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**HB 49: Biennial State Budget Bill – Tobacco Tax Increase  
Ohio House Finance Subcommittee on Health and Human Services**

Chairman Romanchuk, Ranking Member Sykes, and members of the Ohio House Finance Subcommittee on Health and Human Services, thank you for the opportunity to provide testimony today on portions of House Bill 49. My name is Dr. Michael Roizen, and I am Chief Wellness Officer for Cleveland Clinic.

I would like to express our strong support of the budget bill's proposed taxes on cigarettes, other tobacco products, and e-cigarettes. These proposed taxes present an opportunity to positively impact the health of all Ohioans and to decrease medical costs shared by all Ohioans.

Tobacco use remains the single largest preventable cause of disease and premature death. Smoking increases the risk of heart disease and stroke by two to four times. Each year, tobacco claims the lives of 20,200 Ohioans and costs us \$5.6 billion in direct health care expenditures.

Unfortunately, Ohio is on the wrong path when it comes to tobacco use, ranking as the state with the 8<sup>th</sup> highest smoking rate in the country. At a time when the national rate is decreasing, Ohio's rate of smoking is increasing. Almost 1 in 4 Ohioans are smokers, and more than 1 in 5 Ohio high school students currently smoke.

Big tobacco continues its efforts to entice new generations and Ohio's kids to take up tobacco. The industry spends more than \$1 million per hour – that's \$8.8 billion annually – on the marketing of its products. Ad campaigns with the likes of Joe Camel have been replaced with popular, sweet-flavored cigars and e-cigarettes to target younger generations. Once hooked, these kids are moved to other forms of tobacco that deliver nicotine, increase addiction and cost all Ohioans with increased taxes for their medical care. Indeed, taxes on tobacco products now cover less than 15% of the costs of medical care they cause.

We must turn the tide on this issue. The Cleveland Clinic is committed to doing its part, with a strong commitment to promoting good health for all of its patients and personnel. To keep the environment smoke-free, there is no smoking in the buildings or on the campuses of the Cleveland Clinic. Additionally, as the largest private employer in the State of Ohio – with over 46,000 employees – the Cleveland Clinic has implemented a nonsmoking hiring policy since 2007. We have helped CC employees reduce their use of tobacco, so that the overall presence of employees who use tobacco has decreased from 15.4% in 2004 to under 5.3% now.

Studies show that private businesses pay, on average, \$5,800 more per year to employ a person who smokes cigarettes, compared to the cost of employing a person who has never smoked. Imposing a nonsmoking hiring policy helps businesses to improve the physical health of its employees, as well as the financial health of the organization. Further there is a large burden of secondhand smoke. Those cities and areas that have banned public smoking and enforced such bans have seen over a 30% decrease in heart attacks in non-smokers.

We hope Ohio lawmakers will also do their part to prevent the negative trends of smoking from continuing in our state. The relative lack of taxes for tobacco products and education in Ohio makes our employers non-competitive in 4 ways: increased direct medical costs of employees, increased taxes for medical care of Ohioans on Medicaid and other state programs, increased disability days and payments, and decreased productivity. We owe it to our children and the generations that follow to provide a healthy, tobacco-free country. Our health, and the economic health of our nation, depends on it.

Increasing tobacco taxes is one of the most effective ways—if not *the* most effective way—to reduce smoking and tobacco use rates, and its burden on our taxpayers and companies..

We have the opportunity in this state budget to move Ohio in the right direction. We are asking you to:

- **Increase the cigarette tax by \$0.65 per pack.** The budget bill proposes a \$0.65 increase in the cigarette tax, which will bring the overall tax on cigarettes from the current \$1.60 per pack to an increased \$2.25 per pack. Doing so could reduce Ohio's youth smoking rate by 12% and could help to cause more than 73,100 Ohioans to quit smoking.
- **Match the Other Tobacco Products (OTP) tax to the cigarette tax.** Currently, the OTP tax rate is set at 17% of the wholesale price, less than half the tax on cigarettes. Language in House Bill 49 proposes to equalize the tax on OTP to match the proposed increased tax on cigarettes. Raising the OTP tax will help ensure that kids are not induced to this addiction through these products.

I am confident that these changes will result in better health for all Ohioans. Thank you again for the opportunity to testify. I am happy to answer any questions.