

April 27, 2007

The Honorable Kent Conrad
Chairman, Senate Budget Committee
United States Senate
Washington, DC 20510

The Honorable John Spratt
Chairman, House Budget Committee
United States House of Representatives
Washington, DC 20515

The Honorable Judd Gregg
Ranking Member, Senate Budget Committee
United States Senate
Washington, DC 20510

The Honorable Paul Ryan
Ranking Member, House Budget Committee
United States House of Representatives
Washington, DC 20515

Dear Senators:

The undersigned organizations are writing today in support of the budget conference report containing the Senate's provision regarding the tobacco tax. Not only does this provision make good public health sense, it provides one important funding source for the reauthorization of the State Children's Health Insurance Program (SCHIP). As the Congress moves towards reauthorization of SCHIP, it is important that committees of jurisdiction have available to them every possible funding source.

Reauthorizing SCHIP is one of the most important tasks before Congress this year. Together, SCHIP and Medicaid have significantly expanded children's health coverage and improved the health care low-income children receive. Reauthorization offers us the opportunity to strengthen and build on the success of these important health coverage programs.

Both the House and the Senate have recognized the need to reauthorize and fund SCHIP, each house pledging \$50 billion in new dollars above the baseline for the program. However, due to the "pay-as-you-go" rules adopted by each chamber, the Senate Finance Committee and the House Energy and Commerce Committee will have to find offsets for the spending.

The tobacco tax provision that passed on the floor of the Senate with a strong bipartisan vote is one such option for raising some of the necessary revenue for an offset. The current federal tobacco excise tax has not changed in nearly five years and is no longer a serious disincentive to smoking. Studies show that every 10 percent increase in the price of cigarettes reduces youth smoking by seven percent and overall cigarette consumption by about four percent. By including this bipartisan language, Congress can greatly reduce the number of kids who take up this deadly habit and reduce tobacco-related health care costs.

We thank the Budget Committees for recognizing the importance of SCHIP reauthorization with the additional money to cover uninsured children. We now strongly urge the Conferees not to tie the hands of the Committees before a real conversation on how to pay for SCHIP can take place. Leave all options for "pay fors" on the table and maintain the tobacco tax provisions in the budget conference report.

Sincerely,

AARP

African American Health Alliance

Alliance for Children and Families

America's Health Insurance Plans

American Academy of Child and Adolescent Psychiatry

American Academy of Pediatrics

American Association of People with Disabilities

American Association on Intellectual and Developmental Disabilities (formerly AAMR)

American Cancer Society-Cancer Action Network

American College of Chest Physicians

American College of Obstetricians and Gynecologists

American Health Care Association

American Hospital Association

American Lung Association

American Medical Association

American Network of Community Options and Resources

American Public Health Association

Americans for Democratic Action, Inc.

AMERIGROUP

Association for Community Affiliated Plans

Association of American Medical Colleges

Catholic Health Association

Centene Corporation

Center on Budget and Policy Priorities

Child Welfare League

Children's Defense Fund

Consumers Union

Easter Seals

Families USA

Family Voices

Federation of American Hospitals

First Focus

Health and Disability Advocates

Healthcare Leadership Council

Kaiser Permanente

March of Dimes

Medicaid Health Plans of America

Mental Health America

Molina Healthcare, Inc.

National Advocacy Center of the Sisters of the Good Shepherd

National Association of Children's Hospitals

National Association of Public Hospitals and Health Systems

National Association of School Nurses

National Center for Assisted Living

National Council for Community Behavioral Healthcare
National Health Law Program
National Partnership for Women & Families
National Women's Law Center
NETWORK: A National Catholic Social Justice Lobby
PICO National Network
Premier, Inc.
Racial and Ethnic Health Disparities Coalition
Religious Action Center of Reform Judaism
Service Employees International Union
The Arc of the United States
The Cave Institute
Title II Community AIDS National Network (TIICANN)
Union for Reform Judaism
United Cerebral Palsy