

TESTIMONY
NEW YORK STATE JOINT BUDGET HEARING
HEALTH COMMITTEE



American Heart Association

As the nation's oldest and largest organization dedicated to fighting heart disease and stroke, the American Heart Association (AHA) represents more than 100 million patients with cardiovascular disease (CVD).

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While we continue to battle the COVID-19 pandemic, public health is at the forefront of every New Yorker's mind. The pandemic has created unprecedented challenges and as you address these, we request that you prioritize measures that improve public health by reducing rates of chronic diseases, work to curb tobacco use and nicotine addiction, and improve access to healthy foods.

Raising the State's Tobacco Taxes:

The World Health Organization stated that smokers are likely more vulnerable to severe and potentially life-threatening cases of COVID-19, and as such, it is imperative the FY 2021-2022 Budget takes aggressive action to curtail tobacco use. Among the most effective tobacco control measures is increasing the tax on all tobacco products. It has been over a decade since most tobacco taxes were raised. 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 (OTP) be included in the FY 2021-2022 Budget. An increase in New York's tobacco taxes is a good public health policy and an investment in the future.

Public Health Benefits

By significantly increasing the tax on cigarettes and other tobacco products, including e-cigarettes, we can help prevent tobacco use among youth, reduce the health care burden of tobacco use, improve the health of New York residents, and increase revenues for vital programs and services. Tobacco use is a leading cause of cardiovascular disease (CVD) and is responsible for one out of four CVD deaths.¹ Overall, tobacco use remains the leading cause of preventable death in the United States, killing more than 480,000 people in America each year.²

A significant increase in tobacco taxes will have a positive impact on the number of people who smoke, especially price sensitive youth who will be easily deterred by a higher cost. The projected health benefits of increasing the cigarette tax by \$1.00 per pack in New York include³ :

¹ Centers for Disease Control and Prevention. Heart Attack [last updated 2017 Aug 8; accessed 2018 Mar 22]

² U.S. Department of Health and Human Services (HHS), The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General, Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention (CDC), National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014. <http://www.surgeongeneral.gov/library/reports/50-yearsof-progress/index.html>. ³ HHS, The Health Consequences of Smoking: 50 Years of Progress.

³ 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>.

- 22,200 youth under age 18 kept from becoming adult smokers
- A reduction of 4,800 young adult (18-24 years old) smokers
- 53,900 current adult smokers who would quit
- 20,00 premature smoking-caused deaths prevented
- 5-Year reduction in the number of smoking-affected pregnancies and births: 5,100

Revenue:

Increasing tobacco taxes saves on long term healthcare expenditures and will also generate new revenue for New York State. An increase in the cigarette tax by \$1.00 per pack is estimated to generate \$38.87 million in new annual state revenue.⁴ These estimates assume a reduction of total cigarette sales in the State by 9% due to tax avoidance/evasion with additional declines due to reduced consumption (cessation or reduced use). The challenge with accurately measuring tax/evasion is that by its nature it is a hidden activity. To date the best measure of it in New York State is the 2015 National Research Council and Institute of Medicine (NCR/IOM) report which, while dated, provided a firm estimate of tax evasion/avoidance at 45% of the state's consumption. In addition, the \$38.87 million projection does not account for the additional revenue raised from an increase in taxes on other tobacco products. Raising state tax rates on other tobacco products, 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.

Every state that has increased its cigarette tax by a substantial amount has benefitted from an increase in revenue and corresponding declines in tobacco use.⁵ Through a significant tobacco tax increase, New York could reduce health care costs, improve health outcomes, and address pressing budgetary issues. Tobacco tax increases are a win-win-win; they improve public health, reduce healthcare costs, and generate revenue.

Maintain Adequate Funding for the Tobacco Control Program:

To provide the needed tools to New Yorkers who want to quit, the State must continue funding the Tobacco Control Program at least at its current amount of \$36 million. The Tobacco Control Program is so effective because it funds community-based initiatives that help educate community members about the dangers of tobacco, helps to keep kids from starting smoking, and runs the Quit Line. During this pandemic, tobacco control measures are urgently needed. Tobacco use is a significant contributing factor to cardiovascular diseases, including hypertension. In the Governor's executive budget proposal, the Tobacco Control Program is cut by 20%, or roughly \$7 million dollars. With a revenue stream available to fund this program in the form of increases tobacco taxes, allowing the cuts to proceed is harmful to public health. By using a portion of the new revenue generated from an increase in tobacco taxes, the Tobacco Control Program will be able to continue to counter the tobacco industry's work to addict new

⁴ Et al.

⁵ v CTFK, Raising State Cigarette Taxes Always Increases State Revenues (and Always Reduces Smoking), <http://www.tobaccofreekids.org/research/factsheets/pdf/0098.pdf>

tobacco users and provide the necessary resources to help. In truth, it is the act of smoking that is regressive and New York needs to do all it can to mitigate the damage done by the tobacco industry's decades of targeted advertising and marketing to vulnerable populations.

Fighting Food and Nutrition Insecurity:

Living at an unhealthy weight is a major risk factor for cardiovascular diseases such as heart disease, stroke, type II diabetes, and high blood pressure. People with obesity – regardless of age – are more likely to be hospitalized with COVID-19 and have higher risks for complications and death. Diets that include nutrient-rich foods, such as fresh fruits and vegetables, can prevent weight gain and help control blood pressure. Unfortunately, the pandemic means that more families are food and nutrition insecure. Low income communities, rural communities, and Black/Latinx communities struggle more with chronic diseases including obesity, heart disease, and diabetes. Improving access to fresh fruits and vegetables by making them more affordable, particularly in poor communities and communities of color, can improve diet quality and cultivate lifelong healthy eating behaviors.

Unfortunately, the health disparities that exist are nothing new. Worse, they are going to continue to grow without public health interventions. Prior to the pandemic:

- 15.3% of NYS' population lives in a population tract with no healthy food outlets⁶.
- 46.46% of NYS' population lives in a population tract with low healthy food⁷. outlets.
 - Of these total populations, 55.55% are White, 72.46% are Black, and 66.43% are Latinx or Native⁸.
- 461,750 New Yorkers (7.52%) are considered low income with low food access¹.
- Of 30,433 students surveyed from across NYS, only 30.50% of high school students were consuming adequate servings of fruitⁱⁱ.
- 3,948,842 (26.1%) adults over the age of 20 are obese (BMI over 30.0)ⁱⁱⁱ.
- 5,036,245 (36.40%) of adults over the age of 18 are overweight^{iv}.
 - 35.76% of this population is White, 36.45% is Black, 39.86% is Latinx.
- 13.0% of NYS' children between the ages of 12-17 are obese⁹.
 - 7% of this population is White, 12% is Black, and 21% is Latinx.
- 15.9% of NYS' children between the ages of 12-17 are overweight¹⁰.
 - This is an increase from 2017 when the rate was 14%.

The Supplemental Nutrition Assistance Program (SNAP) is the nation's largest nutrition assistance program and provides monthly cash benefits to reduce food insecurity and help those households rise out of poverty. SNAP incentives in the form of coupons or point-of-sale discounts can help people eat more fruits and vegetables and increase the quality of their diet.

⁶ CDC Modified Retail Food Environment Index

⁷ CDC Modified Retail Food Environment Index

⁸ CDC Modified Retail Food Environment Index

⁹ Child and Adolescent Health Measurement Initiative, National Survey of Children's Health. 2018.

¹⁰ Data Source: Child and Adolescent Health Measurement Initiative, National Survey of Children's Health. 2018. Source geography: State

New York's Double Up Food Bucks (Double Up) serves to encourage SNAP participants to purchase more fruits and vegetables, ensuring that families will have greater access to healthier foods and local economies will be stronger. Double Up doubles the value of SNAP benefits spent at participating farmers markets, mobile markets, farm stands, small retail and grocery store. The benefits of the program are threefold: low income consumers eat more healthy food, local farmers gain new customers and make more money, and more food dollars stay in the local economy. When directed at low-income populations, SNAP incentives are associated with expanded physical access to healthy foods.

Investments into Double Up would help address longstanding health inequities exacerbated and exposed by the COVID-19 pandemic. Available funds granted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and kept in the state's Coronavirus Relief Fund to address essential community needs including healthy food access are a viable option to fund Double Up. The AHA encourages you to use CRF dollars for appropriations needed to grow the Double Up program so more residents can use SNAP benefits at farmers markets and other locations to buy fresh, locally grown produce. **Please help expand access to healthy fruits and vegetables by funding the Double Up Food Bucks program, a Supplemental Nutrition Assistance Program (SNAP) incentive program, at \$1 million.** Thirteen other states currently provide funding for their Double Up Food Bucks/nutrition incentive programs, including Michigan, Ohio, Massachusetts, New Mexico, Arizona, and Wisconsin.

Public Health Programs:

Investing in prevention is critically important when it comes to chronic diseases including obesity, diabetes, and hypertension. Doing so will reap both short- and long-term public health and financial benefits. Money spent to ensure that these programs have adequate resources will result in a healthier population with fewer chronic diseases, which in turn will save healthcare costs for years to come. Please restore the funding cut by Governor Cuomo to the state's public health programs in your one house budget. Specifically, funding for the Obesity Prevention Program (\$5.9M requested) and the Healthy Heart/ Hypertension Program (\$692,000 requested).

Heart disease and stroke are the number one and number five causes of mortality nationwide, and a significant risk factors of both heart disease and stroke is hypertension. In New York, roughly 4.9 million people suffer from hypertension. As additional information comes to light connecting the severity of COVID-19 with underlying cardiovascular conditions, specifically, patients with existing CVD or CVD risk factors, now is time to invest in treatment and prevention.

Importantly, The Healthy Heart Program works to reduce premature death and disability from CVD by addressing sedentary lifestyles, poor nutrition, obesity, high blood pressure, diabetes, high cholesterol, and CVD-related health disparities across population groups. This program is wide reaching and operates in communities, worksites, schools and health care by implementing programs to control and reduce the major risk factors associated with CVD. Ensuring funds to this program are at least maintained at \$692,000, as appropriated in the FY 2020-2021 budget, is necessary to provide New Yorkers the cardiovascular care and resources they need.

The Obesity Prevention Program allows work to be done at the community level, including in the school environment where resources go to help increase the number of schools with healthy nutrition environments and strong physical activity programs. This programs works in the community, schools, and workplaces implementing programs to control and reduce the major risk factors associated with cardiovascular disease. Their reach includes 82 school districts, 500,000 students and 245 communities or 4.6 million individuals.

If these programs do not have the funds they need to operate effectively in our communities, schools, and workplaces, then we are subjecting New Yorkers to unnecessary suffering. We know NYS is struggling fiscally, but these programs save lives and money. Please do not allow the 20% cuts to these programs stand.

Thank you for the opportunity to testify and I am happy to follow up with additional information.

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