

Testimony to Special Council on Tax Reform and Fairness for Georgians
Martin E Neltner
Savannah, GA Fact Finding Meeting
August 31, 2010

Thank you for this opportunity to submit comments. We appreciate the forum of a town hall meeting and offer our comments. I represent Summit Cancer Care. Our eight physicians and 70 + staff members have been taking care of cancer patients in southern GA for some 25 years. We have evidence to show the exorbitant costs associated with the treatment of cancer patients whose disease was caused their smoking habits. The clinical evidence is conclusive that cigarette smoking causes cancer for smokers and second hand smokers. Taxes on cigarettes have risen in many states in recent years. They have been shown to discourage young people from starting to smoke and to encourage smokers to quit. As of late 2009, the federal cigarette tax is \$1.01 per pack. State taxes on tobacco vary from as low as 7 cents (in South Carolina) to up to \$3.46 a pack (in Rhode Island) as reported by the American Cancer Society. Taxes on cigarettes in GA should be increased to offset the costs associated with smoking. Smokers should bear more of these costs because they choose to smoke. Medicaid should receive a portion of the cigarette tax money to fund the costs of lung cancer treatments. Smokers also cost the tax payers money by tossing their cigarette butts into the streets, in parks, etc. City, county and state crews are paid for hours of work to clean up after smokers. Why should my tax dollars as a non-smoker have to fund such expenses? This is another example of the costs that should be covered by the increase in cigarette taxes.



TOLL OF TOBACCO IN THE UNITED STATES OF AMERICA

Tobacco Use in the USA

- High school students who are current (past month) smokers: 19.5% or 3.4 million [Boys: 19.8% Girls: 19.1%]
- High school males who currently use smokeless tobacco: 15.0% [Girls: 2.2%]
- Kids (under 18) who try smoking for the first time each day: 3,500+
- Kids (under 18) who become new regular, daily smokers each day: about 1,000
- Kids exposed to secondhand smoke at home: 15.5 million
- Workplaces that have smoke-free policies: 68.6%
- Packs of cigarettes consumed by kids each year: 800 million (roughly \$2.0 billion per year in sales revenue)
- Adults in the USA who smoke: 20.6% or 46 million [Men: 23.1% Women: 18.3%]

Deaths & Disease in the USA from Tobacco Use

- People who die each year from their own cigarette smoking: approx. 400,000
- Adult nonsmokers who die each year from exposure to secondhand smoke: approx. 50,000
- Kids under 18 alive today who will ultimately die from smoking (unless smoking rates decline): 6,000,000+
- People in the USA who currently suffer from smoking-caused illness: 8.6 million

Smoking kills more people than alcohol, AIDS, car accidents, illegal drugs, murders, and suicides combined, with thousands more dying from spit tobacco use. Of the roughly 400,000 kids who become new regular, daily smokers each year, almost a third will ultimately die from it. In addition, smokers lose an average of 13 to 14 years of life because of their smoking.

Tobacco-Related Monetary Costs in the USA

- Total annual public and private health care expenditures caused by smoking: \$96 billion
- Annual Federal and state government smoking-caused Medicaid payments: \$30.9 billion [Federal share: \$17.6 billion per year. States' share: \$13.3 billion]
- Federal government smoking-caused Medicare expenditures each year: \$27.4 billion
- Other federal government tobacco-caused health care costs (e.g. through VA health care): \$9.6 billion
- Annual health care expenditures solely from secondhand smoke exposure: \$4.98 billion

Additional smoking-caused health costs caused by tobacco use include annual expenditures for health and developmental problems of infants and children caused by mothers smoking or being exposed to second-hand smoke during pregnancy or by kids being exposed to parents smoking after birth (at least \$1.4 to \$4.0 billion). Also not included above are costs from smokeless or spit tobacco use, adult secondhand smoke exposure, or pipe/cigar smoking.

Productivity losses caused by smoking each year: \$97 billion

[Only includes costs from productive work lives shortened by smoking-caused death. Not included: costs from smoking-caused disability during work lives, smoking-caused sick days, or smoking-caused productivity declines when on the job.]

Annual expenditures through Social Security Survivors Insurance for the more than 300,000 kids who have lost at least one parent from a smoking-caused death: \$2.6 billion

Other non-healthcare costs from tobacco use include residential and commercial property losses from smoking-caused fires (about half a billion dollars per year) and tobacco-related cleaning & maintenance (\$3 billion).

- Taxpayers yearly fed/state tax burden from smoking-caused gov't spending: \$70.7 billion (\$619 per household)
- Smoking-caused health costs and productivity losses per pack sold in USA (low estimate): \$10.47 per pack
- Average retail price per pack in the USA (including sales tax): \$5.29

Tobacco Industry Advertising & Political Influence

- Annual tobacco industry spending on marketing its products nationwide: \$12.8 billion (\$35+ million each day)

Research studies have found that kids are three times as sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure; and that a third of underage experimentation with smoking is attributable to tobacco company advertising and promotion.

- Annual tobacco industry contributions to federal candidates, political parties, and PACS: Over \$2 million
- Annual tobacco industry expenditures lobbying Congress: Over \$20 million

Tobacco companies also spend enormous amounts to influence state and local politics; and, when threatened by the federal McCain tobacco control bill in 1998, spent more than \$125 million in direct and grassroots lobbying to defeat it. Since 1998, Altria (Philip Morris) has spent more on lobbying Congress than almost any other business.

SUMMIT

CANCER CARE

www.summitcancercare.com

**Physicians staffing South Carolina office:
Drs. Lewis, Luskey and Taylor**

Main number for all Summit locations

912-354-6187

New Patient Coordinator – Debbie Griffin
email: dgriffin@summitcancercare.com

912-651-5550 phone
912-354-5079 fax

Appointments – return patients

Bala, Goldberg, Taylor
912-354-6187, option 3, option 2
Haberman, Lebos, Lewis, Luskey, Robertson
912-354-6187, option 4, option 2

Kristine M. Tillman CFO
email: ktillman@summitcancercare.com

912-651-5735 phone
912-692-0701 fax

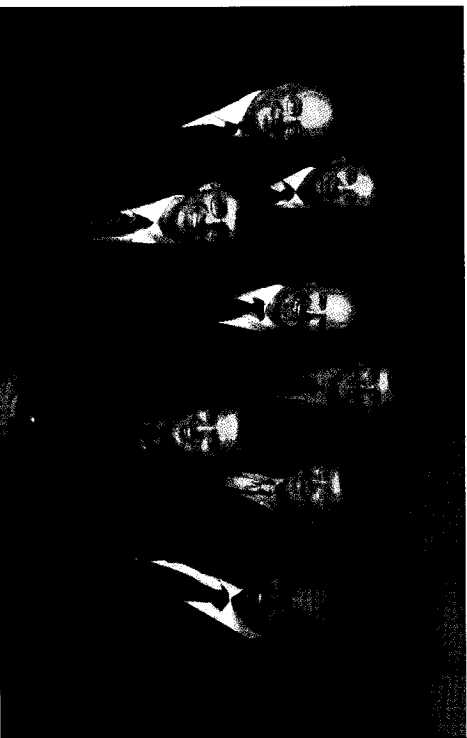
Savannah Office Locations:

Anderson Cancer Institute
4700 Waters Avenue, Suite A
Savannah, GA 31404
912-354-6187
Drs. Haberman, Lebos, Luskey
and Robertson

Lewis Cancer Research Pavilion
225 Candler Drive, Suite 300
Savannah, GA 31405
912-354-6187
Drs. Bala, Goldberg, Lewis, and Taylor

Summit Cancer Care is proud to serve the Beaufort, Bluffton, Hardeeville, Hilton Head and surrounding South Carolina communities with three impeccably trained physicians making high quality cancer and blood disorder care - including a state-of-the-art chemotherapy infusion center - conveniently available to your patients. Our office is located at

1010 Medical Center Drive, Suite 150
Hardeeville, SC 29927
Direct phone 843-784-7777 (open M, W, Th)
Toll free number 800-699-9627



Drs. Lebos, Luskey, Robertson, Haberman, Goldberg, Bala
Taylor, Lewis