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### **TESTIMONY TO THE JOINT STANDING COMMITTEE HEALTH AND HUMAN SERVICES**

#### **LD 1961: AN ACT TO ESTABLISH A TRUST FOR A HEALTHY MAINE TESTIMONY OF REPRESENTATIVE DENNIS KESCHL, BILL SPONSOR JANUARY 22, 2020**

Good afternoon Senator Gratwick, Representative Hymanson, and members of the Committee on Health and Human Services. My name is Dennis Keschl and I represent House District #76, which includes the towns of Belgrade, Fayette, Mount Vernon, Rome, Vienna, and Wayne.

I am here today to introduce *LD 1961: An Act To Establish a Trust for a Healthy Maine*. I am pleased to be sponsoring this important bill with Senator Linda Sanborn and other interested legislators. Senator Sanborn and I share a keen interest in stabilizing and preserving the tobacco settlement for its intended purpose... to advance policies that reduce youth smoking and promote public health.

As you know, improving health and productivity is a key to Maine's future. When our communities are healthy, they become a place where businesses want to locate, where young people want to stay, and where children can grow up strong and resilient.

With this mindset, consider the following three questions: (1) Are we making best and most appropriate use of Maine's tobacco settlement? (2) How can we better use this special source of revenue to achieve a shared vision of health and productivity for Maine families and businesses? and, perhaps most importantly, (3) what would we create today, with 20 years of experience now under our belts, if we just learned we were about to receive a \$40 million/year public health settlement?

Today you'll be hearing from a variety of public health and public policy experts. They will immerse you in the details of the tobacco settlement, the dire financial picture for *the Fund for a Healthy Maine*, and the serious challenges but also game-changing opportunities before us.

LD 1961 responds to three serious problems in the *Fund for a Healthy MAINE* through a proposed restructuring of the tobacco settlement into *the "Trust for a Healthy Maine"*.

First, this bill will help to resolve the historic pattern of diversions and supplantations from the Fund for a Healthy Maine by providing a structure...a trust...that better protects the money deposited into it from uses other than the primary purpose for which it is created. Since the Fund was created in 1999, \$294 million has either been diverted directly to the General Fund or has been used to supplant previous General Fund expenditures. That's a tremendous missed opportunity for investment in the primary prevention of tobacco use, diabetes, substance use disorders and other serious chronic illnesses.

Second, the trust will address the \$27 million structural deficit in the Fund for a Healthy Maine. Current annual expenditures from the Fund for a Healthy Maine total \$67 million, while revenue projections are only \$40 million per year. The current Fund for a Healthy Maine budget for both public health and medical care will simply be impossible to retain in the next biennium. And this means we may not have the resources needed to confront the vaping and opioid epidemics, as well as so many other public health priorities across the state.

Third, a "Trust for a Healthy Maine" will provide a more data-driven priority-setting system for funding public health programs that maximizes alignment with current and emerging threats. The Fund for a Healthy Maine structure is 20 years old, with an increasingly outdated and inflexible framework that can leave us flat-footed in the face of health threats and workforce shortages.

If passed, The "Trust for a Healthy Maine" provides a much-needed fresh start for programming the use of the tobacco settlement money. A 16-member board of trustees with expertise and experience in public health will develop evidence-informed funding priorities that align with an overall state health improvement plan, fully fund our tobacco control program, phase out the use of settlement funds for medical care, and balance the settlement budget in the next biennium. Trustees will also have the option of designating a portion of annual revenue to a Flex Fund for rapid response, as well as to an Internal Stabilization Fund so we are ready to meet any future fluctuations in settlement payments.

We've learned a great deal since receiving Maine's first settlement payment – both from within Maine and from other states. This proposal has been developed after careful analysis of this history. It has many advantages over the fund and addresses some significant problems we can no longer ignore.

Preventing disease and promoting good health is about all of us - our families and our future. Senator Sanborn and I are anxious to work together with all of you to find a solution that honors the intent of the tobacco settlement and to do what's right for Maine people.

Thank you and I'd be happy to answer any questions you might have, or to direct you to others who can do so.