

Healthy Florida Alliance (HFA)
Increase Florida's Cigarette User Fee to Reduce Smoking and Expand Health Care
Position Statement

POSITION: Support an increase in the cigarette user fee by \$1.00 per pack in Florida, and use the additional revenue to: 1) ensure and expand access to health care for low-income children and adults, with an emphasis on the treatment of smoking-related illnesses; and 2) reduce smoking rates and alleviate the severe toll that smoking exacts on Floridians and their health.

WHAT IS THE CURRENT STATUS OF FLORIDA'S CIGARETTE USER FEE?

Florida's currently cigarette user fee is 34 cents per pack, ranking it 46th among the 50th states and the District of Columbia. Florida has not increased its fee rate since 1990, while 43 states have raised their rates since 2002, increasing the overall average state cigarette user fee to \$1.11 per pack. Twenty-five states as well as the District of Columbia and Puerto Rico levy one \$1.00 per pack or more, while fees in 9 states exceed \$2.00.

WHAT IS TOBACCO'S TOLL ON FLORIDA?

Tobacco use imposes enormous costs on our state. The burden on the Medicaid program alone exceeds \$1 billion annually. Total smoking-related health costs are nearly \$5 billion per year, with the combined costs - including lost productivity - exceeding \$11 billion. This year, 45,000 Floridians will die from smoking-related illnesses.

WHAT WOULD A \$1 PER PACK IN THE CIGARETTE USER FEE DO?

A \$1 per pack increase would also decrease smoking sales by 11% in the first year alone, according to State economists.

An additional \$1 fee per pack in Florida would also generate an estimated \$1.055 Billion in additional revenue in 2009-10 alone, according to the Florida Legislature's economists. This could significantly increase access to health care, both directly (through expansion of programs and increases in services) and indirectly (by providing critically-needed increases in physician reimbursement rates under the Medicaid program).

Specific proposed uses of the additional revenue include:

- Medically Needy: Providing a dedicated source of revenue for short-term coverage for low-income individuals with catastrophic medical expenses.
- Medicaid: Increase the income eligibility limit for pregnant women from 185% to 200% of poverty
- MEDS-AD: Expands health coverage for seniors and persons with disabilities not eligible for Medicare, all with incomes below 88% of poverty level.
- KidCare: Increase the number of Title XXI-eligible children covered.
- Physician Reimbursement: Increase reimbursement rates for physician services under Medicaid to Medicare levels.

In every state where an increase in the cigarette user fee has passed, it has BOTH consistently increased revenue AND reduced smoking rates.

For more information, please visit www.healthyfloridaalliance.org or call 561-691-4062.

Revised 9/4/08