



HEALTHIER ENDEAVORS

Chamber, Partners Seek Progress on Key Policy

By Matt Ottinger

Advocating for improved health metrics remains a priority for stakeholders throughout Indiana. While mitigating the human costs – early death, disease and decreased quality of life – is clearly paramount, the business community also must factor in workforce availability, productivity and soaring healthcare costs.

To signify the importance of these matters, the Indiana Chamber has a collection of related goals in its latest policy playbook, *Indiana Prosperity 2035*.

Among them is what's been an ongoing attempt of detouring smokers by hitting them in their pocketbooks. That will continue in the 2025 Indiana General Assembly as the Indiana Chamber and a coalition of partners will advocate for raising the tax per pack from \$.995 to roughly \$3 per pack (an increase of \$2 per pack), along with a parallel tax on e-cigarettes.

For reference, the national average cigarette tax is \$1.96 per pack and Kentucky's is \$1.10.

"Study after study has shown this helps decrease the rate of smoking, especially among the younger population," says Indiana Chamber President and CEO Vanessa Green Sinders. "So, we see this as a timely, targeted and impactful policy change that can really move the needle to address what is not only a wellness issue for Indiana, but an economic one."

Cigarette tax 'business case'

Brad Burk, senior executive director for the American Cancer Society (ACS), notes one-third of all cancer deaths in Indiana are attributed to smoking.

"First and foremost, there's very strong evidence of increased pricing and tax as a strong deterrent to smoking," he concurs. "As prices have gone significantly up, we've seen national smoking rates decline, although Indiana still ranks eighth worst in the country."

According to new research commissioned by the Richard M. Fairbanks Foundation (RFF), an estimated 45,000 Hoosier smokers would quit smoking if Indiana increased the cigarette tax by \$2 per pack, which would also generate an additional \$356 million in annual state revenue.

Burk appreciates the partnership with employers on this issue, noting the "business case" is compelling.

According to the RFF report, Hoosier businesses spend \$3.1 billion in smoking-related costs each year due to factors such as absenteeism, smoke breaks and lost productivity.

"In terms of legislation, showing the economic impact of smoking on business, the state and on taxpayers will be incredibly important to telling a more holistic story about the harms of tobacco, in addition to health and cancer," Burk contends. "So, support from the Chamber and other business interests will be very important to getting this passed."

He also calls the state's current prevention and cessation efforts "dramatically underfunded."

"When the Master Settlement Agreement with the tobacco companies was secured (in 1998), Indiana was a leader in fully funding our tobacco prevention and cessation programs at the recommended levels of the (U.S. Centers for Disease Control and Prevention)," Burk reports. "Since that time, funding has been cut to a point where Indiana is not able to fully support prevention and cessation programs to keep people from smoking or help people stop smoking."

Over the past 20 years, Burk shares, Indiana Tobacco Prevention and Cessation funding has been cut from \$35 million annually to \$9.1 million, and ACS will be

advocating for the state to invest \$15 million annually – ideally from increased tax revenue.

Spark of optimism

The matter of raising prices for smokers hasn't received an abundance of consideration among state legislators in recent years. Burk and Sinders express there's reason to believe that could be changing.

Sinders noted support from some Republicans on Indiana's House Ways and Means committee during a recent hearing in which they urged the Senate to take up this issue.

"Over the past 10 years, the state has had significant budget surpluses and looking at the recent Medicaid shortfall, they're looking for ways to shore that up," she suggests. "The cigarette tax is the most important part of this in that it gets Hoosiers healthier, and if you get users healthier, you have less Medicaid spending."

Sinders also offers a secondary benefit of the tax, "It will raise about \$350 million year over year to help fill up that shortfall, which is roughly \$1 billion dollars."

In addition to the ACS, she lists the Indiana Hospital Association, American Lung Association (Indiana chapter) and Indy Chamber as key allies in the endeavor. A prior Indiana Chamber goal of increasing the age at which a citizen can purchase tobacco to 21 was passed by Congress via federal legislation in 2019. Burk stresses that was important, noting statistics show four out of five daily smokers began smoking regularly before 21 and 95% tried cigarettes before turning 21.

Updates to tackling addiction, mental health

The Indiana Chamber also continues to advocate regarding addiction issues as a component of improving the mental health of Hoosiers. In addition, its subsidiary, the Wellness Council of Indiana, offers tools, resources and consultations with Indiana employers to help them combat addiction or instill greater well-being in the workplace. (See story on page 108.)

Recent memory reveals a concentrated push by Hoosier lawmakers to reduce opioid deaths. In 2017, Gov. Eric Holcomb began his first term by pushing his Next Level Recovery agenda, backing a host of bills aimed at combatting the drug epidemic.

Early indications indicated an uphill battle – and it has taken time to see things moving in the right direction. The number of overdose deaths in the state hit a record high in 2021 for a second year in a row as an estimated 2,755 Hoosiers died of drug



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overdoses (a 21% jump from 2020). No doubt the pandemic and associated isolation had a negative effect.

This year, however, there is reason to be encouraged. A report in May from the CDC indicated a nearly 18% decrease in overdose deaths in Indiana (2,190), the second highest percentage decrease in the nation.

Indiana is among four states that reported the largest year-over-year declines of 15% or more in overdose deaths in 2023.

"While we celebrate this progress, it is not lost on us the thousands of Hoosiers who

have lost their lives or are currently living with this disease," Holcomb said in a statement. "We remain steadfast in our commitment to furthering efforts to prevent substance use, expand access to treatment and support Hoosiers on their path to recovery."

Furthermore, a December 2023 report shares that since 2017, Indiana has opened 13 opioid treatment programs (OTPs), bringing the statewide total to 26. On average, over 14,000 Hoosiers are served annually by OTPs. Nearly 2,900 residential beds are available, specializing in treatment for substance use disorder, marking a 385% increase over the number of beds available in 2017. And there has been a 29% decrease in opioid prescriptions dispensed by Indiana pharmacies.

"We're seeing positive trends in opioid use, but it's still a significant concern for the population at large," Sinders stresses.

On a related front, she credits Senate Enrolled Act 1 from the 2023 Indiana General Assembly as a catalyst to funding mental health support. Its impact included delivering more resources to community mental health centers and establishing the 988 crisis response hotline, and \$100 million was allocated to support these measures in the state budget.

"That was a huge step in the right direction," Sinders notes. "We will continue to see how the Chamber and our partners can engage going forward to help address this to lessen the human toll and support our state's workforce and employers."



RESOURCES: Brad Burk, American Cancer Society, www.cancer.org | Vanessa Green Sinders, Indiana Chamber of Commerce, www.indianachamber.com