking.

Tobacco costs the Oregon Health Plan **\$374 million per year.**



Reductions in smoking among Oregon Health Plan members would **save \$52 million per year** in direct health care costs.

Increasing the price of tobacco will have the **greatest health benefits** for Oregon Health Plan recipients and other groups that smoke at high rates.



Oregon
Health
Authority