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To: Joint Finance Committee
From: Charity Eleson, WCCF Executive Director
Re: LFB papers #374 & 376 – coverage of childless adults, and tobacco tax increases

The Wisconsin Council on Children and Families wholeheartedly endorses the Governor's proposal to expand health care access to childless adults, and also the increase in the tax on cigarettes and other tobacco products. We support alternative 1 in both papers.

Coverage of childless adults

Under current law, childless adults are ineligible for Medicaid coverage regardless of their income (unless they have a disability that qualifies them for coverage). These adults constitute by far the largest segment of the uninsured. DHFS estimates that there were about 71,000 uninsured childless adults in Wisconsin in 2005. It is time to begin to address that problem, and the Governor has proposed a sensible way to do so.

As a child advocacy agency, our top health care priority is expanding access to health care for children and pregnant women. Nevertheless, **we unequivocally support coverage of childless adults – specifically, alternative #1 in paper 374**. Although that alternative requires an additional \$1.1 million SEG above the amount proposed in the Governor's budget, we think that is affordable in light of the downward reestimates of spending in the SeniorCare and BadgerCare papers, and because this new category of coverage is inexpensive relative to the revenue that the state would bring in from the proposed tobacco tax increase.

Tobacco tax increase

We also support alternative 1 in paper 376, relating to the proposed increase in the excise tax on cigarettes and other tobacco products. In addition to the fact that increasing the cigarette tax brings in badly needed revenue for programs like Medicaid and SeniorCare, it is also the most effective way to reduce the number of youths who become addicted to tobacco. According to research cited by SmokeFree Wisconsin, just a 10 percent increase in the price of a pack of cigarettes decreases smoking among adults by 4 percent, and among youth by at least 7 percent. Reducing smoking will pay big dividends by helping to slow the growth of health care spending in Wisconsin.