

NLWJC - Kagan

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**Tobacco-Settlement: Workers
Compensation Ideas**

Tob - sec - liability - workers comp ideas

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TB - to the OMB
a couple of interesting
ideas -
TC

Proposal for Tobacco Settlement:

Purpose: To provide for medical cost of smoking related disease; to discourage smoking - especially in young people; to recognize a legitimate business enterprise which has significant financial impact on many sectors of the national economy.

Basic Provisions:

1. Any smoker can identify himself/herself through their social security number. This would become a permanent record of their smoking habit.

2. A list of smoking related medical conditions would be developed.

3. A payment by tobacco companies of some amount determined by OMB to be necessary to initially fund such a trust fund would be made in exchange for future immunity from prosecution. The trust fund would be established to insure medical care for smokers so non-smokers would no longer bear any financial burden for the choice of smokers to smoke.

4. All identified smokers would receive supplemental medical coverage for smoking related disease and tobacco farmers would receive subsidies from the fund.

a. If medical coverage is available to the smoker, then the supplemental coverage would act similarly to the assigned risk pool for workman's compensation claims.

b. Uninsured smokers would receive coverage as supplement to any then existing safety net health care.

c. Tobacco farmers would receive a phase out of subsidies from the Trust Fund over a period of time, perhaps 10 years.

5. A levy of \$1.00 to \$1.50 per package of cigarettes, cigars, snuff, etc. would be made. To avoid a black market in tobacco related products, all levies would be collected at point of manufacture, not distribution.

6. The tobacco companies would be held to a severe standard of advertising and a requirement for education of young people to discourage smoking.

Failure to comply with either the collection of levies or the advertising/education provision would cause forfeiture of immunity and fines.

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Bowles

cc:
Stein
Reed / Kagan