

May 22, 2007

The Honorable Max Baucus  
U.S. Senate  
Washington, DC 20510

The Honorable Charles Grassley  
U.S. Senate  
Washington, DC 20510

Dear Senators:

Reauthorizing the State Children's Health Insurance Program (SCHIP) is one of the most important tasks before Congress this year. SCHIP has significantly expanded children's health insurance coverage and thus improved the health care that low-income children receive. Reauthorization offers us the opportunity to strengthen and build on the success of this important health insurance coverage program.

The Senate and House Budget Resolutions provide the opportunity for \$50 billion in new federal funds over the next five years so that health insurance can be provided to many of the 8-9 million uninsured children in the U.S. – especially those who are eligible for, but not currently participating in, public health programs for low-income children. This increased spending on children's health insurance is a very sound investment in our nation's future.

Since the new "pay-as-you-go" rules require that additional expenditures be offset by commensurate savings through other program cost reductions and/or new revenues, we urge you to consider adding revenues through an enhanced tobacco tax as a key offset. We urge you to consider adding at least \$.61 to the federal tobacco tax, which would result in a per-pack cigarette tax of \$1.00 and a corresponding increase in all other tobacco products' excise taxes.

The public health benefits resulting from higher tobacco costs are well documented. Studies show that every 10 percent increase in the price of cigarettes reduces youth smoking by seven percent and overall cigarette consumption by four percent. Increasing the tobacco tax will also generate hundreds of millions of dollars in health care savings because fewer smokers means fewer people with strokes, heart attacks, cancer, and other smoking-related health conditions.

By discouraging smoking through an increase in the tobacco tax and using the resulting revenues to improve enrollment in children's health insurance programs, we are creating a win-win proposition in support of our children's health. It will also result in long-term savings as children become healthier and more productive members of society.

Sincerely,  
American Academy of Child and Adolescent Psychiatry  
American Academy of Facial Plastic and Reconstructive Surgery  
American Academy of Family Physicians

American Academy of Neurology  
American Academy of Otolaryngology- Head and Neck Surgery  
American Academy of Pediatrics  
American Association of Clinical Urologists  
American Association of Homes and Services for the Aging  
American Association of People with Disabilities  
American Cancer Society-Cancer Action Network  
American College of Cardiology  
American College of Obstetricians and Gynecologists  
American College of Osteopathic Surgeons  
American College of Physicians  
American College of Preventive Medicine  
American Dental Hygienists' Association  
American Health Care Association  
American Hospital Association  
American Medical Association  
American Medical Group Association  
American Medical Student Association  
American Network of Community Options and Resources  
American Osteopathic Academy of Orthopedics  
American Public Health Association  
American Society for Therapeutic Radiology and Oncology  
American Society of Pediatric Nephrology  
America's Health Insurance Plans  
Amerigroup  
Association of American Medical Colleges  
Campaign for Tobacco Free Kids  
Catholic Health Association of the United States  
Center on Budget and Policy Priorities  
Child Welfare League of America  
Children's Defense Fund  
Community Catalyst  
Emergency Department Practice Management Association  
Families USA  
Family Voices  
Federation of American Hospitals  
First Focus  
Healthcare Leadership Council  
Joint Council of Allergy, Asthma and Immunology  
Kaiser Permanente  
March of Dimes  
Medicaid Health Plans of America  
National Advocacy Center of the Sisters of the Good Shepherd  
National Association for Children's Behavioral Health  
National Association of Children's Hospitals  
National Association for Home Care & Hospice

National Association of Public Hospitals and Health Systems  
National Council for Community Behavioral Healthcare  
National Health Law Program  
National Hispanic Medical Association  
National Medical Association  
National Partnership for Women & Families  
National Respite Coalition  
Partnership for Quality Care  
Premier, Inc.  
Service Employees International Union  
Society for Cardiovascular Angiography and Interventions  
Society for Vascular Surgery  
Summit Health Institute for Research and Education, Inc.  
The Arc of the United States  
The Endocrine Society  
United Cerebral Palsy  
VHA Inc.  
Wellpoint