



Health Budget Testimony
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American Cancer Society Cancer Action Network
February 25, 2021

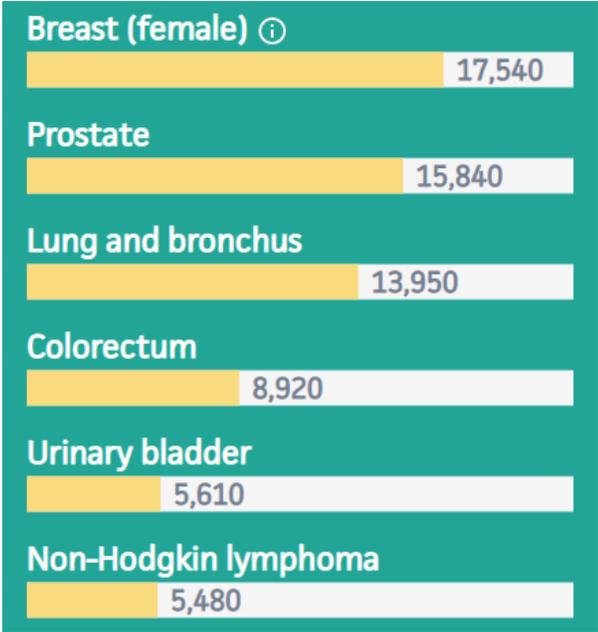
NY at a glance:
 Estimated new cancer cases in 2021:
120,200
 Estimated cancer deaths in 2021:
33,920

Senate Finance Chair Krueger, Assembly Ways and Means Chair Weinstein, and distinguished Members of the Senate and Assembly, my name is Julie Hart and I am the New York State Senior Director of Government Relations for the American Cancer Society Cancer Action Network (ACS CAN). ACS CAN, the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society, supports evidence-based policy and legislative

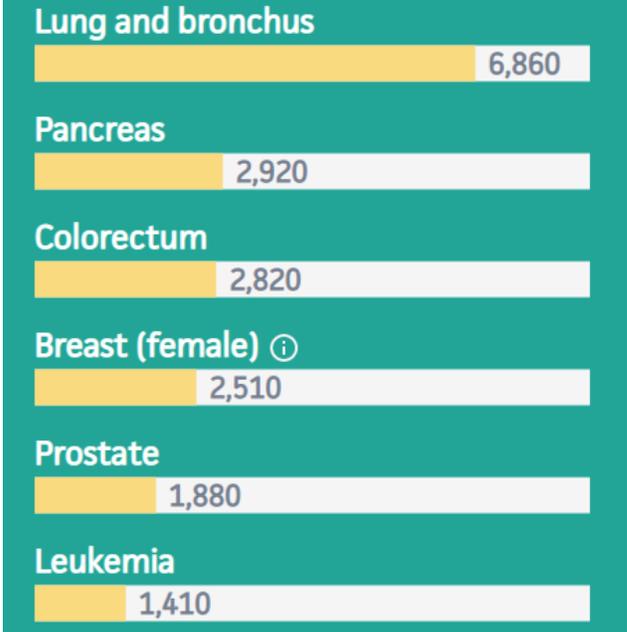
solutions designed to eliminate cancer as a major health problem. Thank you for the opportunity to testify today regarding the health proposals in the Executive Budget.

Cancer remains the second leading killer in New York. As evidenced by the following charts¹, cancer takes a tremendous toll on the health of residents of our state.

New cancer cases by cancer type



Cancer deaths by cancer type



¹ American Cancer Society. Cancer Facts & Figures 2021 Atlanta: American Cancer Society; 2021

I would like to address several issues in the Governor’s budget proposal that are important to our mission to save lives, celebrate lives, and lead the fight for a world without cancer.

Cancer Screenings Save Lives

The New York State Cancer Services Program (CSP) provides uninsured New Yorkers with access to breast, cervical cancer and colorectal cancer screenings. According to the National Health Interview Survey, approximately 4.7 percent of New Yorkers remain uninsured.² In the past year, **20,620** New York residents received a cancer screening, thanks to the CSP³. Between October 1, 2019 – September 30, 2020, the CSP provided:

- 29,368 Breast screening services³ (*includes mammograms & clinical breast exams*)
- 7,679 Cervical screening services³ (*includes Pap tests & HPV tests*)
- 4,297 Colorectal screening services³ (*includes fecal tests & screening colonoscopies*)

Cancer screenings can detect cancer in people who do not have any symptoms. Detecting cancer at its earlier, more treatable stage can save lives as well as health care dollars.

Cervical cancer: is preventable. It begins as a precancerous lesion that if detected and removed early can prevent cancer from developing. Regular screening for cervical cancer – using the Pap test and HPV DNA test – is the single most important factor in preventing cervical cancer, by identifying precancerous lesions and/or catching cervical cancer early when survival rates are the highest.⁴

Colorectal Cancer: Screening for colorectal cancer is one of the most effective ways to prevent this deadly cancer. Using one of several evidence-based screening tests, precancerous polyps can be detected before they become cancerous. Evidence shows uninsured adults are significantly less likely to receive recommended colorectal cancer screenings than insured adults. In fact, **only 50.9 percent of uninsured New Yorkers have been screened for colorectal cancer compared to 71.5 percent of insured individuals.**⁵

The American Cancer Society Cancer Action Network strongly recommends maintaining funding for evidence based cancer services to improve outcomes for the 17,540 new cases of breast cancer, 920 new cases of cervical cancer, and 8,920 new cases of colorectal cancer this year⁶; and to increase funding in subsequent years.

² National Health Interview Survey, 2018 <https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201905.pdf>

³ Source: Cancer Services Program statistics for October 1, 2019 – September 30, 2020

⁴ American Cancer Society. Cancer Facts & Figures, American Cancer Society; 2021

⁵ Colorectal Cancer Screening in New York State, Progress Report 2019 https://www.health.ny.gov/diseases/cancer/colorectal/docs/2019_progress_report.pdf

⁶ American Cancer Society, Cancer Facts & Figures, American Cancer Society, 2021

Tobacco Control

Despite progress and additional policy efforts, tobacco companies are still making a killing off New Yorkers as **smoking kills nearly 23,000 adults** each year. Lung cancer is the number one cancer killer in New York for both men and women. In 2021 an estimated **13,950 New Yorkers will be diagnosed with lung cancer** and an estimated 6,860 will die from the disease.⁷ We have seen a small decrease in the adult smoking rate in the past year and currently, **12.7% of New York adults smoke**. However, significant disparities remain in smoking prevalence among New York Adults.

| Tobacco's Toll in New York | |
|---|-----------------------|
| Adults who smoke ⁸ | 12.7% |
| High school students who smoke ⁹ | 4.8% |
| Deaths caused by smoking each year ¹⁰ | 22,290 |
| Residents' state & federal tax burden from smoking-caused government expenditures ¹¹ | \$1,375 per household |
| Adults reporting frequent mental distress who smoke ⁸ | 27.7% |
| Medicaid Recipients who smoke ⁸ | 23.5% |
| Adults with a disability who smoke ⁸ | 20% |
| Cancer survivors aged 18-44 who smoke ¹² | 32% |

The New York State Tobacco Control Program (TCP) works to help New York adults quit smoking and to keep kids from beginning this deadly addiction. However, more funding is needed to help ensure the program can reach most vulnerable New Yorkers and **reach the increasing number of children using tobacco products**. The TCP program aims to advance Tobacco-Free Communities, promote smoking cessation services within health systems, promote the New York State Smokers' Quitline and to counter the messages of the tobacco industry through statewide media prevention and cessation campaigns.

The Executive budget proposal slashes funding for the Tobacco Control Program by over \$7 million to \$32.7 million. This falls far short of the Centers for Disease Control and Prevention (CDC) recommendation that New York spend \$203 million annually on tobacco prevention and cessation programs.

⁷ American Cancer Society. Cancer Facts & Figures 2021 Atlanta: American Cancer Society; 2021

⁸ NYS Behavioral Risk Factor Surveillance System (BRFSS), 2018

⁹ New York State Youth Tobacco Survey 2000-2018

¹⁰ The Health and Economic Burden of Smoking in New York, November 2020

¹¹ : Residents' state & federal tax burden from smoking-caused government expenditures. Based on data from: CDC, Best Practices for Comprehensive Tobacco Control Programs—2014; CDC, Data Highlights 2006; Xu, X et al., "Annual Healthcare Spending Attributable to Cigarette Smoking: An Update," American Journal of Preventive Medicine, 48(3): 326-333, 2015; CDC, "Medical Care Expenditures Attributable to Smoking -- United States, 1993," MMWR 43(26): 1-4, July 8, 1994.

¹² New York State Department of Health. StatShot Vol. 13, No. 1 / Oct 2020

ACS CAN understands the fiscal constraints in the current economic environment. Therefore, we request funding for the tobacco control program be restored to \$39.76 million this year as the first step in a multi-year effort to increase to the CDC recommended funding level.

Tobacco Taxes: Improving health, reducing healthcare costs and generating revenue

Despite the well documented benefits of tobacco tax increases, New York has not increased most tobacco taxes in over a decade.

At this critical moment, we must do everything in our power to keep our communities healthy and safe. People who smoke or who used to smoke are at increased risk for severe illness from COVID-19. Smoking is a proven risk factor for cancer, chronic obstructive pulmonary disease (COPD) and heart disease, which put people at increased risk for severe illness from COVID-19.

Tobacco tax increases are a win-win-win; they improve public health, reduce health care costs, and generate revenue. As such, we respectfully request a cigarette tax increase of at least \$1.00 per pack and the establishment of tax parity with other tobacco products be included in the final budget.

Once at the forefront of cigarette taxes in the nation, New York's cigarette tax is now surpassed by the District of Columbia, Puerto Rico, and numerous other municipalities across the country.

Public Health Benefits

A significant increase in tobacco taxes will have a positive impact on the number of people who smoke, especially youth who are price sensitive. The projected health benefits of increasing the cigarette tax by \$1.00 per pack in New York include¹³:

- Youth under age 18 kept from becoming adult smokers: 22,200
- Reduction in young adult (18-24 years old) smokers: 4,800
- Current adult smokers who would quit: 53,900
- 5-Year reduction in the number of smoking-affected pregnancies and births: 5,100

Reduced health care costs

In addition to the public health benefits, a tobacco tax is essential to help reduce the amount New York spends annually on tobacco-related health care costs. The projected health care savings of increasing the cigarette tax by \$1.00 per pack in New York include:

- 5-Year health care cost savings from fewer smoking-caused lung cancer cases: \$10.81 million
- 5-Year health care cost savings from fewer smoking-affected pregnancies & births: \$13.96 million
- 5-Year Medicaid program savings for the state: \$61.9 million

¹³ Projected numbers of youth prevented from smoking and dying are based on all youth ages 17 and under alive today. Projected reduction in young adult smokers refers to young adults ages 18-24 who would not start smoking or would quit as a result of the tax increase.

Increased Revenue

Increasing tobacco taxes saves on long term healthcare expenditures and will also generate new revenue for New York as we face significant budget deficit. For New York, an increase in the cigarette tax by \$1.00 per pack is estimated to generate **\$38.87 million in new annual state revenue**.¹⁴

In addition, this projection does not account for the additional revenue raised from an increase in taxes on other tobacco products (OTPs). Raising state tax rates on OTPs, including e-cigarettes, to parallel the increased cigarette tax rate will bring the state additional revenue, public health benefits, and cost savings (and promote tax equity). With unequal rates, the state loses revenue each time a cigarette smoker switches to other tobacco products taxed at a lower rate.

In closing, we recommend:

- Increasing the cigarette tax by at least \$1 per pack & providing a parallel tax increase for other tobacco products.
- Restoring funding for the Tobacco Control Program to \$39.769 million
- Maintaining \$19.825 million for the NYS Cancer Services Program.

We thank you for your support of these programs in the past. We are now at a crucial point for health care in New York State. On behalf of the over ACS CAN volunteers across the state, we ask you to fully support these programs at our requested levels to save lives and to reduce the toll of cancer on New York State's families and our health care system.

Thank you for the opportunity to testify today. I would be happy to answer any questions.

¹⁴ Projections are based on research findings that nationally, each 10% increase in the retail price of cigarettes reduces youth smoking by 6.5%, young adult prevalence by 3.25%, adult prevalence by 2%, and total cigarette consumption by about 4% (adjusted down to account for tax evasion effects.). The projections were generated using an economic model developed jointly by the Campaign for Tobacco-Free Kids and the American Cancer Society Cancer Action Network and are updated annually. The projections are based on economic modeling by researchers with Tobacconomics: Frank Chaloupka, Ph.D., and John Tauras, Ph.D., at the Institute for Health Research and Policy at the University of Illinois at Chicago, and Jidong Huang, Ph.D., and Michael Pesko, Ph.D., at Georgia State University. The projections also incorporate the effect of ongoing background smoking declines, population distribution, and the continued impact of any recent state cigarette tax increases or other changes in cigarette tax policies on prices, smoking levels, and pack sales. These projections are fiscally conservative because they include a generous adjustment for lost state pack sales (and lower net new revenues) from possible new smuggling and tax evasion after the rate increase and from fewer sales to smokers or smugglers from other states, including sales on tribal lands. For ways that the state can protect and increase its tobacco tax revenues and prevent and reduce contraband trafficking and other tobacco tax evasion, see the Campaign for Tobacco-Free Kids (CTFK) factsheet, State Options to Prevent and Reduce Cigarette Smuggling and to Block Other Illegal State Tobacco Tax Evasion, <https://www.tobaccofreekids.org/assets/factsheets/0274.pdf>.