

Blue Cross and Blue Shield of Minnesota

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May 7, 2021

Taxes Conference Committee

RE: HF991 (Omnibus Tax Bill)

Dear Conference Committee Members:

As the largest health plan in Minnesota, Blue Cross and Blue Shield of Minnesota is committed to improving the health of all Minnesotans. For decades, Blue Cross has supported policies that address commercial tobacco use and addiction and **we strongly support ongoing investment in tobacco prevention and treatment.**

Thank you to both chambers for dedicating existing cigarette tax revenue to tobacco prevention and treatment. We support the House version, which includes \$15 million in ongoing funding and which represents a small percentage of the nearly \$760 million collected by the State last year. In addition, we support closing tax loopholes on e-cigarette devices since price can be a powerful tool to reduce youth tobacco use. This funding represents an important step to reverse the youth tobacco epidemic and address tobacco-related health disparities.

The tobacco industry, which includes e-cigarette manufacturers, uses menthol, candy and fruit-flavored tobacco products to attract the next generation of smokers. Their targets are undeniably young people, but because of predatory marketing, they also attract Black people, American Indians and LGBTQ individuals. Nine out of ten Black adult smokers use menthol tobacco, compared to 29 percent of white adult smokers.

The dedication of existing cigarette tax revenue for tobacco prevention and treatment programs offers a comprehensive approach to address the leading cause of premature death and disease in Minnesota – commercial tobacco use and addiction. Ongoing funding is critical to Minnesotans getting the help they need against these lethal products.

In 2017, Blue Cross released a study showing that each year, smoking claims over 6,000 Minnesota lives and costs our state **\$7.5 billion** in health care costs and lost productivity. This bill would serve to reduce health care costs directly caused by commercial tobacco use.

ClearWay Minnesota, created as a life-limited foundation out of the original tobacco settlement, has provided the majority of tobacco prevention funding in Minnesota and will officially end operations at the end of this year. This bill would fill a crucial gap in commercial tobacco prevention and treatment programs for Minnesota.

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I urge you to adopt the House position and take this positive step toward making a smoke-free generation for all Minnesotans.

Sincerely,

A handwritten signature in black ink, appearing to read "Bukata Hayes", is centered on a light gray rectangular background.

Bukata Hayes
Vice President, Racial and Health Equity
Blue Cross and Blue Shield of Minnesota