



February 18, 2021

To: Senate Health and Welfare Committee

From: Tina Zuk, Government Relations Director, American Heart Association

Re: follow-up testimony re: S.24, eliminating the sale of flavored tobacco

Thank you very much for considering S.24 to eliminate flavored tobacco. I have included information below, as requested by the committee that I mentioned during my testimony yesterday.

- Savings that can be realized when tobacco use is reduced/prevented in Vermont –

There is no doubt that revenue will be impacted if we pass this legislation, but we are asking you to put kids’ health first as a priority. We do not want to rely on their smoking and vaping for revenue, as youth, or when they become addicted adults. We can realize much greater revenue by decreasing tobacco use as shown below.

From 2001-2014, independent evaluator Research Triangle found that with an investment of \$73 million, the program had resulted in \$1.43 billion in savings in overall smoking-related health care costs, including \$586 million in Medicaid costs.

These savings continue. In 2012, the program began a collaboration with VHAP to make Medicaid benefits for smoking cessation more comprehensive and accessible resulted in a decline in smoking among Medicaid-insured adults from 36% to 29%. The 2% decline in smoking between 2017-2018 alone resulted in health care savings to Vermont of \$12.2 million.

Massachusetts put the health of youth first, not revenue impact, when it enacted its law. As noted yesterday, predictions by the industry there were far overstated. The MA Dept. of Revenue said the range would be \$120-140 million while the industry said \$300 million. The following shows the impact to date since implementation of the law this past June. It is in line with \$120 million for the year.

	FY 2019	FY 2020	FY 2021		YTD FY 2019	YTD FY 2020	YTD FY 2021			
July	\$54,991,822	\$52,173,703	\$39,135,494		\$54,991,822	\$52,173,703	\$39,135,494			
August	\$53,918,213	\$49,013,944	\$33,110,965		\$108,910,035	\$101,187,647	\$72,246,459			
September	\$46,356,376	\$41,397,375	\$34,862,351		\$155,266,411	\$142,585,022	\$107,108,810			
October	\$51,213,553	\$53,613,294	\$35,934,876		\$206,479,964	\$196,198,316	\$143,043,686			
November	\$44,019,646	\$41,644,863	\$34,405,815		\$250,499,610	\$237,843,179	\$177,449,501			
December	\$45,926,563	\$47,230,084	\$38,488,810		\$296,426,173	\$285,073,263	\$215,938,311			
January	\$47,335,227	\$43,940,379			\$343,761,400	\$329,013,642				^^TYD Drop from FY 20 to FY 21
February	\$31,248,776	\$34,172,214			\$375,010,176	\$363,185,856				
March	\$40,105,746	\$48,341,605			\$415,115,922	\$411,527,461				
April	\$45,207,530	\$43,073,259			\$460,323,452	\$454,600,720				
May	\$48,041,829	\$34,907,316			\$508,365,281	\$489,508,036				
June	\$44,895,891	\$34,454,787			\$553,261,172	\$523,962,823				
						-\$29,298,349				
										^^drop in reveue from FY 19 to FY 20

- State economist report showing increased cigarette and e-cigarette sales during pandemic --

In the *January 2021 Economic Review and Revenue Forecast Update*, Tom Kavet pointed to the large increases in smoking and vaping during the pandemic (from page 23 and 24):

Taxable sales of cigarettes, tobacco products and vaping have surged during the pandemic (as have liquor sales, which no longer benefit the Available General Fund), with socially distant time at home and plentiful disposable income combining to worsen long-term health outcomes of those partaking. Vaping has been particularly strong, bringing in nearly as much income in the first six months of FY21 as it did in its initial 11 months of taxation in FY20. Together, these three tax sources will add more than \$8M to the Healthcare portion of the General Fund in FY21, with much of this persisting into future years due to the addictive nature of these products.

These recent increases in tobacco usage during the pandemic were also noted in the recent Wall Street Journal article, [Smoking's Long Decline is Over](#), really are a call to action to do more.

- Need for additional resources to ensure adequate cessation resources for smokers/vapers who want to quit, etc –

The state learned this year it will receive \$10.5 million in one-time Master Settlement Funds for its diligence in enforcing provisions of the Master Settlement. At least a portion of these funds should be used to address the state's tobacco and vaping problem. We believe \$1 million is a fair amount.

This is especially important, given, as committee members noted yesterday, that we want to both ensure smokers and vapers have adequate cessation resources to quit and to provide VDH with funding to reach youth with vaping/prevention education.

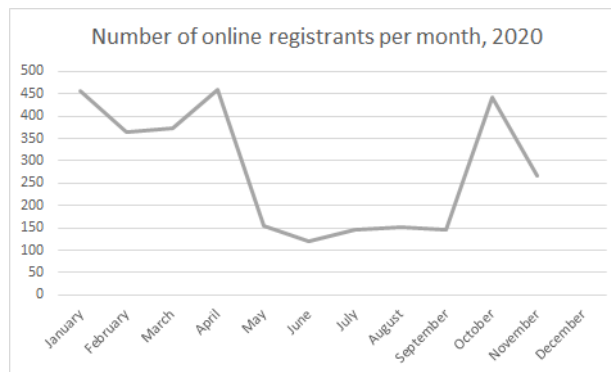
The following are some of the program needs expressed by VDH:

- Increase coordination and communication of evidence strategies to address vaping. The epidemic of vaping among youth and young adults was placed on top of the work already underway for tobacco treatment and prevention but without additional inputs. There has been need, and lack of capacity, for coordination, amplification, data monitoring and evaluation of our combined efforts (our program, grantees, partners and agencies) and dissemination of these efforts. For successful prevention we need to include evidence strategies at the individual/family, community, school and state level including all the components shown to work: media, education and empowerment, cessation treatment, surveillance/evaluation, and infrastructure.
 - Our collaboration with an academic partner, UVM Center on Behavior and Health, is increasing TCP's access to timely data and inputs to our media and policy decision-making. We can utilize this to even greater impact for the state's vaping rates and future substance use by

increasing coordination, guidance, expert content sharing and monitoring of results.

- Acknowledge changes in media. Our media budget has decreased and with the need to go out to bid per contractual requirements, the prices we have paid for media will likely increase, thereby diminishing returns on awareness, knowledge and behavioral change.

Smokers want to quit. According to VDH, the number of unique web viewers for the program's online quit services has steadily increased throughout 2020, from a low of 1,660 viewers in January 2020, to the highest reported EVER of 4,068 viewers in November. And online registrants are higher for every month of 2020 compared to 2019. (Online registrants seem to track COVID's impact on VT. Online registrants increased January to April, decreased May to Sept, and increased Oct and Nov.) See the following chart from VDH.



- Relationship between COVID-19 and tobacco –
It is important as well to note the link between COVID and tobacco use. Currently, 10% of the COVID patients in Vermont with underlying health conditions are current or former smokers (from VDHs weekly data summaries). The Centers for Disease Control states tobacco use worsens COVID-19's health impact. [A new study published in JAMA](#) also makes the link between smoking and increased risk of death from COVID-19. The [WHO](#) also notes that smokers are more likely to develop severe disease with COVID-19, compared to non-smokers.