
Pricing Strategies

Internal Advocacy

Tobacco Control Network Webinar
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Karen Girard
Oregon Public Health Division
karen.e.girard@state.or.us
971-673-1046



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Work internally – use evidence and expertise

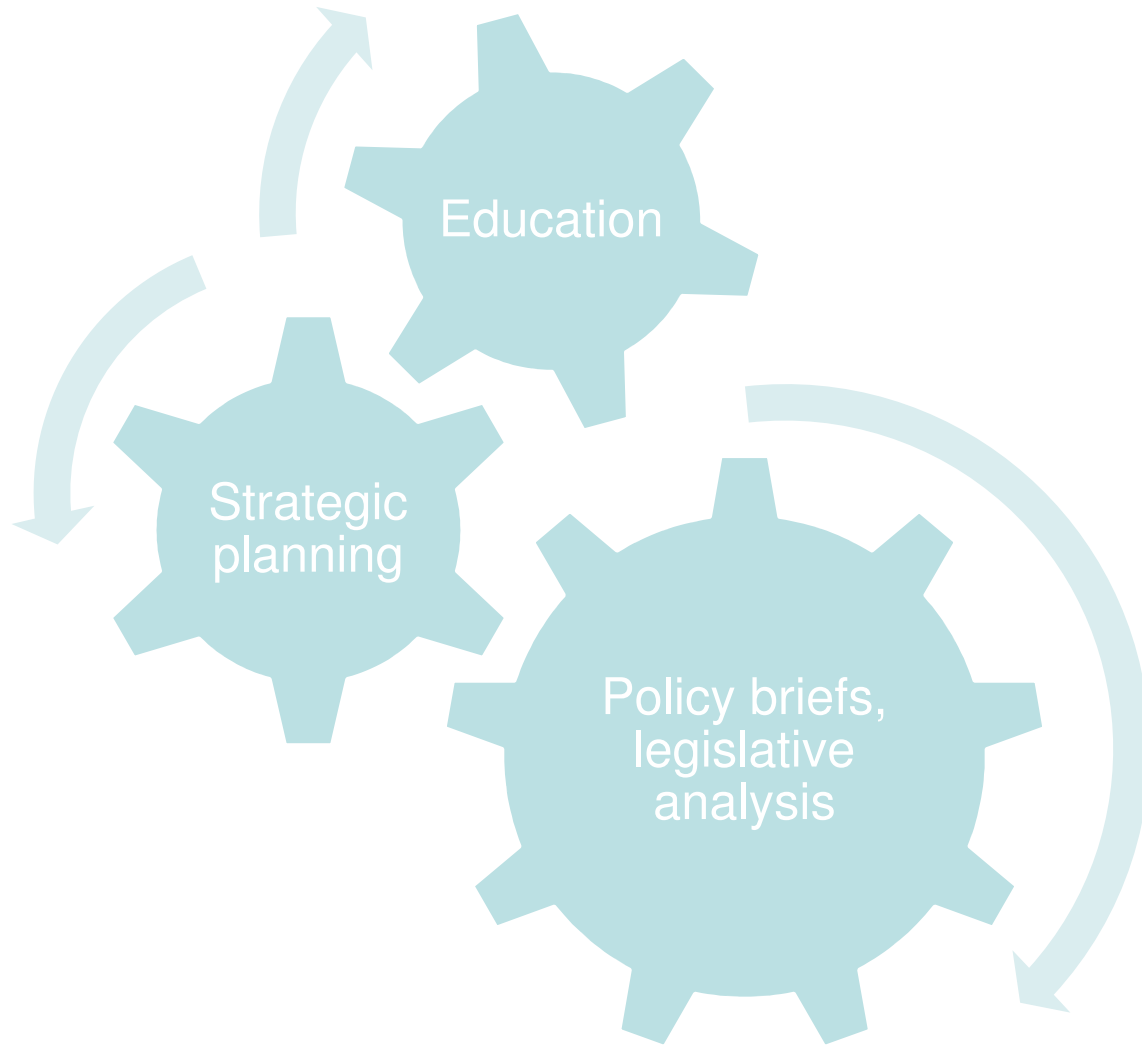
- The price of tobacco is directly related to tobacco consumption.
- Tobacco control programs have expertise in preventing tobacco use and exposure.
- Tobacco program managers play an important role in educating agency leadership about the importance of the price of tobacco.
- Increasing the price of tobacco through excise taxes and dedicating a portion to prevention is a two-pronged intervention.

Oregon - background

- Oregon's state excise tax is \$1.18, well below the national average of \$1.45
- Only state to reduce its tobacco tax in the last 15 years

However...

Governor has introduced tobacco tax legislation in each of the last three legislative sessions, with a portion of the revenue dedicated to tobacco prevention and education



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Policy briefs, legislative concepts and analysis

- *Agency legislative concept requests* - in preparation for the next legislative session, agencies are asked for legislative concepts.
 - This is your opportunity to present a problem (tobacco use) and a solution (increasing the price, with a portion of the revenue dedicated to tobacco prevention)
- *Legislative/policy analysis* – agencies are tasked with providing analysis on legislation and other policies.
 - This is your opportunity to emphasize (over and over) the public health benefits of increasing the price of tobacco and dedicating a portion to tobacco prevention

Education tools

- Reports
- Presentations
- Data – survey questions, polling

Reports

OREGON DEPARTMENT OF HUMAN SERVICES: PUBLIC HEALTH DIVISION

TOBACCO PREVENTION AND EDUCATION PROGRAM



Burden of Tobacco Among Medicaid Clients in Oregon

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Presentations

One of our CPPW grant activities is to share information with human services agency directors and boards about the importance of increasing the price of tobacco.



Raising the Price of Tobacco

Raising the price of tobacco is good for our clients.

- **Higher prices reduce the number of kids who smoke** – a 10% increase in the price of tobacco reduces the number of kids who smoke by 6 or 7%. Most smokers start smoking as children.
- **Higher prices help people quit using tobacco** – for every 10% increase in the price of tobacco, there is a 4% decrease in sales (consumption).
- **Smokers reap the most benefit from higher cigarette prices** – better health through quitting tobacco, reduced health care costs and reduced exposure to secondhand smoke. Also, funds received through higher prices go toward increased state services.¹
- A family with two, one pack-per-day smokers could save approximately \$330* per month if both smokers quit smoking. This is more than the average family SNAP (food stamp) benefit and more than 62% of the maximum monthly TANF (Temporary Assistance to Needy Families) benefit for a family of three.

Family with 2 smokers who quit could save:	\$330 per month
Average family SNAP benefit:	\$250 per month
Maximum TANF benefit for a family of 3:	\$528 per month

- A person who smokes one pack-per-day can save over \$1,860* per year by quitting.

What is good for our clients is good for our state.

- By preventing tobacco use, Oregonians become healthier, have more money and help the state balance the budget. Tobacco use costs Oregon over \$2 billion per year in direct medical costs and lost productivity due to early death – a price the state cannot afford.
- Tobacco use costs Oregon Medicaid \$267 million per year.
- Babies born to mothers who don't smoke during or after pregnancy are healthier. They are more likely to be full term and normal birth weight, they have fewer respiratory problems and are less likely to die from SIDS. However, over one in five pregnant women on Medicaid continue to smoke during pregnancy.

Resources:

Campaign for Tobacco Free Kids

"Responses to Misleading and Inaccurate Cigarette Company Arguments Against State Cigarette Tax Increases"

<http://www.tobaccofreekids.org/research/factsheets/index.php?CategoryID=18>

Oregon Public Health Division

"Burden of Tobacco Among Medicaid Clients in Oregon"

<http://www.healthoregon.org/tobacco>

Date: July 12, 2010

* Average cost of a pack of cigarettes in Oregon after a 10% price increase: \$5.50

Surveillance – use survey data

- National Adult Tobacco Survey questions:

Would you be in favor of an increase in the tax on a pack of cigarettes if the money were used to improve the public's health?

1. YES
2. NO

For the next question, I'm going to read to you a set of possible answers.

Please answer "Yes" or "No" to each answer. Current prices for a pack of cigarettes range from about four to six dollars. Would you be in favor of an additional tax on a pack of cigarettes of.

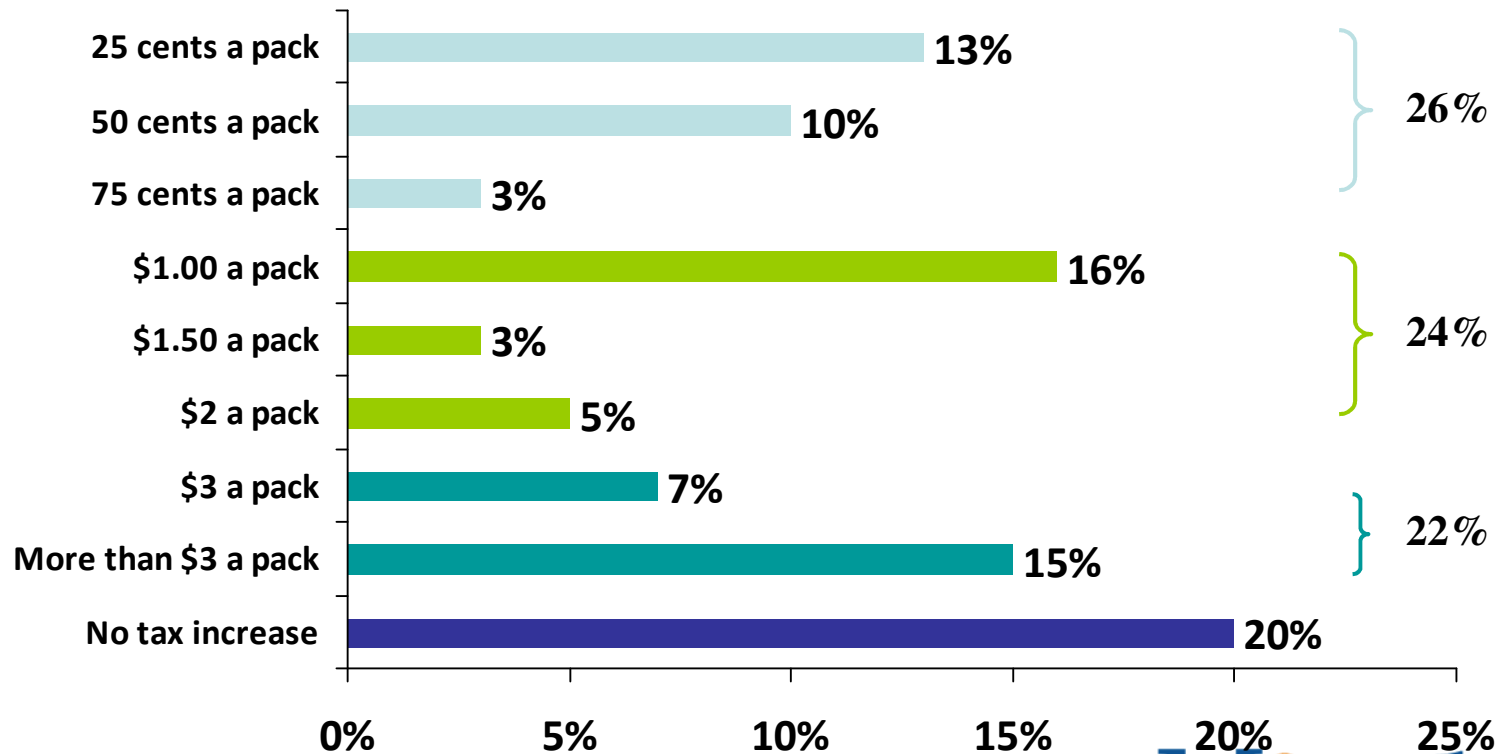
1. More than two dollars a pack?
2. Up to two dollars a pack?
3. Up to one dollar a pack?
4. Up to fifty cents a pack?

- Oregon poll question:

How much additional tax on a pack of cigarettes would you be willing to support if all the money raised was used to fund programs aimed at preventing smoking among children and helping smokers quit? Please tell me the highest tax you are willing to support.

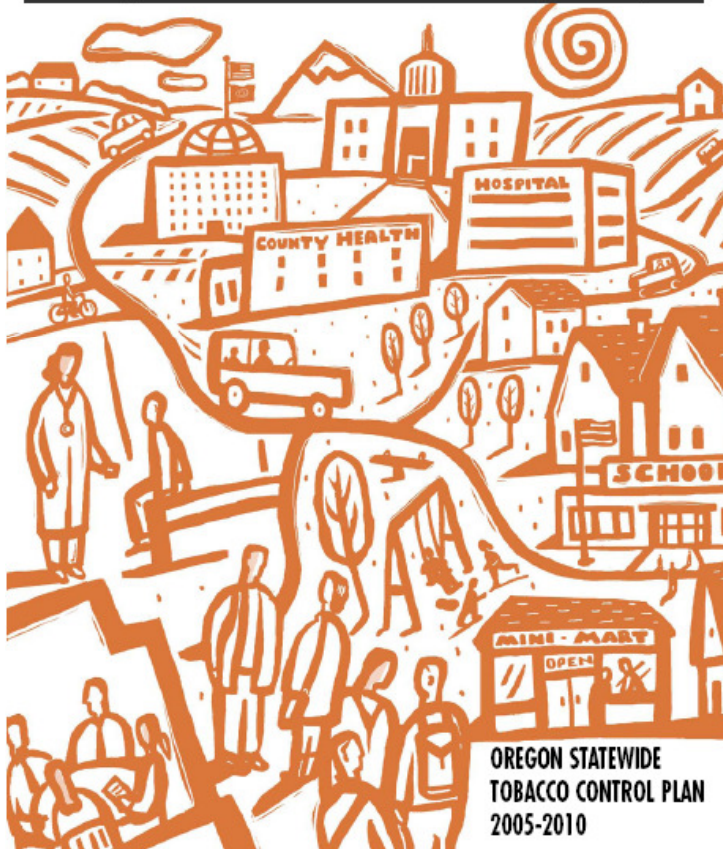
In these tax sensitive times, Oregonians are divided on how much additional tax on a pack of cigarettes they would be willing to support if all the money was used to fund programs aimed at preventing smoking among children and helping smokers quit.

How much additional tax on a pack of cigarettes would you be willing to support if all the money raised was used to fund programs aimed at preventing smoking among children and helping smokers quit? Please tell me the highest tax you are willing to support.



Strategic planning

Taking Action for a Tobacco-Free Oregon



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Goal 2



Prevent the Initiation of Tobacco by Youth

Young people start to use tobacco for a variety of reasons. In spite of their protests to the contrary, this process of youth initiation has long been a target area for tobacco companies. The hard-fought battle to remove cartoon advertising from cigarettes is only one example of the struggle to stop the creation of new school-age smokers.

Only through continued efforts to prevent young people from starting to smoke and chew in the first place can we decrease overall tobacco use in Oregon.

Objective 1

Decrease young people's desire to use tobacco.

Strategies

- Implement culturally appropriate youth strategies using a comprehensive, coordinated paid and earned media campaign at the state and local levels. Select messages based on evidence of effectiveness with youth.
- Develop a regionally representative, diverse youth coalition to participate in developing and implementing effective strategies and media approaches to address the problem of tobacco use among youth.
- Increase the percentage of school districts with comprehensive tobacco use prevention policies and programs.
- Support and expand the Coordinated School Health Program infrastructure to ~~implement and enforce a statewide comprehensive school tobacco policy and assure effective tobacco prevention programs.~~

Objective 2

Decrease youth access to tobacco.

Strategy

- Increase tobacco taxes where a portion of the revenue is dedicated in perpetuity to support comprehensive tobacco prevention programs as recommended by the CDC guidelines, including effective strategies for preventing youth access to tobacco.

Healthy places, healthy people: A framework for Oregon

Statewide

Policies support the healthy choice as the easy choice for adults and children:

- Workplaces, schools and public places are tobacco-free.
- Safe biking and pedestrian routes, alternative transportation and recreational opportunities are easily accessible and affordable.
- Healthy foods are easily accessible and affordable.
- Schools offer physical education.
- Tobacco and obesity prevention and education infrastructure is funded.

Policies protect adults and children from unhealthy influences:

- Tobacco is expensive.

Awareness and education messages promote chronic disease prevention, early detection and management.

Information about health and economic cost of chronic disease is collected and reported.

All Communities

Optimal availability of:

- Chronic disease self-management programs
- Healthy food choices
- Physical activity opportunities

Minimal exposure or access to:

- Secondhand smoke
- Tobacco products
- Unhealthy foods
- Advertising and promotions of tobacco and unhealthy food

Schools • Worksites • Health Systems

Policies and environments support healthy eating, daily physical activity and tobacco-free lifestyles. They also promote chronic disease early detection and management.

Summary

- Tobacco control programs have expertise in preventing tobacco use and exposure.
- Increasing the price of tobacco through excise taxes and dedicating a portion to prevention is a two-pronged intervention.
- Use your tools to educate and advocate for good public health policy:
 - Policy briefs and analysis
 - Education through reports, presentation, data
 - Strategic planning