

# Tobacco-funded group starts Montana anti-initiative ad blitz

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In this Wednesday, Aug. 22, 2018 photo, Amanda Cahill of the American Heart Association speaks to a rally in support of a ballot initiative to raise Montana's tobacco taxes in Helena, Mont. Cahill says the tobacco industry is attempting to deceive voters about the measure as an industry-funded group launches a massive ad blitz against the initiative. (AP Photo/Matt Volz)

A group funded by the tobacco industry has launched a massive ad blitz

against a ballot initiative to fund Montana's Medicaid expansion program and other health programs by raising the cigarette tax by \$2 per pack and taxing vaping products for the first time.

Montanans Against Tax Hikes booked air time starting in mid-August on television stations in Billings, Missoula, Butte and Bozeman, Great Falls, Helena and Glendive, according to purchase orders filed with the Federal Communications Commission records.

In one example, the group is spending some \$680,000 to air more than 900 spots through the Nov. 6 election on KTVQ-TV in Billings, the state's largest TV market, according to an analysis of that station's FCC filings by The Associated Press.

Montanans Against Tax Hikes is funded almost entirely by the lobbying arms of the makers of Camel and Marlboro cigarettes, which had already sunk more than \$1 million into defeating the initiative before August's ad buys, according to records filed with the state commissioner of political practices

The group's message is that Initiative 185's tax increase will not cover the state's rising costs of Medicaid expansion, leaving the taxpayers to plug a huge shortfall.

"I-185 caps contributions for Medicaid expansion from new tobacco tax revenues at \$26 million per year," said Chuck Denowh, the group's Helena-based spokesman. "This leaves a difference of more than \$34 million per year that Montana taxpayers will be required to fund from other sources."

The tax hike is expected to raise \$74 million a year by 2023, and the initiative dedicates \$26 million of that money to pay for the state's Medicaid expansion program, which covers about 94,000 adults in the

state of just over 1 million people and would otherwise end in 2019 without legislative action.

The state's share of the program's costs are scheduled to rise as the U.S. government's share falls after 2020. That means the state's costs of paying out benefits and administering the Medicaid expansion program will go from approximately \$58 million in 2020 to \$66 million in 2023, according to an analysis by the Governor's Office of Budget and Program Planning.

However, Medicaid expansion also saves the state tens of millions of dollars by keeping some patients off traditional Medicaid, for which the state pays a much higher share than the expansion program's 10 percent rate, state health officials have said.

Those savings, estimated at between \$28 million \$29 million a year, when added to the \$26 million in new tax revenue, means the actual costs are much smaller than the tobacco-funded group's assertions, officials said.

"Essentially, the state's share of Medicaid expansion through 2023 is expected to be about \$6 million," Department of Public Health and Human Services spokesman Jon Ebelt said.

The Medicaid expansion program is funded through an ongoing statutory appropriation, meaning that money will automatically go to the program each budget cycle without any legislative action needed.

The sponsors of the initiative launched their own television ad campaign this month, though it is significantly smaller than the tobacco group's ads. At KTVQ-TV, the group spent \$61,000 on 82 spots this month—less than a tenth of what the tobacco group has spent on ads at the Billings station.

Healthy Montana for I-185's backers also held a rally Wednesday at the state Capitol in which they blasted the [tobacco industry](#)'s efforts to defeat the measure.

"They're pouring millions of dollars into Montana to deceive voters about I-185 and what it will do for Montana," said Amanda Cahill, a spokeswoman for the campaign and a lobbyist for the American Heart Association.

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