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