

FACTS ABOUT THE TOBACCO TAX OF 2006

DECEMBER 13, 2005

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Mission Statement: This initiative is a critical and desperately needed investment towards improving the health of all Californians through children's health insurance, improved access to emergency room care, nurse education and training, and targeted smoking reduction and smoking related disease prevention, treatment and research efforts.

Sponsors/Supporters: American Cancer Society, American Lung Association of California, American Heart Association, The Children's Partnership, the California Hospital Association, the California Chapter, American College of Emergency Physicians, the California Emergency Nurses Association, the California Primary Care Association, Campaign for Tobacco Free Kids, Children Now, PICO California Project, Association of California Nurse Leaders, Emergency and Acute Care Medical Corporation, California Association of Physician Groups.

Details: A single statewide initiative that would raise the state's tobacco tax by \$2.60 per pack of cigarettes to help provide immediate and tangible solutions to some of California's major health challenges. The initiative is expected to raise approximately \$2.27 billion for the following:

- Treatment — 52.75%
 - Hospital emergency care services (\$828 million)
 - Nursing education (\$100 million)
 - Community clinics (\$64 million)
 - Emergency physicians (\$72 million)
 - Steve Thompson physician education fund (\$8 million)
 - Prostate cancer treatment (\$19 million)
 - Tobacco cessation services (\$19 million)
- Prevention — 42.25%
 - Children's health insurance (\$405 million)
 - Tobacco control, education, enforcement programs (\$194 million)
 - Cancer, heart and asthma prevention and control programs (\$292 million)
- Research — 5% (\$105 million) Includes tobacco-related disease and cancer research
- Funding for Proposition 10 programs (\$159 million) and estimated administrative costs (\$3 million)

WHAT THE INITIATIVE WILL DO

Children's Health Insurance

New revenues would ensure that the more than 800,000 California children without basic health care coverage are eligible for health insurance. Children with health insurance are more likely to get the care they need, especially essential preventive care that can prevent avoidable conditions and expensive emergency room visits. In addition, providing health insurance to kids improves their performance in school.

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Emergency Care Services

Funds from the initiative will go directly to local emergency room care—a service as vital to the public's interest as fire and police protection. Nearly 70 California hospitals closed their doors between 1996 and 2004—nine in 2004 alone. Hospital emergency rooms and trauma centers are overcrowded and collectively lose hundreds of millions of dollars each year, a situation further overwhelmed by the care of smoking-related illnesses. Emergency rooms statewide will be eligible for funds to help cover the costs of emergency room physicians, nurses, specialists and other services.

Nurse Education

California is struggling with a severe shortage of qualified nurses—currently at 14,000 and expected to grow to a shortage of 42,000 by 2010—another major cause of the closure of hospitals and emergency services. California currently does not have the capacity to educate enough nurses to meet its need. New revenues from the Tobacco Tax of 2006 will help California close the shortage gap by increasing the number of nursing educators as well as the number of nursing student graduates.

Disease Prevention, Treatment and Research

New revenues would support programs aimed at reducing the major causes of illness and death in California including: breast, cervical, colorectal and prostate cancer detection and treatment; cancer research program; cancer registry; breast cancer research; heart disease and stroke prevention; nutrition and physical activity, lung disease research and asthma prevention and control. These funds will expand and deepen public health efforts to combat California's deadly chronic diseases.

Tobacco Use Prevention and Control

Almost 80% of adult smokers become addicted to tobacco before they reach the age of 18. The tax increase itself would help smokers overcome their addiction and the new revenues will also support California's proven, effective tobacco use prevention program. Existing programs receiving new revenues include those managed by the Department of Health Services, Tobacco Control Section (media campaign, competitive grants, local health departments, smoking cessation hotline, etc.); the California Department of Education's schools-based prevention programs; and, the University of California's Tobacco-Related Disease Research Program. Two new programs targeted in the initiative include funding for local law enforcement agencies to enforce state and local tobacco-related laws, and expanded smoking cessation services to help more people quit smoking.

Community Clinics

More than 700 community-based clinics throughout the state that provide health care to uninsured and underinsured children and adults would be able to provide increased services because of these new revenues. Not-for-profit community-based clinics serve everybody who walks through their doors, regardless of their ability to pay. Clinics provide primary care services to large numbers of people who would otherwise seek primary care in emergency rooms.

Children and Families Trust Fund

Funds are provided to the Proposition 10 account to make up for any reduced revenue caused by the decline in tobacco use as a result of this initiative.