

Robert Pettignano, MD, MBA
3837 Peachtree Dunwoody Rd NE
Atlanta, GA 30342

October 7, 2010

AD Frazier
Chairman, Special Council on Tax Reform
Project Management Consulting, Inc
2930 Briarglen Drive
Atlanta, GA 30340

Dear Mr. Frazier,

As a pediatrician, I am writing this letter to ask you support increasing the tax on tobacco products as a means of alleviating annual Medicaid expenditures attributable to tobacco related illnesses and potentially improving the short and long term health of our citizens. This is a tax increase that I believe most voters would agree to endure because it becomes a win-win for the majority of the people and the Georgia government.

From the health standpoint we know that tobacco related illness costs the healthcare system millions of dollars. Increasing the tax on tobacco will be a negative incentive for teens to begin tobacco use. It has been shown by the CDC that increasing the price of a pack of cigarettes directly correlates to a reduction of youth smoking. Ultimately the reduction in the number of people using tobacco products will contribute to a decrease in the long term healthcare costs related to its use.

The tax dollars generated by the tobacco tax can help to balance the Medicaid budget without initiating drastic payment reductions to hospital or individual physicians. Pediatricians in GA are heavily impacted by Medicaid reimbursement rates with many having 50% or more of their patients covered by Medicaid. A decrease in reimbursement at any time surely means a reduction in access to for these children. If fees are cut many of the physicians who provide care for these patients (28%) have said they will stop seeing patients covered by Medicaid.

The tobacco tax in Georgia is lower than the national average and raising it by \$1 will only put us at the national average.

I urge you to support this increase as a means of improving the health of our children, reducing long and short term healthcare costs, improving Georgia's finances and alleviating any Medicaid reimbursement reductions.

Sincerely,

A handwritten signature in blue ink that reads "Robert Pettignano MD, MBA". The signature is written in a cursive style and is enclosed in a simple blue oval.

Robert Pettignano, MD, MBA