

# Why States Should Fund Tobacco Prevention Programs

## The Problem

**The states' funding of tobacco prevention and cessation is woefully inadequate given the magnitude of the tobacco problem. Wisconsin currently allocates \$10 million a year for tobacco prevention, just 32 percent of CDC's minimum recommendation.** When the public health problems posed by tobacco are compared to other health problems, it is clear that the amount the states are spending on tobacco prevention today pales in comparison to the enormity of the problem. Tobacco use is the number one cause of preventable death in the United States, claiming more lives every year – 400,000 – than AIDS, alcohol, car accidents, murders, suicides, illegal drugs and fires combined. The annual cost of treating tobacco-related disease exceeds in the United States \$75 billion.

### **The Toll of Tobacco in Wisconsin:<sup>1</sup>**

- 76,800 high school students smoke, and another 15,900 become new daily smokers each year
- 930,800 adults in Wisconsin smoke
- 7,800 Wisconsin adults die each year from their own smoking
- 136,000 kids now under 18 will ultimately die prematurely from smoking
- \$1.58 billion in annual health care costs are directly caused by smoking
- About 14% (or \$375 million) of all Medicaid expenditures are spent treating smoking-caused diseases

## The Solution

**The evidence is conclusive that state tobacco prevention and cessation programs work to reduce smoking, save lives and save money.** Every scientific authority that has studied the issue, including the National Cancer Institute, the Institute of Medicine and the U.S. Surgeon General, has concluded that when properly funded and implemented, these programs reduce smoking among both kids and adults.

### **Comprehensive Programs Reduce Smoking**

A 2003 study published in the *Journal of Health Economics* provides powerful evidence of the effectiveness of comprehensive tobacco prevention programs. The study found that states with the best funded and most sustained tobacco prevention programs during the 1990s – Arizona, California, Massachusetts and Oregon – reduced cigarette sales more than twice as much as the country as a whole (43 percent compared to 20 percent). This study, the first to compare cigarette sales data from all the states and to isolate the impact of tobacco control program expenditures from other factors that affect cigarette sales, demonstrates that the more states spend on tobacco prevention, the greater the reductions in smoking, and the longer states invest in such programs, the larger the impact. The study concludes that cigarette sales would have declined by 18 percent instead of nine percent between 1994 and 2000 had all states fully funded tobacco prevention programs.<sup>2</sup>

The strongest evidence comes from the states themselves. Here are just a few examples of smoking reductions at the state level:

- Smoking among Maine's high school students declined a dramatic 48 percent between 1997 (when the program was implemented) and 2003, falling from 39.2 percent to 20.5 percent. Smoking among Maine's middle school students declined by 59 percent, from 21 percent to 8.7 percent, over the same time period.<sup>3</sup>
- After two years of implementation in Mississippi, smoking among public middle school students declined by 48 percent, from 23 percent to 11.9 percent. Smoking among public high school students declined by 29 percent, from 32.5 percent to 23.1 percent over this same time period.<sup>4</sup>
- In the first three years of the Florida program, from 1998 to 2001, current smoking declined by 47 percent (from 18.5% to 9.8%) among middle school students and by 30 percent (from 27.4% to 19%) among high school students, resulting in almost 75,000 fewer youth smokers.

## Comprehensive Programs Save Money

- By prompting current adult and youth smokers to quit, helping former smokers from relapsing, and getting thousands of kids to never start smoking, state tobacco-prevention programs lock in enormous savings over the lifetimes of each person stopped from smoking. The lifetime healthcare costs of smokers total at least \$12,000 more than nonsmokers, on average, despite the fact that smokers do not live as long, with a somewhat smaller difference between smokers and former smokers.<sup>5</sup> That means that for every thousand kids kept from smoking by a state program, future healthcare costs in the state decline by roughly \$12 million (in current dollars), and for every thousand adults prompted to quit, future health costs drop by roughly \$8 million.
- The long-term savings from state tobacco-prevention programs also directly reduce state Medicaid program expenditures. For the average state, more than 17% of all smoking-caused healthcare expenditures within its borders are paid for by the state's Medicaid program.<sup>6</sup>
- For every single dollar the state has been spending on the California program it has been reducing statewide healthcare costs by more than \$3.60 -- with reductions in other smoking-caused costs saving another six dollars or more.<sup>7</sup> Between 1990 and 1998 the California Tobacco Control Program saved an estimated \$8.4 billion in overall smoking-caused costs and more than \$3.0 billion in smoking-caused healthcare costs.<sup>8</sup>

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<sup>1</sup> **Youth smoking.** 2003 Youth Risk Behavioral Surveillance (YRBS). **New youth smokers.** Estimate based on U.S. Dept of Health & Human Services (HHS), "Summary Findings from the 2000 National Household Survey on Drug Abuse" (2001), <http://www.samhsa.gov/oas/nhsda.htm>, with the state share of the national number allocated through the formula in CDC, "Projected Smoking-Related Deaths Among Youth -- United States," *Morbidity and Mortality Weekly Report (MMWR)* 45(44): 971-74 (November 8, 1996) [based on state young adult smoking rates, and as updated in CDC, *State Highlights 2002: Impact and Opportunity*, April 2002, <http://www.cdc.gov/tobacco/StateHighlights.htm>]. **Adult smoking.** 2002 Behavioral Risk Factor Surveillance System (BRFSS). **Adult deaths from smoking.** CDC, *State Highlights 2002: Impact and Opportunity*, April 2002, <http://www.cdc.gov/tobacco/StateHighlights.htm>. CDC, "Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Economic Costs -- United States 1995-1999," *MMWR*, April 11, 2002, <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5114a2.htm>. **Projected youth smoking deaths.** CDC, *State Highlights 2002*, April 2002. See, also, CDC, "Projected Smoking-Related Deaths Among Youth -- United States," *MMWR* 45(44): 971-974, November 11, 1996, [www.cdc.gov/mmwr/mmwr\\_wk.html](http://www.cdc.gov/mmwr/mmwr_wk.html). **Health and productivity costs caused by tobacco use.** CDC, *State Highlights 2002*, April 2002, <http://www.cdc.gov/tobacco>. CDC, *MMWR*, April 11, 2002, <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5114a2.htm>.

<sup>2</sup> Farrelly, M.C., et al., "The impact of tobacco control program expenditures on aggregate cigarette sales: 1981-2000." *Journal of Health Economics* (22) 2003 843-859.

<sup>3</sup> *Maine 2003 Youth Risk Behavior Survey*, Maine Department of Human Services, October, 2003.

<sup>4</sup> *Mississippi 2002 Youth Social Climate Survey of Tobacco Control*, Mississippi State Social Science Research Center, April 2003. <http://www.ssrc.msstate.edu/socialclimate/components/Social%20Climate%20Reports%20and%20Presentations/pdf3%20YSCS-TC%206-19.pdf>

<sup>5</sup> Hodgsen, T.A., "Cigarette Smoking and Lifetime Medical Expenditures," *The Millbank Quarterly* 70(1), 1992 [study's results adjusted upward to account for inflation using Consumer Price Index; if adjustment were based on CPI subset for medical care prices only, amount would be more than \$15,000]. See, also, Nusselder, W., et al., "Smoking and the Compression of Morbidity," *Epidemiology and Community Health*, 2000; Warner, K.E., et al., "Medical Costs of Smoking in the United States: Estimates, Their Validity, and Their Implications," *Tobacco Control* 8(3): 290-300, Autumn 1999, <http://tc.bmjournals.com>.

<sup>6</sup> Miller, L., et al., "State Estimates of Medicaid Expenditures Attributable to Cigarette Smoking, Fiscal Year 1993," *Public Health Reports* 113: 140-151, March/April 1998. On average, the federal government reimburses the states for roughly 57% of their Medicaid program costs, <http://www.hcfa.gov/medicaid/medicaid.htm>.

<sup>7</sup> Tobacco Control Section, California Department of Health Services, *California Tobacco Control Update*, August 2000, <http://www.dhs.ca.gov/tobacco> or <http://www.dhs.ca.gov/tobacco/documents/CTCUUpdate.pdf>.

<sup>8</sup> Tobacco Control Section, California Department of Health Services, *California Tobacco Control Update*, August 2000, <http://www.dhs.cahwnet.gov/ps/cdic/ccb/TCS/documents/CTCUUpdate.pdf> or <http://www.dhs.ca.gov/tobacco>.