

Congressional Record Statement
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By Henry A. Waxman

Mr. WAXMAN. Mr. Speaker, today I and my colleagues are introducing legislation to ensure that the federal Medicaid dollars recovered in last year's tobacco settlement are spent to improve the public health and to fund effective tobacco control policy.

In the last few months, the states have been asking Congress to overturn thirty years of Medicaid law. The states want to keep the federal health care dollars recovered under the settlement and to use these federal dollars for whatever purposes they desire. In the process, members are being urged to rewrite Medicaid law.

This is wrong. Half of the funds that are being recovered are federal funds that were spent by the federal government as its share of the Medicaid expenses for tobacco-related illness. These funds should not be used to build bridges, pave roads, or fund tax cuts. They should be used for health services and tobacco control programs.

That is why today I and my colleagues are introducing legislation that will ensure that these federal health care dollars are spent in the best way possible: to improve public health and to protect the health of our children.

I know that this position is not popular among the governors, but it is right. As federally elected officials, we have a responsibility to ensure that these federal health care dollars are spent wisely.

It is indisputable that the state settlements with the tobacco companies were in large part based on Medicaid claims. Tobacco-related illness costs the Medicaid program nearly \$13 billion a year, and over half of those costs are paid for by the federal government.

Money from the tobacco settlement should be spent to break the cycle of addiction, sickness, and death caused by smoking. That is why this legislation will require that 25% of the funds be spent by the states precisely for these purposes.

The bill also requires that 25% of the tobacco settlement be spent by the states on health. We have given the states options to tailor their expenditures to their priority health care needs. They can use the funds for outreach to enroll individuals-- children, the elderly, and the disabled--who are eligible for health services or to help with their Medicare premiums. They can use them to improve Medicaid coverage or services or they can use them to extend public health or preventive health programs.

Under this bill, most of the federal dollars are given back to the states, in recognition of their leadership role in suing the tobacco companies. There are, however, a few tobacco control activities that are best carried out at the federal level. For this reason, the bill retains at the federal level \$500 million to fund a nationwide anti-tobacco education campaign and \$100 million to implement the Surgeon General's recommendations on minority tobacco use. The bill also contains federal provisions to ensure that our tobacco farmers have a stable economic environment so that they can begin an orderly transition to a more diversified economy.

Today the original claims in the tobacco litigation have become story and legend, and it is easy for the facts to be forgotten. But the fact is that a substantial portion of the tobacco settlement is federal health care dollars. It is not the states' money to spend as they please. It is our duty and responsibility to ensure that these federal dollars are spent to improve our nation's health.

