



Statewide Television Ad: “Flowers”

-FACT CHECK-

<p>GRAPHIC</p> <p>Paid for by No on 56 - Stop the Special Interest Tax Grab. Major Funding by Philip Morris USA Inc. and R.J. Reynolds Tobacco Company, with a Coalition of Taxpayers, Educators, Healthcare Professionals, Law Enforcement, Labor, and Small Businesses</p>	<ul style="list-style-type: none"> • Legal Disclaimer.
<p>ACTRESS</p> <p>The special interests are claiming that Prop 56 is all about helping people stop smoking.</p>	<ul style="list-style-type: none"> • Yes on Prop. 56 Homepage Language: “Keep Our Children From Smoking.” www.yeson56.org • “The American Cancer Society Cancer Action Network, American Lung Association in California and American Heart Association support this initiative because taxing tobacco saves lives by getting people to quit or never start this deadly and costly habit.” http://www.yeson56.org/the-facts/
<p>ACTRESS</p> <p>But only 13 percent of the new tobacco tax would actually help people quit or keep kids from even starting. Just 13 percent.</p> <p>GRAPHIC</p> <p>Only 13% to stop smoking. (SOURCE: Section 30130.55(b) of Prop. 56)</p>	<ul style="list-style-type: none"> • <i>Allocates 11% for Tobacco Control and 2% for Youth Smoking Prevention:</i> According to the CA Legislative Analyst: After backfilling any losses to existing tax revenues, allocating 5% to the Board of Equalization’s administrative costs, and allocating \$118 million to state programs (“off-the-top expenses”), Prop. 56 would allocate 11% of remaining revenues to the CA Tobacco Control Program in the Dept. of Public Health which aims to cease and prevent tobacco use, and 2% to the Dept. of Education for school programs to prevent and reduce tobacco use by young people (RTC 30130.55[b]). <p>http://elections.cdn.sos.ca.gov/statewide-elections/2016-general/prop-56-leg-analysis.pdf</p>

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	<ul style="list-style-type: none"> • Spending on prevention and research is barely more than administration and overhead. CA's Legislative Analyst estimates up to \$140 million would go to the Tobacco Control Program, \$25 million would go to the Dept. of Education for smoking prevention (RTC 30130.55(b)), and \$60 million to UC tobacco research (RTC 30130.55(c)), totaling \$225 million. Admin. expenses (RTC § 30130.57(a)&(f)) could be as high as \$147 million. http://elections.cdn.sos.ca.gov//statewide-elections/2016-general/prop-56-leg-analysis.pdf
<p>ACTRESS</p> <p>Instead, most of the \$1.4 billion dollars created in new tax revenue each year goes directly to health insurance companies or other wealthy special interests to enrich themselves.</p> <p>(...continued)</p>	<ul style="list-style-type: none"> • According to the CA Legislative Analyst: After off-the-top expenses, Prop. 56 would allocate 82% of remaining revenues (equating to \$1 billion at the high end) to increasing reimbursement rates for healthcare providers that treat Medi-Cal patients. http://elections.cdn.sos.ca.gov//statewide-elections/2016-general/prop-56-leg-analysis.pdf • Prop. 56 does not require that the new Medi-Cal funding must be used to treat more patients or expand healthcare services. To the contrary, it says the funds shall be used to “increase funding for <i>existing</i> healthcare programs and services...by providing <i>improved payments</i>” to healthcare providers. Revenue & Taxation Code (RTC) 30130.55(a). • A previous version of the tax initiative would have stated the new Medi-Cal funding could be used only for “care provided by health facilities and health professionals licensed or certified by the State of CA.” But a new version was introduced on 10/7/15 allowing the funding to also be used for “health plans contracting with Dept. of Health Care Services” to provide Medi-Cal services (RTC 30130.55[a]). This would include companies like Anthem Blue Cross, CA Health & Wellness, Health Net, & Molina, etc. http://www.molinahealthcare.com/members/ca/en-US/mem/medicaid/Pages/medicaid.aspx https://mss.anthem.com/ca/pages/medi-cal.aspx https://www.cahealthwellness.com/members/medicaid.html https://www.healthnet.com/portal/shopping/shp/mediCal.action • Prop. 56 does not require healthcare providers to treat additional Medi-Cal patients. Prop. 56 even specifies: 82% of funds shall be used “for the <i>existing</i> healthcare programs and services described in” the Medi-Cal program “<i>by providing improved payments</i>” for Medi-Cal treatments.” RTC 30130.55(a) (emphasis added). http://www.oag.ca.gov/system/files/initiatives/pdfs/15-0081%20%28Tobacco%20Tax%20V3%29.pdf

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	<ul style="list-style-type: none"> • Also, the previous version tied Medi-Cal reimbursement levels to Federally-determined Medicare rates. But the new version allows California politicians to raise the reimbursement levels as part of the annual State Budget process. Prop. 56 states “payments and support for the nonfederal share of payments for healthcare, services, and treatment shall be increased based on criteria developed and periodically updated as part of the annual state budget process ...” (RTC 3013055[a]). This allows recipients of Medi-Cal funding to lobby the Legislature to increase reimbursement rates to any level they want. http://www.oag.ca.gov/system/files/initiatives/pdfs/15-0081%20%28Tobacco%20Tax%20V3%29.pdf • <i>Nov. 2015 Amendment Benefits Insurance:</i> After submitting a new version of the initiative to the Attorney General for a circulating Title & Summary on 10/7/15, proponents amended the measure on 11/12/15. Amendments say the Prop. 56 revenues are exempt from the State Appropriations Limit set forth in the California Constitution (Article XIII B), ensuring that health insurance companies and other providers can keep as much money as possible available for their own benefit instead of being refunded to taxpayers or dedicated to schools. http://www.leginfo.ca.gov/.const/.article_13B • <i>Increasing rates for insurance companies:</i> Prop. 56 states “payments and support for the nonfederal share of payments for healthcare, services, and treatment shall be increased based on criteria developed and periodically updated as part of the annual state budget process ...” (RTC 3013055[a]). http://www.oag.ca.gov/system/files/initiatives/pdfs/15-0081%20%28Tobacco%20Tax%20V3%29.pdf. This allows recipients of Medi-Cal funding to lobby the Legislature to increase reimbursement rates to any level they want.
<p>ACTRESS</p> <p>Follow the money at www.NoOn56.com</p> <p>GRAPHIC</p> <p>www.NoOn56.com</p>	<ul style="list-style-type: none"> • Opinion.

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