



# Wisconsin Medical Society

Your Doctor. Your Health.

June 22, 2011

The Honorable Scott Walker  
Governor  
Wisconsin State Capitol  
115 East  
Madison, WI 53703

Dear Governor Walker,

On behalf of nearly 12,500 members statewide, I would like to share the Wisconsin Medical Society's thoughts on the 2011-2013 biennial state budget. I also respectfully request your attention to two specific provisions in the bill, which the Society believes would be strengthened through vetoes.

Generally, the Society is pleased that the critical Medicaid safety net program received a much-needed increase of \$1.3 billion GPR. Efforts from your office and the State Legislature to use stable and predictable GPR dollars to fund Medicaid rather than one-time fixes are an important step in making the Medicaid program more financially stable. As we move forward to solve the financial difficulties facing the Medicaid program and health care costs overall, we look forward to continuing our work with your Administration to ensure that changes needed in Medicaid are accomplished in a manner that provides the greatest value to our neediest citizens.

Specifically, the Society requests vetoes of two provisions: the weight-based taxation of tobacco products provision, and the establishment of funding for the University of Wisconsin Hospitals and Clinics Authority (UWHCA) as "funds of this state."

### **Weight-based taxation of tobacco products**

The Society opposes language in Section 2637n and Section 2637p that changes the tax on moist snuff tobacco products to a weight-based tax formula. Currently, all non-cigarette tobacco products are taxed on percentage of price, which the Society supports. We urge your veto of the proposed change.

The Society is concerned that changing the taxation treatment for smokeless tobacco could have negative effects on our state's children. The proposed taxation change would lower the cost of smokeless tobacco products, thus making them more available to minors. We know there is a direct link between lower-cost tobacco products and children's use of those products: the lower the cost, the more likely they are to become affordable for children. These smokeless tobacco products also happen to be some of the most appealing tobacco products to children.

The taxation of tobacco products should be considered a critical component of public health care policy, particularly when it comes to children's access to these products. Cost is a significant determinate of the ability for children to purchase tobacco products. The Society is concerned about the opportunity for manufacturers of smokeless tobacco to potentially manipulate products' weight, and therefore its taxation. There is great potential for the erosion of the taxation and cost of smokeless tobacco products over time which would be poor public health policy.

At this critical time, when Wisconsin has made important strides by passing a smoke-free workplaces law, changing our taxation of smokeless tobacco moves us backward in terms of tobacco prevention policy. The state already spends nearly \$2 billion annually on tobacco-related health care costs, according to HealthFirst Wisconsin. Lowering the cost of tobacco products could end up forcing the state to spend more in the future.

We respectfully ask that you veto this provision and maintain current law.

**Establishing funds of the University of Wisconsin Hospitals and Clinics Authority (UWHCA) as "funds of this state"**

While the Society understands the sensitivity of all items even collaterally related to abortion, we believe language in Section 817m in Assembly Bill 40 as it relates to the UWHCA has several unintentional effects. Because of these potential consequences, the Society asks that you veto section 817m of Assembly Bill 40, which designates UWHCA funding as "funds of the state." UW Medical Foundation President/CEO Jeff Grossman, MD; Dean of the UW School of Medicine and Public Health Robert Golden, MD; and UW Hospital & Clinics President/CEO Donna Katen-Bahensky have detailed the myriad of problems this section would cause in their letter to you dated June 20, 2011. We urge you to consider their warnings.

The bill's current language could put accreditation of the UWHCA's obstetrics/gynecology residency program at risk -- an outcome nobody supports. UWHCA's residency program must meet the program requirements of the Accreditation Council for Graduate Medical Education (ACGME). If the program loses accreditation -- which the UWHCA fears due to the effects of this section of the bill -- that would essentially gut the utility of the UWHCA's OB/GYN program by severely tarnishing its reputation. It also would lead to residents shunning the program. And because new physicians tend to work in states where they complete their residency, Wisconsin could soon see decreased access to OB/GYN - again, an outcome nobody supports. Our state is already seeing the effects of a physician shortage, and this provision could exacerbate that shortage in a specialty area that dramatically affects women's health. We believe Wisconsin's mothers and mothers-to-be deserve to have access to the best-educated physicians in the country. Section 817m could end up preventing our state's mothers from receiving that high-quality care.

Please veto Section 817m.

The Society looks forward to continued collaboration with you and your Administration. Please feel free to contact me or the Society staff at any time.

Sincerely,

George M. Lange, MD, FACP  
President  
Wisconsin Medical Society