SHORT CHANGED

BROKEN PROMISES ON TOBACCO CONTROL PLACE MILLIONS OF KIDS ACROSS NEW ENGLAND AT RISK FOR ADDICTION AND EARLY DEATH

A Special Report by the Campaign for Tobacco-Free Kids

April 13, 2009

The Campaign for Tobacco-Free Kids is an independent, non-partisan, nonprofit organization dedicated to preventing and reducing tobacco use and its harms, especially among youth. The Campaign does not receive or accept any government funding, nor does it receive or accept any funding from the tobacco industry. The Campaign works nationwide to support cost-effective state measures to reduce smoking and other tobacco use, save lives, and reduce smoking-caused harms and costs. For more information, see www.tobaccofreekids.org.

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EXECUTIVE SUMMARY

The New England states have an unprecedented opportunity to reduce tobacco use. On November 23, 1998, 46 states, including all of the New England states, settled their lawsuits against the nation's major tobacco companies to recover tobacco-related health care costs. These settlements require the tobacco companies to make annual payments to the states in perpetuity, with total payments estimated at $246 billion over the first 25 years.

The tobacco settlements presented the states with a historic opportunity and record sums of money to attack the enormous public health problem posed by tobacco use in the United States. While the multi-state settlement did not dictate how states should spend the money, many state attorneys general and governors pledged that they would use the tobacco companies' own money to protect kids from tobacco and help those already addicted to quit.

Ten years after the November 1998 state tobacco settlement, we find that most of the New England states have failed to keep their promise to use a significant portion of the settlement funds to reduce tobacco's terrible toll on America's children, families and communities.

This year, in addition to their regular April 15th payments, the states have already received new, unexpected payments because of a special agreement relating to a payment dispute between the MSA cigarette companies and the MSA states. Pursuant to this agreement, cigarette companies that withheld payments to the states in prior years are releasing some of those withheld funds to the states.[*]

Key findings of this report include:

- Currently, none of the New England states is funding tobacco prevention programs at levels recommended by the U.S. Centers for Disease Control and Prevention (CDC). Only two states – Maine and Vermont – are funding tobacco prevention at even half the CDC's recommended amount. Connecticut, Massachusetts, New Hampshire, and Rhode Island are providing less than twenty percent of the recommended funding.

- Total funding for state tobacco prevention programs this year in the New England region is $42.6 million. This amounts to just 21.6 percent of the $197.2 million the CDC recommends for these six states combined.

- The states this year will collect more than $1.8 billion in revenue from the tobacco settlement and tobacco taxes, but will spend only 2.3 percent of it on tobacco prevention programs. It would take 10.5 percent of total tobacco-generated revenue to fund tobacco prevention and cessation programs across New England at CDC-recommended levels.

[*] The underlying dispute relates to whether or not the cigarette companies MSA payments to the states should be reduced pursuant to a Non-Participating Manufacturers (NPM) Adjustment that can apply only in certain specific situations. For more information on this dispute and the NPM adjustment, see the Campaign for Tobacco-Free Kids factsheet, Cigarette Company MSA Payment Withholdings: The NPM Adjustment Threat & How States Can Fight Back, available at http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=32.

- In the last 10 years, the New England states have spent just 2.8 percent of their total tobacco-generated revenue on tobacco prevention and cessation programs. From 2000 to 2009, the states in this region have received $15.4 billion in tobacco revenue – $5.4 billion from the tobacco settlement and $10.0 billion from tobacco taxes. During this time, these six states have allocated $439.2 million to tobacco prevention and cessation programs (states have utilized both tobacco settlement and tobacco tax revenues to fund tobacco prevention programs, and this report includes both sources of funding).

- Tobacco use costs New England states $11.5 billion a year in economic losses, including $7 billion in health care costs and $4.5 billion in productivity losses, according to the CDC.

- Despite the settlement's restrictions on tobacco marketing, annual tobacco marketing expenditures in the six New England states increased by 74.6 percent from $332 million in 1998 to $579.8 million in 2005, the most recent year for which the Federal Trade Commission has reported such data. The tobacco companies spend more than $13 to market tobacco products for every $1 spent by the six states to prevent kids from smoking and help smokers quit.

- This report warns that the region faces two significant and immediate challenges in the fight against tobacco use: complacency and looming state budget shortfalls.

    - First, while the New England region has made significant progress in reducing smoking among both youth and adults over the last 10 years, further progress is at risk without aggressive efforts at all levels of government. These states should fully fund tobacco prevention programs at CDC-recommended levels, while continuing to increase tobacco taxes.

    - Second, the states are facing significant budget shortfalls in the coming year as a result of the weak economy. The last time the New England states faced budget shortfalls, they cut funding for tobacco prevention programs by 66 percent between 2002 and 2005.

As this report details, New England's elected leaders lack credible excuses for failing to do more to protect our children from tobacco and help smokers quit. First, the problem has not been solved – tobacco use remains the nation's leading cause of preventable death, killing more than 20,000 people and costing more than $7.0 billion in health care bills each year in New England alone. Second, there is more evidence than ever that tobacco prevention and cessation programs work, especially when part of a comprehensive effort to reduce tobacco use that also includes higher tobacco taxes and smoke-free workplace laws. Third, despite budget shortfalls, the states are collecting huge sums in revenue from the tobacco settlement and tobacco taxes; it would take just a small portion of their tobacco money to fund tobacco prevention programs at CDC-recommended levels, leaving most of it for other purposes. These measures reduce smoking and other tobacco use, save lives and save money by reducing tobacco-caused health care costs.

New England states need to implement ongoing, comprehensive, statewide campaigns to keep kids from starting to smoke and help both youth and adult smokers quit. Adequately funding state tobacco prevention programs would reduce smoking and save lives. There is overwhelming evidence from states that have implemented programs consistent with CDC guidelines that their programs significantly reduce youth and adult smoking and related harms.

As some have put it, we have developed the equivalent of a vaccine for lung cancer and other terrible diseases caused by tobacco use, and we have the money to pay for it. What's needed is the political will to apply this vaccine in every state and inoculate every child in this country.

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Progress is at Risk Unless the States Step Up Fight

The New England states have made significant progress in reducing smoking among both youth and adults over the last 10 years, but every year a new generation of smokers take up the deadly habit. In fact, each year, 58,500 New England kids try smoking for the first time and another 17,300 New England kids become new regular daily smokers.* One-third of them will die prematurely as a result.[1] We can prevent this.

The following factors have contributed significantly to declines in smoking since the tobacco settlement:

- Tobacco prices increased sharply after the tobacco settlement as a result of the settlement itself and state cigarette tax increases. The settlement led the major cigarette companies to increase prices by more than $1.10 per pack between 1998 and 2000 (part of these increases were used to pay the states, but about half of the price increases simply bolstered profits). In addition, 44 states and the District of Columbia have raised cigarette tax rates 85 times since the settlement. The average state cigarette tax has increased from 39 cents per pack in 1998 to $1.23 today. The average cigarette tax rate among the New England states is $2.22 per pack; New Hampshire has the lowest rate at $1.33 per pack and Rhode Island has the highest rate at $3.46 per pack.

- Funding for tobacco prevention and cessation programs increased significantly in the immediate aftermath of the tobacco settlement. While still short of CDC-recommended levels in most states, in New England, total state funding for these programs reached a high of $77.7 million in fiscal year 2000. In addition, the settlement provided about $300 million a year over five years to create a national foundation, the American Legacy Foundation, to conduct national public education campaigns to reduce tobacco use. A substantial body of research has demonstrated the effectiveness of both state tobacco prevention and cessation programs and the American Legacy Foundation's truth® national youth smoking prevention campaign.†

- A growing number of states and communities have enacted strong smoke-free workplace laws. In 1998, none of the New England states had a smoke-free law that applied to restaurants and bars. Today, all New England states have a smoke-free law providing protections from harmful secondhand smoke – and incentives to quit smoking – to most of the New England population.

Unfortunately, we have failed to achieve greater progress in reducing tobacco use because we have experienced large cuts to tobacco prevention programs, huge increases in tobacco marketing and aggressive efforts by tobacco companies to discount cigarette prices:

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* For more detail on the toll of tobacco in each New England state, and citations to sources, see Appendix A.

† See Appendix B for the TFK Factsheet, *Comprehensive Tobacco Prevention and Cessation Programs Reduce Tobacco Use,* and the references cited therein. See also TFK Factsheet, *Public Education Reduces Tobacco Use*, http://www.tobaccofreekids.org/research/factsheets/pdf/0051.pdf.

- Between 2002 and 2005, New England states cut funding for tobacco prevention and cessation programs by 66 percent, from $74.2 million to $25.3 million.[*] Nationally, the American Legacy Foundation had to reduce its successful truth® campaign because most of its tobacco settlement funding ended after 2003. While state spending for tobacco prevention and cessation has increased slightly since 2005, state funding for tobacco prevention programs is still less than half it was in 2000, when funding was at its peak. These programs are again at risk as states face new budget shortfalls.

- While states cut funding for tobacco prevention, tobacco companies dramatically increased marketing expenditures. From 1998 to 2005, tobacco marketing in the New England states increased substantially from $332.0 million to $579.8 million, according to the most recent data from the U.S. Federal Trade Commission.[2]

- In recent years, the tobacco companies have increasingly concentrated their marketing expenditures on price discounts, undermining efforts to reduce tobacco use through price increases. Price discounts and promotions accounted for more than 80 percent of the $13.4 billion in nationwide tobacco marketing expenditures in 2005.[3] There is a clear correlation between cigarette prices and smoking trends. From 1997 to 2003, when national youth smoking rates declined significantly, the average real (inflation adjusted) retail price of a pack of cigarettes increased by 75 percent as a result of the tobacco settlement and tobacco tax increases. Since 2003, the real price of cigarettes has actually declined slightly despite state cigarette tax increases, and smoking declines have stalled.[4]

The States' Funding of Tobacco Prevention and Cessation is Woefully Inadequate Given the Magnitude of the Problem

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 pales in comparison to the enormity of the problem. Tobacco use and its toll are still high in New England, and comprehensive tobacco prevention and cessation programs are greatly needed in each state. Despite progress made in the region:

- More than 1.8 million New England adults currently smoke and more than 146,000 New England high school kids smoke.

- More than 58,500 New England kids try smoking each year and 17,300 more kids become regular, daily smokers every year, one-third of whom will die prematurely.

- Tobacco use is the number one cause of preventable death in the New England states, killing 20,000 people each year, and thousands of others suffer from smoking-caused disease and disability.

Statistics can be numbing, but we cannot forget that they represent mothers and fathers, brothers and sisters, colleagues and friends. Their suffering and deaths have devastated too many families and communities.

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[*] See the special report issued by the Campaign for Tobacco-Free Kids, American Heart Association, American Lung Association, and American Cancer Society Cancer Action Network, *A Decade of Broken Promises: The 1998 State Tobacco Settlement Ten Years Later*, November 2008, http://www.tobaccofreekids.org/reports/settlements.

Tobacco use is also costly. Every year, governments, businesses, and households in New England states spend more than $7.0 billion on smoking-caused health care costs and lose more than $4.5 billion in productivity.[5] In fact, the U.S. Centers for Disease Control and Prevention (CDC) estimates that states in New England lose more money per cigarette pack sold from smoking-caused health costs and productivity losses than they receive from the tax on a pack.[6] In addition, New England households pay hundreds of dollars per year in federal and state taxes to cover government expenditures caused by tobacco use.[*]

Every New England State Has Plenty of Tobacco-Generated Revenue to Fund a Tobacco Prevention Program at CDC-Recommended Levels

Looming budget shortfalls should not be an excuse for states to cut tobacco prevention programs. The evidence is clear that these programs not only reduce smoking and save lives, but save money as well by reducing tobacco-related health care costs.

Now more than ever, all the New England states, which have each signed onto the Master Settlement Agreement (MSA), are receiving more money that they should invest in tobacco prevention and cessation programs.

This year, in New England alone, the six states can expect to receive $664.7 million in total MSA payments. This amount includes new, unexpected money because of a special agreement relating to the dispute between the MSA cigarette companies and the MSA states about Non-Participating Manufacturer (NPM) adjustment withholdings based on the MSA companies' 2003 market share losses to NPMs. Because the original intention of the MSA payments was to provide funds for tobacco prevention and public health purposes, states should, at a minimum, use these "extra" payments to keep their tobacco prevention programs at existing levels or, better yet, to increase their tobacco prevention efforts.[†]

Total Funding States Will Receive from the Tobacco Settlement this Year (in millions)			
	2-2009 Special Payment (actual)	4-15-2009 MSA Payments (estimates)	Total MSA Revenue
CT	$10.0	$140	$150.0
ME	$4.2	$58	$62.2
MA	$21.8	$280	$301.8
NH	$3.6	$48	$51.6
RI	$3.9	$53	$56.9
VT	$2.2	$40	$42.2
TOTAL	**$45.7**	**$619**	**$664.7**

[*] For more detail on the toll of tobacco in each New England state, and citations to sources, see Appendix A.

[†] The estimated MSA payments due on April 15, 2009 assume that some of the MSA cigarette companies will, as in prior recent years, withhold a portion of their 2010 payments based on their claims that the total payment amount should be reduced pursuant to a Non-Participating Manufacturers (NPM) Adjustment. The states contend that there is no basis for applying the NPM adjustment to the 2010 MSA payment amounts. This dispute will be resolved through arbitration or the courts, at which time the states, if they prevail, could receive all of the withheld payments, plus interest. For more information on this dispute and the NPM adjustment, see TFK factsheet, *Cigarette Company MSA Payment Withholdings: The NPM Adjustment Threat & How States Can Fight Back*, http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=32.

Despite these enormous annual tobacco settlement revenues, New England states still fail to fund state tobacco prevention efforts adequately – spending, on average, well under half of the funding levels recommended by the CDC for state tobacco prevention programs.

New England states will collect $1.8 billion from the tobacco settlement and tobacco taxes this year. Just 10.5 percent of this total can fund tobacco prevention and cessation programs in every state at levels recommended by the CDC. However, the states are spending just 2.3 percent of their tobacco revenue on tobacco prevention and cessation.

By allocating the MSA payment increases to expand their tobacco prevention efforts, the states could largely eliminate this imbalance and begin reducing smoking-caused suffering, disease, and death much more effectively. New state investments in tobacco prevention would also improve each state's economic health by improving worker productivity and sharply reducing public and private sector smoking-caused costs.

Adequately Funded State Tobacco Prevention Programs are Proven to Reduce Smoking and Related Harms and Costs

Each of the states in New England receives millions of dollars from cigarette companies' tobacco lawsuit settlement payments and tobacco tax revenue. However, all of them are spending too little on programs to prevent kids from starting to use tobacco and to help current users quit.

It is well established that comprehensive statewide tobacco prevention programs consistent with CDC guidelines prompt substantial reductions in smoking levels among both adults and kids. This is achieved by both increasing the number of people who quit or cutback smoking and reducing the number who start. In addition, studies have shown that the more states spend on tobacco prevention, the lower the youth smoking rates and overall tobacco use.[*] As a result, state tobacco prevention programs also reduce all the death, disease, disability and other harms caused by smoking and other tobacco use – and also save money by reducing tobacco-related health care costs.[†]

National studies that look across states and control for as many of the relevant confounding factors as possible consistently show powerful, positive effects of tobacco prevention and cessation programs. For example:

- A recent study published in the *American Journal of Public Health* examined state tobacco prevention and cessation funding levels from 1995 to 2003 and found that the more states spent on these programs, the larger the declines they achieved in adult smoking, even when controlling for other factors such as increased tobacco prices. The researchers also calculated that if every state had funded their programs at the levels recommended by the CDC during that period, there would have been between 2.2 million and 7.1 million fewer smokers in the United States by 2003.[7] The Campaign for Tobacco-

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[*] See, e.g., Appendix B for the TFK Factsheet, *Comprehensive Tobacco Prevention and Cessation Programs Reduce Tobacco Use,* and the references cited therein.

[†] For more on how state tobacco prevention programs cost-effectively save money, see Appendix C for the TFK Factsheet, *Comprehensive Tobacco Prevention and Cessation Programs Save Money,* and the references cited therein.

Free Kids estimates that such smoking declines would have saved between 700,000 and 2.2 million lives as well as between $20 billion and $67 billion in health care costs.

- The study described above adds to earlier research, using similar methods, which demonstrated the same type of relationship between program spending and youth smoking declines. The 2005 study concluded that if every state had spent the minimum amount recommended by the CDC for tobacco prevention, youth smoking rates nationally would have been between 3 percent and 14 percent lower during the study period, from 1991 to 2000. Further, if every state funded tobacco prevention at CDC minimum levels, states would prevent nearly two million kids alive today from becoming smokers, save more than 600,000 of them from premature, smoking-caused deaths, and save $23.4 billion in long-term, smoking-related health care costs.[8]

- A peer-reviewed study published in August 2008 in the medical journal *PLoS Medicine* found that California's tobacco control program saved $86 billion in health care costs in its first 15 years, compared to $1.8 billion the state spent on the program, for a return on investment of nearly 50:1.[9]

In addition, every scientific authority that has studied the issue, including the National Academy of Science's Institute of Medicine (IOM), the President's Cancer Panel, the National Cancer Institute, the CDC, and the U.S. Surgeon General, has concluded that when properly funded, implemented and sustained, these programs reduce smoking among both kids and adults.

- In 2007, the IOM and the President's Cancer Panel each issued separate landmark reports that reviewed available data, research, and other evidence and concluded that comprehensive state tobacco control programs substantially reduce smoking and other tobacco use among both adults and youth. Accordingly, both the IOM and the President's Cancer Panel recommended that every state adequately fund their tobacco prevention programs at the CDC-recommended levels.[10]

Tobacco Money for Tobacco Prevention

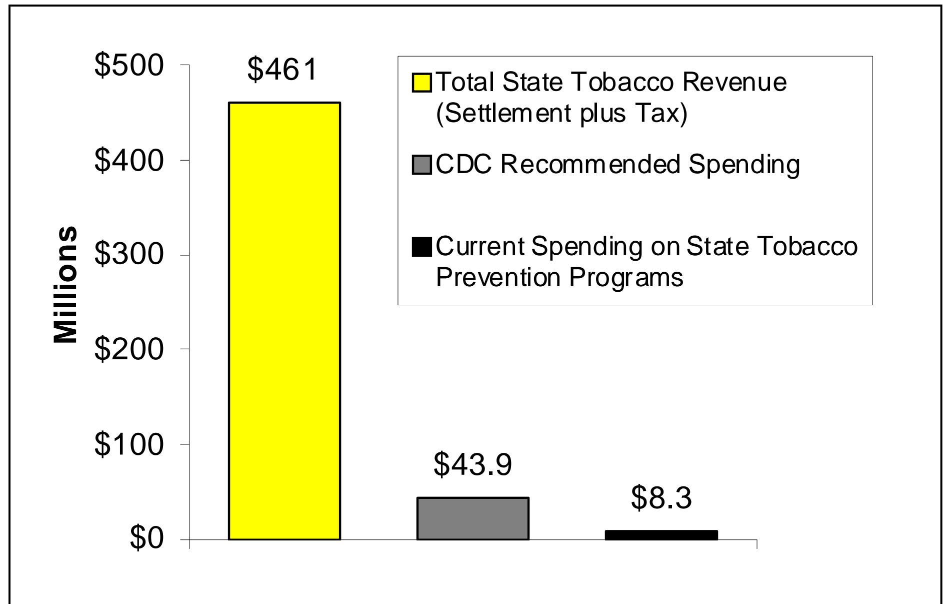
The concept is simple enough: New England states should invest the millions of dollars collected through state tobacco taxes and the tobacco settlement in comprehensive tobacco prevention and cessation programs to benefit the health of New England residents and state economies. New England could achieve dramatic results and put an end to the tobacco epidemic by investing even more funding into their state programs to prevent children from starting to smoke and to help all tobacco users quit.

The following pages show the toll that tobacco use is taking on each New England state, how much states are currently spending on their tobacco prevention program, and how much each state could benefit from fully funding its state tobacco prevention program at the levels recommended by the CDC.

Connecticut

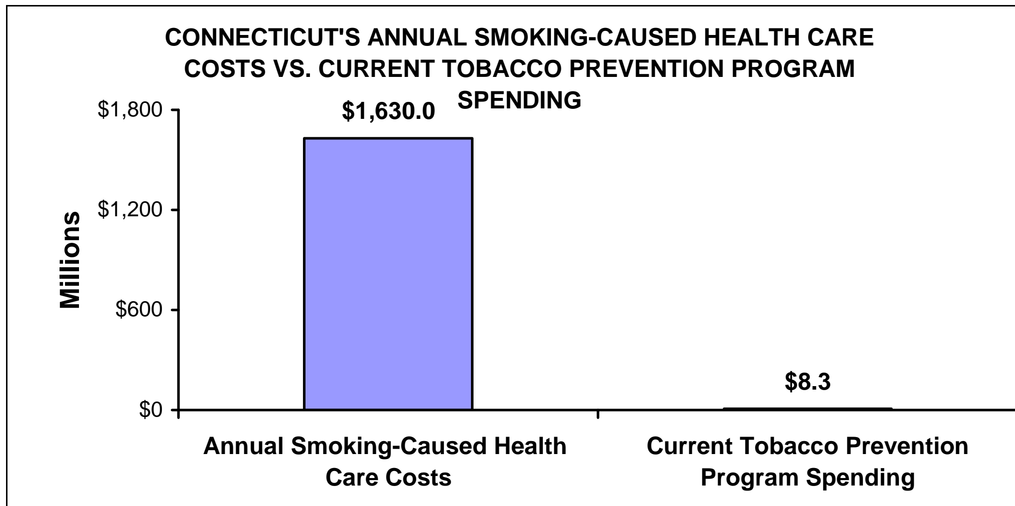
CURRENT TOTAL SPENDING ON TOBACCO PREVENTION	$8.3 million
State Spending	$7.4 million
Federal Spending	$889,000*

The CDC recommends that Connecticut spend $43.9 million a year to have an effective, comprehensive tobacco prevention program. Connecticut currently receives $8.3 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 18.9 percent of the CDC's recommendation. Connecticut's spending on tobacco prevention amounts to 1.8 percent of the estimated $461 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Tobacco's Toll in Connecticut	
Adults who smoke	15.5%
High school students who smoke	21.1%
Deaths caused by smoking each year	4,700
Annual health care costs directly caused by smoking	$1.63 billion
Residents' state & federal tax burden from smoking-caused government expenditures	$680 per household

* For FY2009, federal spending refers to a nine-month grant provided to the states by the CDC for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.



Directing more funding to expand states' efforts to prevent and reduce tobacco use would dramatically improve the health of Connecticut's residents. Significant health and economic benefits would begin almost immediately and would quickly grow every year the program is in place.

By increasing funding for tobacco prevention programs to the levels recommended by the CDC, the Connecticut can expect to see the following benefits just from youth who stop using tobacco or never start.

Decline in youth smoking rates	15.6%
Fewer state kids growing up to become addicted adult smokers	36,800
Fewer kids growing up to die prematurely from smoking	11,700
Reduced future healthcare expenditures	$644.0 million
– State Medicaid program's share of healthcare cost savings	$97.6 million

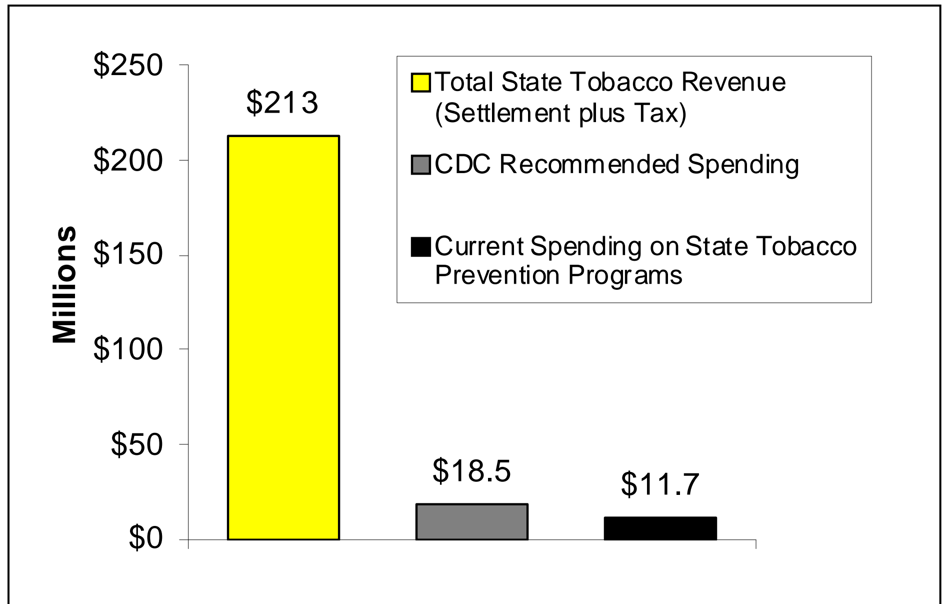
These estimates are conservative, however, because additional funding for the state's tobacco control program would have an impact on the use of other tobacco products besides cigarettes, such as smokeless tobacco and cigars.

In addition, expanded investments in an adequately funded, well-run statewide tobacco-prevention program in Connecticut would reduce adult smoking, thereby producing large public health and economic benefits, among others. These adult smoking reductions would continue to grow each year a fully funded program was in place.

Maine

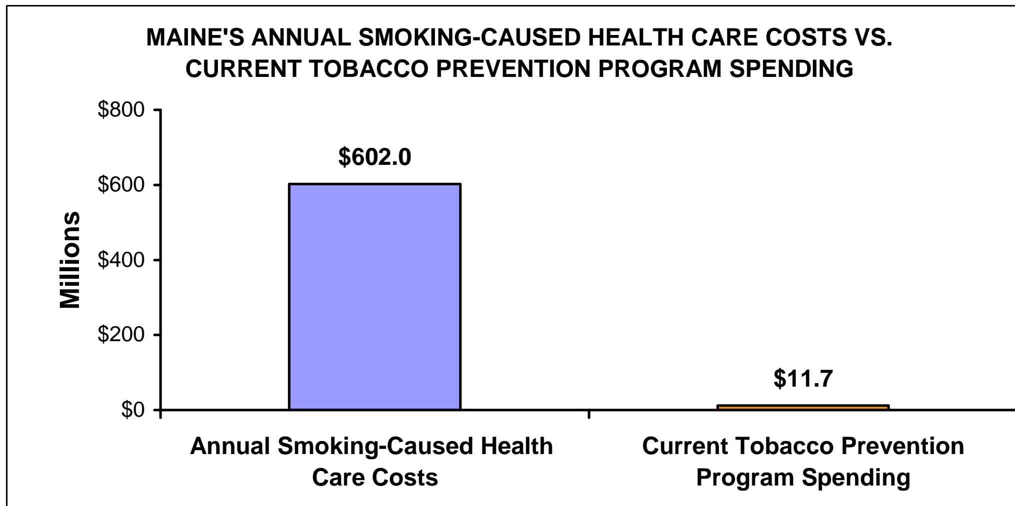
CURRENT TOTAL SPENDING ON TOBACCO PREVENTION	$11.7 million
State Spending	$10.9 million
Federal Spending	$795,000*

The CDC recommends that Maine spend $18.5 million a year to have an effective, comprehensive tobacco prevention program. Maine currently receives $11.7 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 63.2 percent of the CDC's recommendation. Maine's spending on tobacco prevention amounts to 5.5 percent of the estimated $213 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Tobacco's Toll in Maine	
Adults who smoke	20.1%
High school students who smoke	14.0%
Deaths caused by smoking each year	2,200
Annual health care costs directly caused by smoking	$602 million
Residents' state & federal tax burden from smoking-caused government expenditures	$654 per household

* For FY2009, federal spending refers to a nine-month grant provided to the states by the CDC for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.



Directing more funding to expand states' efforts to prevent and reduce tobacco use would dramatically improve the health of Maine's residents. Significant health and economic benefits would begin almost immediately and would quickly grow every year the program is in place.

By increasing funding for tobacco prevention programs to the levels recommended by the CDC, the Maine can expect to see the following benefits just from youth who stop using tobacco or never start.

Decline in youth smoking rates	8.2%
Fewer state kids growing up to become addicted adult smokers	7,000
Fewer kids growing up to die prematurely from smoking	2,240
Reduced future healthcare expenditures	$122.5 million
– State Medicaid program's share of healthcare cost savings	$34.7 million

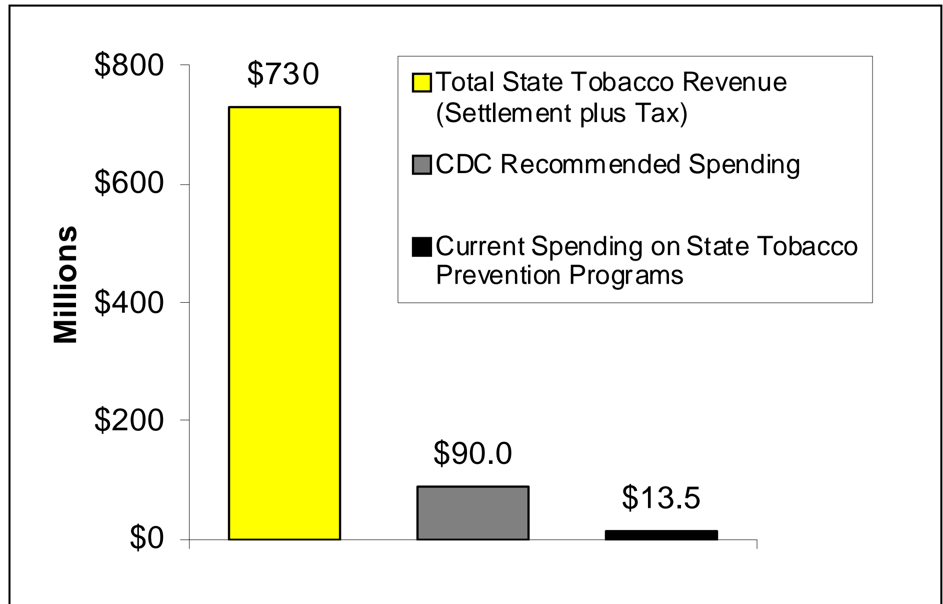
These estimates are conservative, however, because additional funding for the state's tobacco control program would have an impact on the use of other tobacco products besides cigarettes, such as smokeless tobacco and cigars.

In addition, expanded investments in an adequately funded, well-run statewide tobacco-prevention program in Maine would reduce adult smoking, thereby producing large public health and economic benefits, among others. These adult smoking reductions would continue to grow each year a fully funded program was in place.

Massachusetts

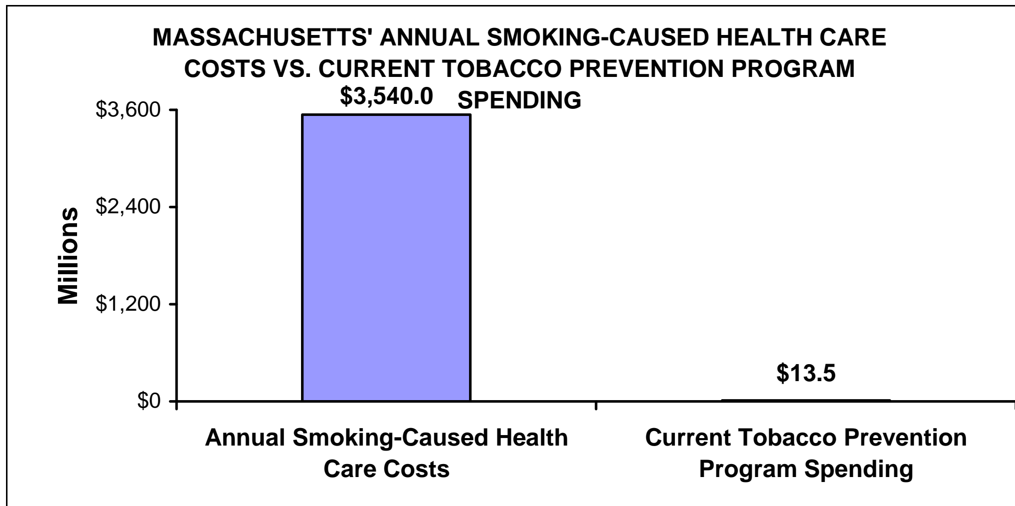
CURRENT TOTAL SPENDING ON TOBACCO PREVENTION	$13.5 million
State Spending	$12.2 million
Federal Spending	$1.28 million *

The CDC recommends that Massachusetts spend $90.0 million a year to have an effective, comprehensive tobacco prevention program. Massachusetts currently receives $13.5 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 15.0 percent of the CDC's recommendation. Massachusetts's spending on tobacco prevention amounts to 1.8 percent of the estimated $730 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Tobacco's Toll in Masschusetts	
Adults who smoke	16.4%
High school students who smoke	17.7%
Deaths caused by smoking each year	9,000
Annual health care costs directly caused by smoking	$3.54 billion
Residents' state & federal tax burden from smoking-caused government expenditures	$737 per household

* For FY2009, federal spending refers to a nine-month grant provided to the states by the CDC for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.



Directing more funding to expand states' efforts to prevent and reduce tobacco use would dramatically improve the health of Massachusetts' residents. Significant health and economic benefits would begin almost immediately and would quickly grow every year the program is in place.

By increasing funding for tobacco prevention programs to the levels recommended by the CDC, the Massachusetts can expect to see the following benefits just from youth who stop using tobacco or never start.

Decline in youth smoking rates	18.1%
Fewer state kids growing up to become addicted adult smokers	66,400
Fewer kids growing up to die prematurely from smoking	21,200
Reduced future healthcare expenditures	$1.1 billion
– State Medicaid program's share of healthcare cost savings	$192.0 million

These estimates are conservative, however, because additional funding for the state's tobacco control program would have an impact on the use of other tobacco products besides cigarettes, such as smokeless tobacco and cigars.

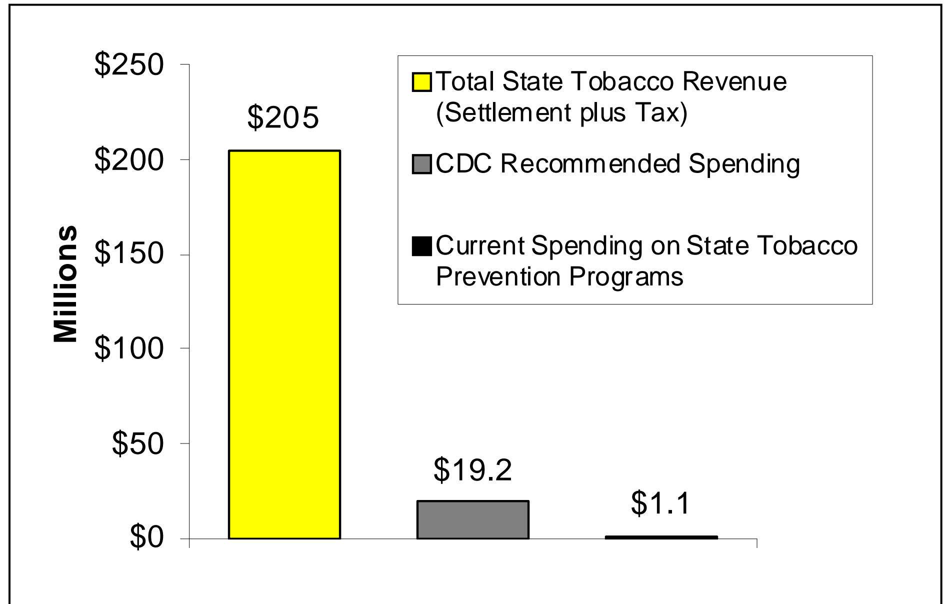
In addition, expanded investments in an adequately funded, well-run statewide tobacco-prevention program in Massachusetts would reduce adult smoking, thereby producing large public health and economic benefits, among others. These adult smoking reductions would continue to grow each year a fully funded program was in place.

New Hampshire

CURRENT TOTAL SPENDING ON TOBACCO PREVENTION	$1.1 million
State Spending	$200,000*
Federal Spending	$859,000**

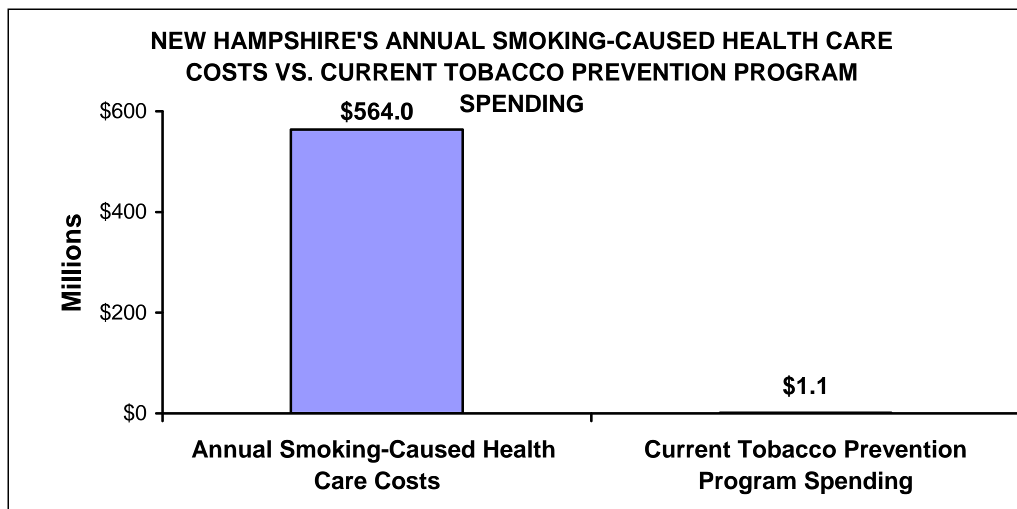
* State spending amount reflects FY09 budget passed last year. During the supplemental budget process, New Hampshire cut its state spending on tobacco prevention to $0.

The CDC recommends that New Hampshire spend $19.2 million a year to have an effective, comprehensive tobacco prevention program. New Hampshire currently receives $1.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 5.7 percent of the CDC's recommendation. New Hampshire's spending on tobacco prevention amounts to 0.5 percent of the estimated $205 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Tobacco's Toll in New Hampshire	
Adults who smoke	19.4%
High school students who smoke	19.0%
Deaths caused by smoking each year	1,700
Annual health care costs directly caused by smoking	$564 million
Residents' state & federal tax burden from smoking-caused government expenditures	$628 per household

** For FY2009, federal spending refers to a nine-month grant provided to the states by the CDC for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.



Directing more funding to expand states' efforts to prevent and reduce tobacco use would dramatically improve the health of New Hampshire's residents. Significant health and economic benefits would begin almost immediately and would quickly grow every year the program is in place.

By increasing funding for tobacco prevention programs to the levels recommended by the CDC, the New Hampshire can expect to see the following benefits just from youth who stop using tobacco or never start.

Decline in youth smoking rates	21.4%
Fewer state kids growing up to become addicted adult smokers	20,500
Fewer kids growing up to die prematurely from smoking	6,560
Reduced future healthcare expenditures	$358.7 million
– State Medicaid program's share of healthcare cost savings	$97.4 million

These estimates are conservative, however, because additional funding for the state's tobacco control program would have an impact on the use of other tobacco products besides cigarettes, such as smokeless tobacco and cigars.

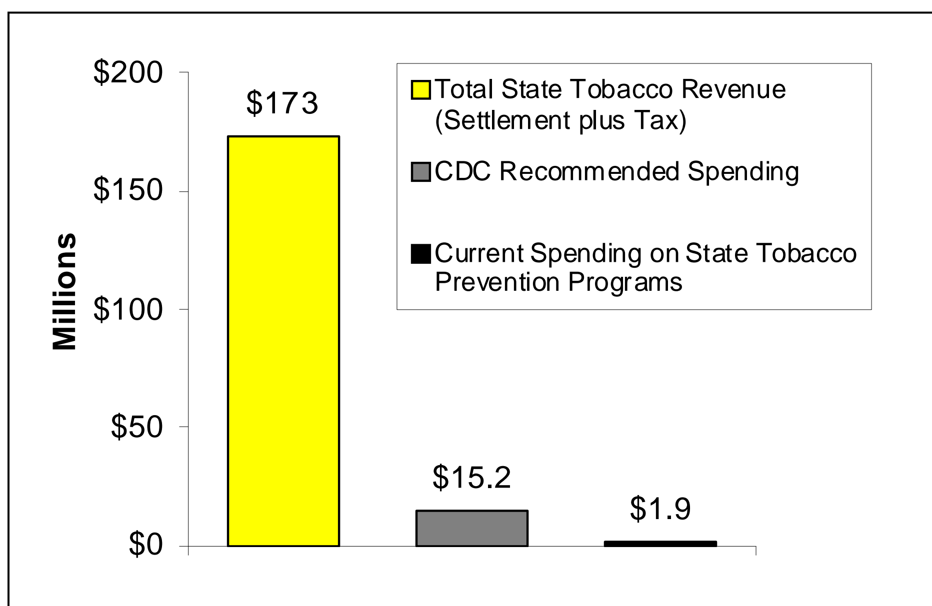
In addition, expanded investments in an adequately funded, well-run statewide tobacco-prevention program in New Hampshire would reduce adult smoking, thereby producing large public health and economic benefits, among others. These adult smoking reductions would continue to grow each year a fully funded program was in place.

Rhode Island

CURRENT TOTAL SPENDING ON TOBACCO PREVENTION	$1.9 million
State Spending	$926,000*
Federal Spending	$950,000**

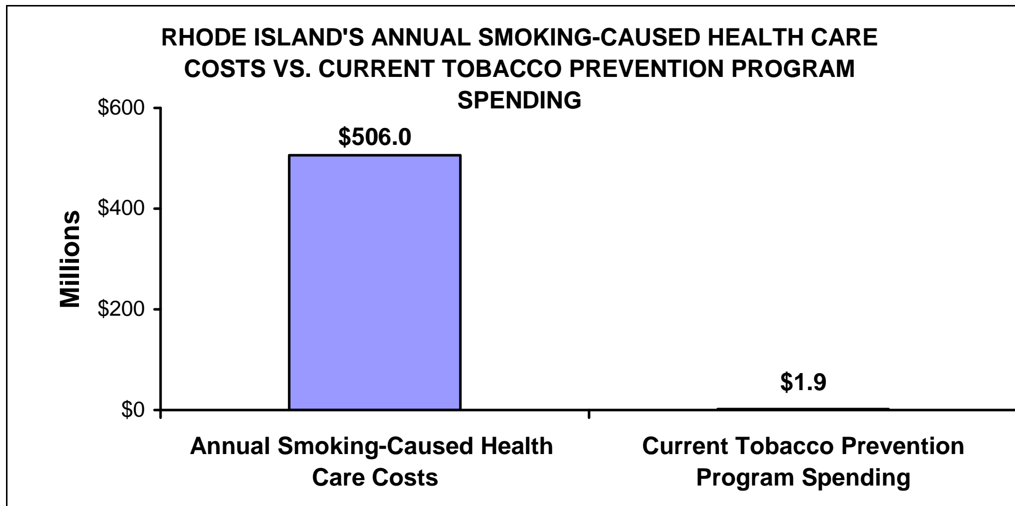
* State spending amount reflects FY09 budget passed last year. During the supplemental budget process, Rhode Island cut its state spending on tobacco prevention to approximately $772 thousand.

The CDC recommends that Rhode Island spend $15.2 million a year to have an effective, comprehensive tobacco prevention program. Rhode Island currently receives $1.9 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 12.5 percent of the CDC's recommendation. Rhode Island's spending on tobacco prevention amounts to 1.1 percent of the estimated $173 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Tobacco's Toll in Rhode Island	
Adults who smoke	17.0%
High school students who smoke	15.1%
Deaths caused by smoking each year	1,600
Annual health care costs directly caused by smoking	$506 million
Residents' state & federal tax burden from smoking-caused government expenditures	$728 per household

** For FY2009, federal spending refers to a nine-month grant provided to the states by the CDC for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.



Directing more funding to expand states' efforts to prevent and reduce tobacco use would dramatically improve the health of Rhode Island's residents. Significant health and economic benefits would begin almost immediately and would quickly grow every year the program is in place.

By increasing funding for tobacco prevention programs to the levels recommended by the CDC, the Rhode Island can expect to see the following benefits just from youth who stop using tobacco or never start.

Decline in youth smoking rates	19.3%
Fewer state kids growing up to become addicted adult smokers	14,000
Fewer kids growing up to die prematurely from smoking	4,480
Reduced future healthcare expenditures	$245.0 million
– State Medicaid program's share of healthcare cost savings	$68.1 million

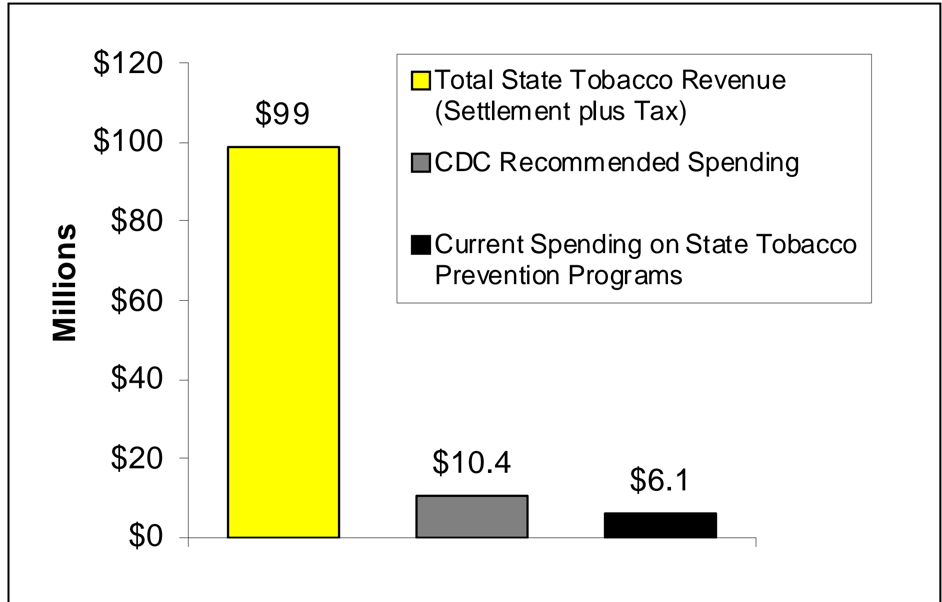
These estimates are conservative, however, because additional funding for the state's tobacco control program would have an impact on the use of other tobacco products besides cigarettes, such as smokeless tobacco and cigars.

In addition, expanded investments in an adequately funded, well-run statewide tobacco-prevention program in Rhode Island would reduce adult smoking, thereby producing large public health and economic benefits, among others. These adult smoking reductions would continue to grow each year a fully funded program was in place.

Vermont

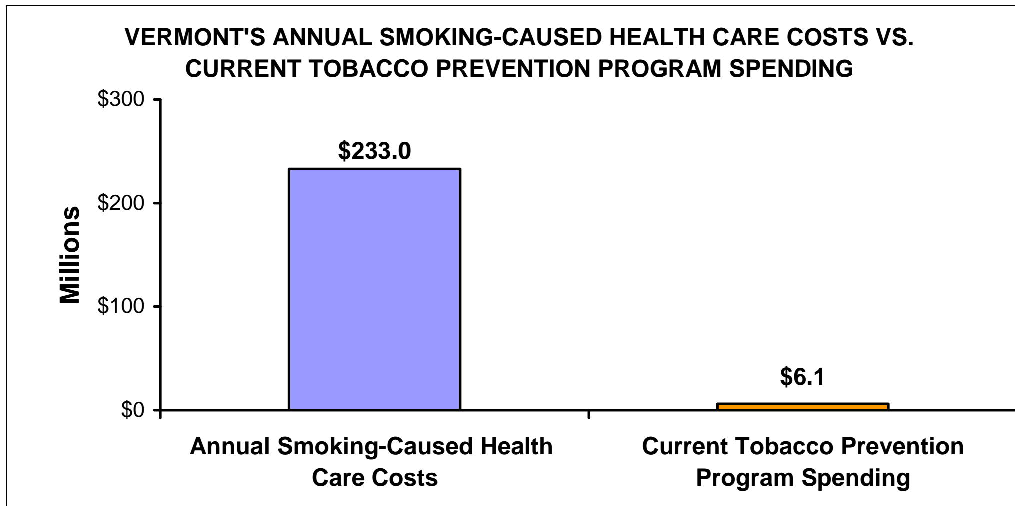
CURRENT TOTAL SPENDING ON TOBACCO PREVENTION	$6.1 million
State Spending	$5.2 million
Federal Spending	$940,000*

The CDC recommends that Vermont spend $10.4 million a year to have an effective, comprehensive tobacco prevention program. Vermont currently receives $6.1 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 58.7 percent of the CDC's recommendation. Vermont's spending on tobacco prevention amounts to 6.2 percent of the estimated $99 million in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Tobacco's Toll in Vermont	
Adults who smoke	17.6%
High school students who smoke	18.2%
Deaths caused by smoking each year	800
Annual health care costs directly caused by smoking	$233 million
Residents' state & federal tax burden from smoking-caused government expenditures	$623 per household

* For FY2009, federal spending refers to a nine-month grant provided to the states by the CDC for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.



Directing more funding to expand states' efforts to prevent and reduce tobacco use would dramatically improve the health of Vermont's residents. Significant health and economic benefits would begin almost immediately and would quickly grow every year the program is in place.

By increasing funding for tobacco prevention programs to the levels recommended by the CDC, the Vermont can expect to see the following benefits just from youth who stop using tobacco or never start.

Decline in youth smoking rates	11.0%
Fewer state kids growing up to become addicted adult smokers	4,300
Fewer kids growing up to die prematurely from smoking	1,370
Reduced future healthcare expenditures	$75.2 million
– State Medicaid program's share of healthcare cost savings	$15.0 million

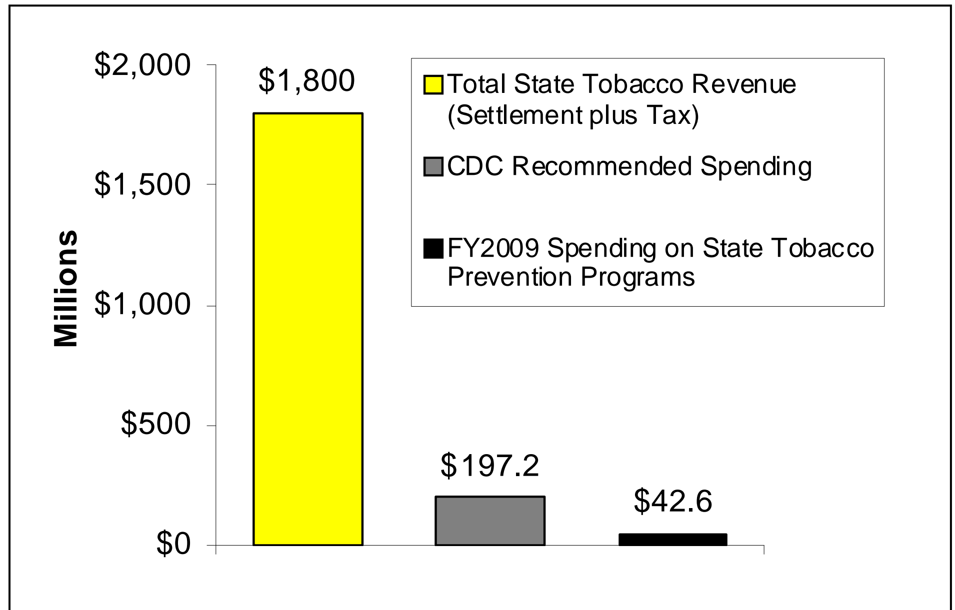
These estimates are conservative, however, because additional funding for the state's tobacco control program would have an impact on the use of other tobacco products besides cigarettes, such as smokeless tobacco and cigars.

In addition, expanded investments in an adequately funded, well-run statewide tobacco-prevention program in Vermont would reduce adult smoking, thereby producing large public health and economic benefits, among others. These adult smoking reductions would continue to grow each year a fully funded program was in place.

Total of New England States

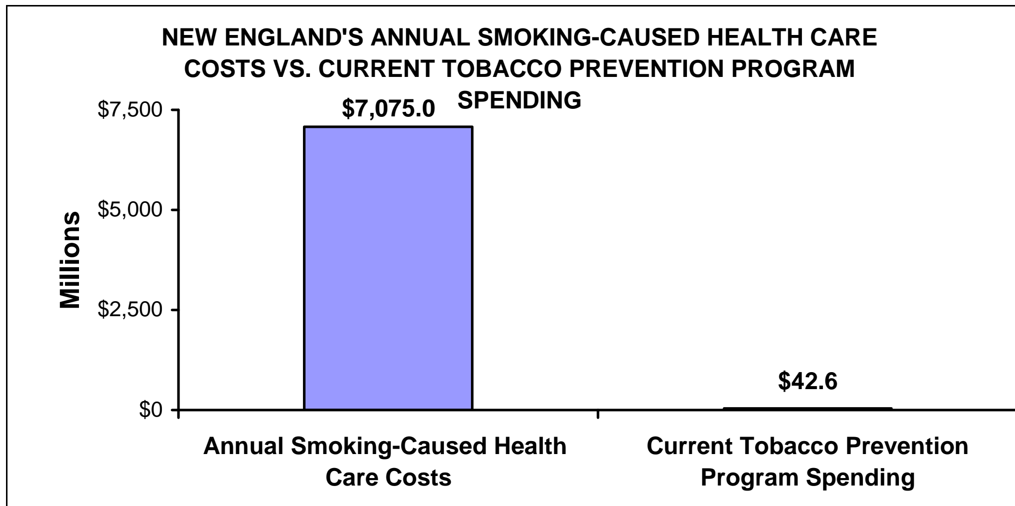
CURRENT TOTAL SPENDING ON TOBACCO PREVENTION	$42.6 million
State Spending	$36.8 million
Federal Spending	$5.7 million*

Among all the states in New England, CDC recommends that $197.2 million is spent per year for effective, comprehensive tobacco prevention programs. The states in the region currently receive $42.6 million a year for tobacco prevention and cessation, which includes both state and federal funds. This is 21.6 percent of the CDC's recommendation. The states' spending on tobacco prevention amounts to 2.3 percent of the estimated $1.8 billion in tobacco-generated revenue the state collects each year from settlement payments and tobacco taxes.



Tobacco's Toll in New England	
Number of adults who smoke	1,870,700
Number of high school students who smoke	146,800
Deaths caused by smoking each year	20,000
Annual health care costs directly caused by smoking	$7.0 billion

* For FY2009, federal spending refers to a nine-month grant provided to the states by the CDC for the period beginning July 2008. In April 2009, the CDC will transition to a new funding agreement with the states that will provide the usual 12-month grant.



Directing more funding to expand states' efforts to prevent and reduce tobacco use would dramatically improve the health of New England's residents. Significant health and economic benefits would begin almost immediately and would quickly grow every year the program is in place.

By increasing funding for tobacco prevention programs to the levels recommended by the CDC, the six New England states can expect to see the following benefits just from youth who stop using tobacco or never start.

Fewer state kids growing up to become addicted adult smokers	149,000
Fewer kids growing up to die prematurely from smoking	47,550
Reduced future healthcare expenditures	$2.6 billion
– State Medicaid program's share of healthcare cost savings	$504.8 million

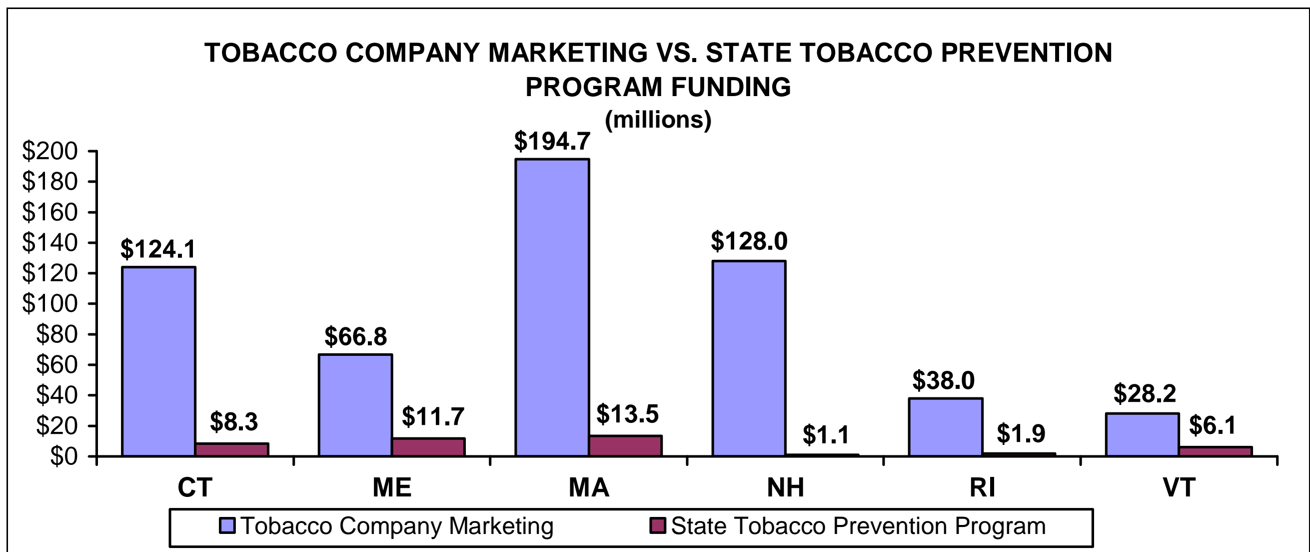
These estimates are conservative, however, because additional funding for the state's tobacco control program would have an impact on the use of other tobacco products besides cigarettes, such as smokeless tobacco and cigars.

In addition, expanded investments in adequately funded, well-run statewide tobacco-prevention programs in New England states would reduce adult smoking, thereby producing large public health and economic benefits, among others. These adult smoking reductions would continue to grow each year a fully funded program was in place.

Tobacco Company Marketing Dwarfs Tobacco Prevention Efforts

In New England, tobacco companies spend at least $579.8 million on marketing and promoting their products.[11] Many of those efforts are meant to encourage youth to start smoking, either by making the products look attractive or by lowering the product price to make them accessible to price-sensitive youth. Tobacco companies' own documents reveal how they consider youth the future of their business.[*]

Although the 1998 Master Settlement Agreement placed some restrictions on tobacco company marketing activities, it failed to address many important matters. For example, the tobacco companies significantly increased their point-of-sale advertising after the MSA's ban on tobacco billboards went into effect. Tobacco companies have recently focused on in-store promotions and point-of-purchase advertising to attract younger smokers. This is a smart strategy since research indicates that retail cigarette advertising increases the likelihood that youth will initiate smoking and cigarette promotions increase the likelihood that youth will move from experimentation to regular smoking.[12] Further, it is clear that such promotions have an especially powerful impact on kids as three out of four teenagers shop at a convenience store at least once a week.[13] A proven-effective way to oppose tobacco companies' attempts to attract youth to a lifetime of addiction and health problems is to invest in a comprehensive tobacco prevention program.



[*] For more information on tobacco company marketing to kids, see TFK Factsheets at http://www.tobaccofreekids.org/research/factsheets/index.php?CategoryID=23.

APPENDIX A

Tobacco Use in Connecticut

- **High school students who smoke: 21.1% [Girls: 22.6% Boys: 19.5%]**
- **High school males who use smokeless tobacco: 6.2%**
- **Kids (under 18) who try cigarettes for the first time each year: 15,500**
- **Additional Kids (under 18) who become new regular, daily smokers each year: 4,600**
- **Packs of cigarettes bought or smoked by kids in Connecticut each year: 9.7 million**
- **Kids exposed to second hand smoke at home: 186,000**
- **Adults in Connecticut who smoke: 15.4% [Men: 16.5% Women: 14.4% Pregnant Females: 7.0%]**

Nationwide, youth smoking has declined significantly since the mid-1990s, but that decline appears to have slowed. The 2007 Youth Risk Behavior Survey found that the percentage of high school students reporting that they have smoked cigarettes in the past month decreased to 20 percent in 2007 from 23 percent in 2005. 19.8 percent of U.S. adults (about 43.4 million) currently smoke, which is a significant decline from the 2006 rate of 20.8 percent.

Deaths in Connecticut From Smoking

- **Adults who die each year in Connecticut from their own smoking: 4,700**
- **Adult nonsmokers who die each year from exposure to secondhand smoke: 440**
- **Connecticut kids who have lost at least one parent to a smoking-caused death: 2,900**
- **Kids alive in state today who will ultimately die from smoking: 76,000 (given current smoking levels)**

Smoking, alone, kills more people each year than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined. For every person in Connecticut who dies from smoking approximately 20 more state residents are suffering from serious smoking-caused disease and disability, or other tobacco-caused health problems.

Tobacco-Related Monetary Costs in Connecticut

- **Annual health care expenditures in the State directly caused by tobacco use: $1.63 billion**
- **Annual health care expenditures in Connecticut from secondhand smoke exposure: $45.1 million**
  - **State Medicaid program's total health expenditures caused by tobacco use: $430.0 million**
- **Citizens' state/federal taxes to cover smoking-caused gov't costs: $897.6 million ($680/household)**
- **Smoking-caused productivity losses in Connecticut: $1.03 billion**
- **Smoking-caused health costs and productivity losses per pack sold in Connecticut: $14.30**

The productivity loss amount, above, is from smoking-death-shortened work lives, alone. Additional work productivity losses totaling in the tens of billions nationwide come from smoking-caused work absences, on-the-job performance declines, and disability during otherwise productive work lives Other non-health costs caused by tobacco use include direct residential and commercial property losses from smoking-caused fires (about $400 million nationwide); and the costs of extra cleaning and maintenance made necessary by tobacco smoke and tobacco-related litter (about $4+ billion per year for commercial establishments alone).

Tobacco Industry Advertising and Other Product Promotion

- **Annual tobacco industry marketing expenditures nationwide: $13.4 billion ($36+ million per day)**
- **Estimated portion spent in Connecticut each year: $124.1 million**

Published research studies have found that kids are three times more sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure, and that one-third of underage experimentation with smoking is attributable to tobacco company marketing.

Connecticut Government Policies Affecting The Toll of Tobacco in Connecticut

- **Annual State tobacco prevention spending from tobacco settlement and tax revenues: $8.3 million [National rank: 29 (with 1 the best), based on percent of CDC recommendation]**
- **State cigarette tax per pack: $2.00 [National rank: 6th (average state tax is $1.23 per pack)]**

Tobacco Use in Maine

- **High school students who smoke: 14.0% [Girls: 14.7% Boys: 13.3%]**
- **High school males who use smokeless tobacco: 9.2%**
- **Kids (under 18) who try cigarettes for the first time each year: 5,500**
- **Additional Kids (under 18) who become new regular, daily smokers each year: 1,600**
- **Packs of cigarettes bought or smoked by kids in Maine each year: 2.3 million**
- **Kids exposed to second hand smoke at home: 79,000**
- **Adults in Maine who smoke: 20.2% [Men: 21.1% Women: 19.3% Pregnant Females: 17.1%]**

Nationwide, youth smoking has declined significantly since the mid-1990s, but that decline appears to have slowed. The 2007 Youth Risk Behavior Survey found that the percentage of high school students reporting that they have smoked cigarettes in the past month decreased to 20 percent in 2007 from 23 percent in 2005. 19.8 percent of U.S. adults (about 43.4 million) currently smoke, which is a significant decline from the 2006 rate of 20.8 percent.

Deaths in Maine From Smoking

- **Adults who die each year in Maine from their own smoking: 2,200**
- **Adult nonsmokers who die each year from exposure to secondhand smoke: 220**
- **Maine kids who have lost at least one parent to a smoking-caused death: 1,100**
- **Kids alive in state today who will ultimately die from smoking: 27,000 (given current smoking levels)**

Smoking, alone, kills more people each year than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined. For every person in Maine who dies from smoking approximately 20 more state residents are suffering from serious smoking-caused disease and disability, or other tobacco-caused health problems.

Tobacco-Related Monetary Costs in Maine

- **Annual health care expenditures in the State directly caused by tobacco use: $602 million**
- **Annual health care expenditures in Maine from secondhand smoke exposure: $22.9 million**
  - **State Medicaid program's total health expenditures caused by tobacco use: $216.0 million**
- **Citizens' state/federal taxes to cover smoking-caused gov't costs: $355.9 million ($654/household)**
- **Smoking-caused productivity losses in Maine: $534 million**
- **Smoking-caused health costs and productivity losses per pack sold in Maine: $11.60**

The productivity loss amount, above, is from smoking-death-shortened work lives, alone. Additional work productivity losses totaling in the tens of billions nationwide come from smoking-caused work absences, on-the-job performance declines, and disability during otherwise productive work lives Other non-health costs caused by tobacco use include direct residential and commercial property losses from smoking-caused fires (about $400 million nationwide); and the costs of extra cleaning and maintenance made necessary by tobacco smoke and tobacco-related litter (about $4+ billion per year for commercial establishments alone).

Tobacco Industry Advertising and Other Product Promotion

- **Annual tobacco industry marketing expenditures nationwide: $13.4 billion ($36+ million per day)**
- **Estimated portion spent in Maine each year: $66.8 million**

Published research studies have found that kids are three times more sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure, and that one-third of underage experimentation with smoking is attributable to tobacco company marketing.

Maine Government Policies Affecting The Toll of Tobacco in Maine

- **Annual State tobacco prevention spending from tobacco settlement and tax revenues: $11.7 million [National rank: 6 (with 1 the best), based on percent of CDC recommendation]**
- **State cigarette tax per pack: $2.00 [National rank: 6th (average state tax is $1.23 per pack)]**

Tobacco Use in Massachusetts

- **High school students who smoke: 17.7% [Girls: 17.9% Boys: 17.6%]**
- **High school males who use smokeless tobacco: 11.2%**
- **Kids (under 18) who try cigarettes for the first time each year: 24,000**
- **Additional Kids (under 18) who become new regular, daily smokers each year: 7,200**
- **Packs of cigarettes bought or smoked by kids in Massachusetts each year: 14.7 million**
- **Kids exposed to second hand smoke at home: 297,000**
- **Adults in Massachusetts who smoke: 16.4% [Men: 17.3% Women: 15.5% Pregnant Females: 8.1%]**

Nationwide, youth smoking has declined significantly since the mid-1990s, but that decline appears to have slowed. The 2007 Youth Risk Behavior Survey found that the percentage of high school students reporting that they have smoked cigarettes in the past month decreased to 20 percent in 2007 from 23 percent in 2005. 19.8 percent of U.S. adults (about 43.4 million) currently smoke, which is a significant decline from the 2006 rate of 20.8 percent.

Deaths in Massachusetts From Smoking

- **Adults who die each year in Massachusetts from their own smoking: 9,000**
- **Adult nonsmokers who die each year from exposure to secondhand smoke: 880**
- **Massachusetts kids who have lost at least one parent to a smoking-caused death: 5,100**
- **Kids alive in state today who will ultimately die from smoking: 117,000 (given current smoking levels)**

Smoking, alone, kills more people each year than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined. For every person in Massachusetts who dies from smoking approximately 20 more state residents are suffering from serious smoking-caused disease and disability, or other tobacco-caused health problems.

Tobacco-Related Monetary Costs in Massachusetts

- **Annual health care expenditures in the State directly caused by tobacco use: $3.54 billion**
- **Annual health care expenditures in Massachusetts from secondhand smoke exposure: $89.7 million**
  - **State Medicaid program's total health expenditures caused by tobacco use: $1.0 billion**
- **Citizens' state/federal taxes to cover smoking-caused gov't costs: $1.8 billion ($737/household)**
- **Smoking-caused productivity losses in Massachusetts: $1.98 billion**
- **Smoking-caused health costs and productivity losses per pack sold in Massachusetts: $19.49**

The productivity loss amount, above, is from smoking-death-shortened work lives, alone. Additional work productivity losses totaling in the tens of billions nationwide come from smoking-caused work absences, on-the-job performance declines, and disability during otherwise productive work lives Other non-health costs caused by tobacco use include direct residential and commercial property losses from smoking-caused fires (about $400 million nationwide); and the costs of extra cleaning and maintenance made necessary by tobacco smoke and tobacco-related litter (about $4+ billion per year for commercial establishments alone).

Tobacco Industry Advertising and Other Product Promotion

- **Annual tobacco industry marketing expenditures nationwide: $13.4 billion ($36+ million per day)**
- **Estimated portion spent in Massachusetts each year: $194.7 million**

Published research studies have found that kids are three times more sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure, and that one-third of underage experimentation with smoking is attributable to tobacco company marketing.

Massachusetts Government Policies Affecting The Toll of Tobacco in Massachusetts

- **Annual State tobacco prevention spending from tobacco settlement and tax revenues: $13.5 million [National rank: 35 (with 1 the best), based on percent of CDC recommendation]**
- **State cigarette tax per pack: $2.51 [National rank: 4th (average state tax is $1.23 per pack)]**

Tobacco Use in New Hampshire

- **High school students who smoke: 19.0% [Girls: 17.2% Boys: 20.6%]**
- **High school males who use smokeless tobacco: 12.2%**
- **Kids (under 18) who try cigarettes for the first time each year: 6,300**
- **Additional Kids (under 18) who become new regular, daily smokers each year: 1,800**
- **Packs of cigarettes bought or smoked by kids in New Hampshire each year: 3.3 million**
- **Kids exposed to second hand smoke at home: 70,000**
- **Adults in New Hampshire who smoke: 19.3% [Men: 20.1% Women: 18.6% Pregnant Females: 14.0%]**

Nationwide, youth smoking has declined significantly since the mid-1990s, but that decline appears to have slowed. The 2007 Youth Risk Behavior Survey found that the percentage of high school students reporting that they have smoked cigarettes in the past month decreased to 20 percent in 2007 from 23 percent in 2005. 19.8 percent of U.S. adults (about 43.4 million) currently smoke, which is a significant decline from the 2006 rate of 20.8 percent.

Deaths in New Hampshire From Smoking

- **Adults who die each year in New Hampshire from their own smoking: 1,700**
- **Adult nonsmokers who die each year from exposure to secondhand smoke: 210**
- **New Hampshire kids who have lost at least one parent to a smoking-caused death: 1,000**
- **Kids alive in state today who will ultimately die from smoking: 31,000 (given current smoking levels)**

Smoking, alone, kills more people each year than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined. For every person in New Hampshire who dies from smoking approximately 20 more state residents are suffering from serious smoking-caused disease and disability, or other tobacco-caused health problems.

Tobacco-Related Monetary Costs in New Hampshire

- **Annual health care expenditures in the State directly caused by tobacco use: $564 million**
- **Annual health care expenditures in New Hampshire from secondhand smoke exposure: $21.4 million**
  - **State Medicaid program's total health expenditures caused by tobacco use: $115.0 million**
- **Citizens' state/federal taxes to cover smoking-caused gov't costs: $315.0 million ($628/household)**
- **Smoking-caused productivity losses in New Hampshire: $419 million**
- **Smoking-caused health costs and productivity losses per pack sold in New Hampshire: $5.07**

The productivity loss amount, above, is from smoking-death-shortened work lives, alone. Additional work productivity losses totaling in the tens of billions nationwide come from smoking-caused work absences, on-the-job performance declines, and disability during otherwise productive work lives Other non-health costs caused by tobacco use include direct residential and commercial property losses from smoking-caused fires (about $400 million nationwide); and the costs of extra cleaning and maintenance made necessary by tobacco smoke and tobacco-related litter (about $4+ billion per year for commercial establishments alone).

Tobacco Industry Advertising and Other Product Promotion

- **Annual tobacco industry marketing expenditures nationwide: $13.4 billion ($36+ million per day)**
- **Estimated portion spent in New Hampshire each year: $128.0 million**

Published research studies have found that kids are three times more sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure, and that one-third of underage experimentation with smoking is attributable to tobacco company marketing.

New Hampshire Government Policies Affecting The Toll of Tobacco in New Hampshire

- **Annual State tobacco prevention spending from tobacco settlement and tax revenues: $1.1 million [National rank: 44 (with 1 the best), based on percent of CDC recommendation]**
- **State cigarette tax per pack: $1.33 [National rank: 22nd (average state tax is $1.23 per pack)]**

Tobacco Use in Rhode Island

- **High school students who smoke: 15.1% [Girls: 13.8% Boys: 16.4%]**
- **High school males who use smokeless tobacco: 10.6%**
- **Kids (under 18) who try cigarettes for the first time each year: 4,700**
- **Additional Kids (under 18) who become new regular, daily smokers each year: 1,400**
- **Packs of cigarettes bought or smoked by kids in Rhode Island each year: 2.2 million**
- **Kids exposed to second hand smoke at home: 53,000**
- **Adults in Rhode Island who smoke: 17.0% [Men: 17.8% Women: 16.3% Pregnant Females: 12.1%]**

Nationwide, youth smoking has declined significantly since the mid-1990s, but that decline appears to have slowed. The 2007 Youth Risk Behavior Survey found that the percentage of high school students reporting that they have smoked cigarettes in the past month decreased to 20 percent in 2007 from 23 percent in 2005. 19.8 percent of U.S. adults (about 43.4 million) currently smoke, which is a significant decline from the 2006 rate of 20.8 percent.

Deaths in Rhode Island From Smoking

- **Adults who die each year in Rhode Island from their own smoking: 1,600**
- **Adult nonsmokers who die each year from exposure to secondhand smoke: 150**
- **Rhode Island kids who have lost at least one parent to a smoking-caused death: 800**
- **Kids alive in state today who will ultimately die from smoking: 23,000 (given current smoking levels)**

Smoking, alone, kills more people each year than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined. For every person in Rhode Island who dies from smoking approximately 20 more state residents are suffering from serious smoking-caused disease and disability, or other tobacco-caused health problems.

Tobacco-Related Monetary Costs in Rhode Island

- **Annual health care expenditures in the State directly caused by tobacco use: $506 million**
- **Annual health care expenditures in Rhode Island from secondhand smoke exposure: $15.3 million**
  - **State Medicaid program's total health expenditures caused by tobacco use: $179.0 million**
- **Citizens' state/federal taxes to cover smoking-caused gov't costs: $293.1 million ($728/household)**
- **Smoking-caused productivity losses in Rhode Island: $379 million**
- **Smoking-caused health costs and productivity losses per pack sold in Rhode Island: $13.24**

The productivity loss amount, above, is from smoking-death-shortened work lives, alone. Additional work productivity losses totaling in the tens of billions nationwide come from smoking-caused work absences, on-the-job performance declines, and disability during otherwise productive work lives Other non-health costs caused by tobacco use include direct residential and commercial property losses from smoking-caused fires (about $400 million nationwide); and the costs of extra cleaning and maintenance made necessary by tobacco smoke and tobacco-related litter (about $4+ billion per year for commercial establishments alone).

Tobacco Industry Advertising and Other Product Promotion

- **Annual tobacco industry marketing expenditures nationwide: $13.4 billion ($36+ million per day)**
- **Estimated portion spent in Rhode Island each year: $38.0 million**

Published research studies have found that kids are three times more sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure, and that one-third of underage experimentation with smoking is attributable to tobacco company marketing.

Rhode Island Government Policies Affecting The Toll of Tobacco in Rhode Island

- **Annual State tobacco prevention spending from tobacco settlement and tax revenues: $1.9 million [National rank: 38 (with 1 the best), based on percent of CDC recommendation]**
- **State cigarette tax per pack: $3.46 [National rank: 1st (average state tax is $1.23 per pack)]**

Tobacco Use in Vermont

- **High school students who smoke: 18.2% [Girls: 16.6% Boys: 19.7%]**
- **High school males who use smokeless tobacco: 14.1%**
- **Kids (under 18) who try cigarettes for the first time each year: 2,500**
- **Additional Kids (under 18) who become new regular, daily smokers each year: 700**
- **Packs of cigarettes bought or smoked by kids in Vermont each year: 1.5 million**
- **Kids exposed to second hand smoke at home: 42,000**
- **Adults in Vermont who smoke: 17.6% [Men: 19.4% Women: 15.8% Pregnant Females: 20.1%]**

Nationwide, youth smoking has declined significantly since the mid-1990s, but that decline appears to have slowed. The 2007 Youth Risk Behavior Survey found that the percentage of high school students reporting that they have smoked cigarettes in the past month decreased to 20 percent in 2007 from 23 percent in 2005. 19.8 percent of U.S. adults (about 43.4 million) currently smoke, which is a significant decline from the 2006 rate of 20.8 percent.

Deaths in Vermont From Smoking

- **Adults who die each year in Vermont from their own smoking: 800**
- **Adult nonsmokers who die each year from exposure to secondhand smoke: 90**
- **Vermont kids who have lost at least one parent to a smoking-caused death: 500**
- **Kids alive in state today who will ultimately die from smoking: 12,000 (given current smoking levels)**

Smoking, alone, kills more people each year than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined. For every person in Vermont who dies from smoking approximately 20 more state residents are suffering from serious smoking-caused disease and disability, or other tobacco-caused health problems.

Tobacco-Related Monetary Costs in Vermont

- **Annual health care expenditures in the State directly caused by tobacco use: $233 million**
- **Annual health care expenditures in Vermont from secondhand smoke exposure: $9.4 million**
  - **State Medicaid program's total health expenditures caused by tobacco use: $72.0 million**
- **Citizens' state/federal taxes to cover smoking-caused gov't costs: $157.3 million ($623/household)**
- **Smoking-caused productivity losses in Vermont: $192 million**
- **Smoking-caused health costs and productivity losses per pack sold in Vermont: $10.04**

The productivity loss amount, above, is from smoking-death-shortened work lives, alone. Additional work productivity losses totaling in the tens of billions nationwide come from smoking-caused work absences, on-the-job performance declines, and disability during otherwise productive work lives Other non-health costs caused by tobacco use include direct residential and commercial property losses from smoking-caused fires (about $400 million nationwide); and the costs of extra cleaning and maintenance made necessary by tobacco smoke and tobacco-related litter (about $4+ billion per year for commercial establishments alone).

Tobacco Industry Advertising and Other Product Promotion

- **Annual tobacco industry marketing expenditures nationwide: $13.4 billion ($36+ million per day)**
- **Estimated portion spent in Vermont each year: $28.2 million**

Published research studies have found that kids are three times more sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure, and that one-third of underage experimentation with smoking is attributable to tobacco company marketing.

Vermont Government Policies Affecting The Toll of Tobacco in Vermont

- **Annual State tobacco prevention spending from tobacco settlement and tax revenues: $6.1 million [National rank: 7 (with 1 the best), based on percent of CDC recommendation]**
- **State cigarette tax per pack: $1.99 [National rank: 14th (average state tax is $1.23 per pack)]**

Sources

Youth smoking. *2007* Youth Risk Behavior Survey. Current smoking = smoked in past month. ***Male youth smokeless.*** 2007 YRBS.. Female smokeless use is much lower. ***New youth smokers.*** Estimate based on U.S. Dept of Health & Human Services (HHS), *"Summary Findings from the 2007 Nat'l Survey on Drug Use and Health,"* http://www.oas.samhsa.gov/NSDUH/2k7NSDUH/tabs/Sect4peTabs10to11.pdf, with the state share of the national number allocated through the formula in U.S. Centers for Disease Control & Prevention (CDC), "Projected Smoking-Related Deaths Among Youth—United States," *Morbidity & Mortality Weekly Report (MMWR)* 45(44):971-74, November 8, 1996 [based on state young adult smoking rates, as updated in CDC*, Sustaining State Programs for Tobacco Control, Data Highlights, 2006*]. ***Smokefree workplaces.*** Shopland, D, et al., "State-Specific Trends in Smoke-Free Workplace Policy Coverage: The Current Population Survey Tobacco Use Supplement, 1993 to 1999," *Jnl of Occupational & Environmental Medicine* 43(8):680-86, August 2001. ***Kids exposed to secondhand smoke.*** CDC, "State-Specific Prevalence of Cigarette Smoking Among Adults & Children's and Adolescents' Exposure to Environmental Tobacco Smoke—United States, 1996," *MMWR* 46(44):1038-43, November 7, 1997. ***Packs consumed by kids***. Estimated from Vermont's youth population & smoking rates; and see DiFranza, J & Librett, J, "State and Federal Revenues from Tobacco Consumed by Minors," *Am. Jnl of Public Health* 89(7):1106-08, July 1999 & Cummings, et al., "The Illegal Sale of Cigarettes to US Minors: Estimates by State," *AJPH* 84(2):300-302, February 1994. ***Adult smoking.*** State: 2007 BRFSS, *Behavioral Risk Factor Surveillance System*. National: 2007 Nat'l Health Interview Survey (NHIS), http://www.cdc.gov/mmwr/PDF/wk/mm5745.pdf ***Pregnant Females.*** CDC, "Smoking During Pregnancy—United States, 1990-2002," *MMWR* 53(39):911-15, October 8, 2004, http://www.cdc.gov/mmwr/PDF/wk/mm5339.pdf.

Adult deaths. CDC's STATE System (avg annual deaths from 2000-2004), http://apps.nccd.cdc.gov/StateSystem/systemIndex.aspx. CDC, "State-Specific Smoking-Attributable Mortality and Years of Potential Life Lost – United States, 2000-2004," (MMWR) 58(2), January 22, 2009; U.S. General Accounting Office (GAO), "CDC's April 2002 Report on Smoking: Estimates of Selected Health Consequences of Cigarette Smoking Were Reasonable," letter to U.S. Rep. Richard Burr, http://www.gao.gov/new.items/d03942r.pdf, July 16, 2003. ***Lost Parents.*** Leistikow, B, et al., "Estimates of Smoking-Attributable Deaths at Ages 15-54, Motherless or Fatherless Youths, and Resulting Social Security Costs in the United States in 1994," *Preventive Medicine* 30(5):353-360, May 2000, and state-specific data from author. ***Projected youth smoking deaths.*** CDC, *State Highlights 2006;* CDC, "Projected Smoking-Related Deaths Among Youth—United States," *MMWR* 45(44):971-974, November 11, 1996, www.cdc.gov/mmwr/mmwr_wk.html. ***Secondhand smoke deaths.*** California EPA, *Proposed Identification of Environmental Tobacco Smoke as a Toxic Air Contaminant*, June 24, 2005, http://repositories.cdlib.org/tc/surveys/CALEPA2005C/. See also, CDC, "Smoking-Attributable Mortality, Years of Potential Life Lost, and Productivity Losses—United States, 2000-2004," *MMWR* 57(45):1226-1228, November 14, 2008, http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5745a3.htm. ***Health and productivity costs caused by tobacco use.*** CDC, *State Data Highlights 2006* [and underlying CDC data/estimates], http://www.cdc.gov/tobacco/data_statistics/state_data/data_highlights/2006/index.htm. CDC, Smoking Attributable Mortality, Morbidity and Economic Costs, SAMMEC http://apps.nccd.cdc.gov/sammec/; AO, http://www.gao.gov/new.items/d03942r.pdf, July 16, 2003. State Medicaid program expenditures are before any federal reimbursement. ***SHS Costs.*** Behan, DF, et al., *Economic Effects of Environmental Tobacco Smoke*, Society of Actuaries, March 31, 2005, http://www.soa.org/files/pdf/ETSReportFinalDraft(Final%203).pdf [nationwide costs allocated to state based on its share of all U.S. smokers]. ***State-federal tobacco tax burden***. Equals Vermont residents' federal & state tax payments necessary to cover all state government tobacco-caused costs plus the residents' pro-rata share, based on state populations, of all federal tobacco-caused costs. See above and Zhang, X, et al., "Cost of Smoking to the Medicare Program, 1993," *Health Care Financing Review* 20(4):1-19, Summer 1999; Office of Management & Budget, *Budget for the United States Government - Fiscal Year 2000*, Table S-8, 1999; Leistikow, B, et al., "Estimates of Smoking-Attributable Deaths at Ages 15-54, Motherless or Fatherless Youths, and Resulting Social Security Costs in the United States in 1994," *Preventive Medicine* 30(5):353-360, May 2000 – with other state government tobacco costs taken to be 3% of all state smoking-caused health costs, as in CDC, "Medical Care Expenditures Attributable to Smoking—United States, 1993," *MMWR* 43(26):1-4, July 8, 1994. CDC's *State Data Highlights 2006* provides cost estimates that have been adjusted for inflation and put in 2004 dollars. To make the other cost data similarly current and more comparable, they have also been adjusted for inflation and put in 2004 dollars, using the same CDC methodology. ***Other tobacco-related costs.*** U.S. Treasury Dept., *Economic Costs of Smoking in the U.S. & the Benefits of Comprehensive Tobacco Legislation*, 1998; Chaloupka, F.J. & K.E. Warner, "The Economics of Smoking," in Culyer, A & Newhouse, J (eds), *Handbook of Health Economics*, 2000; CDC, *MMWR* 46(44), November 7, 1997; CDC, *Making Your Workplace Smokefree: A Decision Maker's Guide,* 1996; Mudarri, D, U.S. Environmental Protection Agency, *Costs & Benefits of Smoking Restrictions: An Assessment of the Smoke-Free Environment Act of 1993 (H.R. 3434)*, submitted to Subcommittee on Health & the Environment, Committee on Energy & Commerce, U.S. House of Rep., April 1994; Brigham, P & McGuire, A, "Progress Toward a Fire-Safe Cigarette," *Jnl of Public Health Policy* 16(4):433-439, 1995; Hall, JR, Jr., Nat'l Fire Protection Assoc., *The Smoking-Material Fire Problem*, November 2004. U.S. Fire Admin./Nat'l Fire Data Center, Federal Emergency Management Agency (FEMA), *Residential Smoking Fires & Casualties*, Topical Fire Research Series 5(5), June 2005, http://www.usfa.fema.gov/downloads/pdf/tfrs/v5i5.pdf.

Tobacco industry marketing. U.S. Federal Trade Commission (FTC), *Cigarette Report for 2004* and 2005, 2007 [data for top five manufacturers only], http://www.ftc.gov/reports/tobacco/2007cigarette2004-2005.pdf; FTC, *Federal Trade Commission Smokeless Tobacco Report for the Years 2004 and 2005, 2007* http://www.ftc.gov/reports/tobacco/0205smokeless0623105.pdf [top five manufacturers]. State total a prorated estimate based on cigarette pack sales in the state. See, also Campaign factsheet, *Increased Cigarette Company Marketing Since the Multistate Settlement Agreement Went into Effect*, http://tobaccofreekids.org/research/factsheets. ***Tobacco marketing influence on youth.*** Pollay, R, et al., "The Last Straw? Cigarette Advertising & Realized Market Shares Among Youths & Adults," *Jnl of Marketing* 60(2):1-16, April 1996); Evans, N, et al., "Influence of Tobacco Marketing & Exposure to Smokers on Adolescent Susceptibility to Smoking," *Jnl of the Nat'l Cancer Inst* 87(20):1538-45, October 1995. See also, Pierce, JP, et al., "Tobacco Industry Promotion of Cigarettes & Adolescent Smoking," *Jnl of the American Medical Association (JAMA)* 279(7):511-505, February 1998 [with erratum in *JAMA* 280(5):422, August 1998]. See, also, Campaign factsheet, *Tobacco Marketing to Kids*, http://www.tobaccofreekids.org/research/factsheets/pdf/0008.pdf.

Spending to reduce tobacco use and ranking. Campaign for Tobacco-Free Kids, et al*., A Decade of Broken Promises: The 1998 State Tobacco Settlement Ten Years Later,* November 18, 2008, http://tobaccofreekids.org/reports/settlements. ***Vermont cigarette tax and rank.*** Orzechowski & Walker, *The Tax Burden on Tobacco* (2008) [industry-funded annual report], with updates from state agencies and media reports.

APPENDIX B

COMPREHENSIVE TOBACCO PREVENTION AND CESSATION PROGRAMS EFFECTIVELY REDUCE TOBACCO USE

Tobacco control programs play a crucial role in the prevention of many chronic conditions such as cancer, heart disease, and respiratory illness. Comprehensive tobacco prevention and cessation programs prevent kids from starting to smoke, help adult smokers quit, educate the public, the media and policymakers about policies that reduce tobacco use, address disparities, and serve as a counter to the ever-present tobacco industry.

Recommendations for state tobacco prevention and cessation programs are best summarized in the Center for Disease Control and Prevention's *Best Practices for Comprehensive Tobacco Control Programs*. In this guidance document, CDC recommends that states establish tobacco control programs that are comprehensive, sustainable, and accountable and include state and community interventions, public education interventions, cessation programs, surveillance and evaluation and administration and management.[1]

The empirical evidence regarding the effectiveness of comprehensive tobacco prevention and cessation programs is vast and growing. There is more evidence than ever before that tobacco prevention and cessation programs work to reduce smoking, save lives and save money. In 2007, the Institute of Medicine and the President's Cancer Panel all issued landmark reports that concluded there is overwhelming evidence that state comprehensive state tobacco control programs substantially reduce tobacco use and recommended that every state fund such programs at CDC-recommended levels.[2]

Data from numerous states that have implemented programs consistent with CDC guidelines show significant reductions in youth and adult smoking. The most powerful evidence, however, comes from national studies that look across states and control for as many of the relevant confounding factors as possible. These rigorous studies consistently show effects of tobacco prevention and cessation programs.

A recent study published in the *American Journal of Public Health*, examined state tobacco prevention and cessation funding levels from 1995 to 2003 and found that the more states spent on these programs, the larger the declines they achieved in adult smoking, even when controlling for other factors such as increased tobacco prices. The researchers also calculated that if every state had funded their programs at the levels recommended by the U.S. Centers for Disease Control (CDC) during that period, there would have been between 2.2 million and 7.1 million fewer smokers in the United States by 2003.[3] The Campaign for Tobacco-Free Kids estimates that such smoking declines would have saved between 700,000 and 2.2 million lives as well as between $20 billion and $67 billion in health care costs.

The study described above adds to earlier research, using similar methods, which demonstrated the same type of relationship between program spending and youth smoking declines. A 2005 study concluded that if every state had spent the minimum amount recommended by the CDC for tobacco prevention, youth smoking rates nationally would have been between three and 14 percent lower during the study period, from 1991 to 2000. Further, if every state funded tobacco prevention at CDC minimum levels, states would prevent nearly two million kids alive today from becoming smokers, save more than

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[1] Centers for Disease Control and Prevention (CDC), *Best Practices for Comprehensive Tobacco Control Programs*, Atlanta, GA: U.S. Department of Health and Human Services (HHS), October 2007, http://www.cdc.gov/tobacco/tobacco_control_programs/stateandcommunity/best_practices. v

[2] Institute of Medicine, *Ending the Tobacco Problem: A Blueprint for the Nation*, National Academy of Sciences, 2007; *Promoting Healthy Lifestyles: Policy, Program and Personal Recommendations for Reducing Cancer Risk,* 2006-2007 Annual Report, President's Cancer Panel; See also, Institute of Medicine, State Programs Can Reduce Tobacco Use, National Academy of Sciences, 2000; HHS, Reducing Tobacco Use: A Report of the Surgeon General, 2000.

[3] Farrelly, MC, et al., "The Impact of Tobacco Control Programs on Adult Smoking," *American Journal of Public Health* 98:304-309, February 2008.

600,000 of them from premature, smoking-caused deaths, and save $23.4 billion in long-term, smoking-related health care costs.[4]

A 2003 study published in the *Journal of Health Economics* 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.[5]

A 2006 study published in the *American Journal of Health Promotion* provides further evidence of the effectiveness of comprehensive tobacco control programs and tobacco control policies. The study's findings suggest that well-funded tobacco control programs combined with strong tobacco control policies increase cessation rates. Quit rates in communities that experienced both policy and programmatic interventions were higher than quit rates in communities that had only experienced policy interventions (excise tax increases or secondhand smoke regulations). This finding supports the claim that state-based tobacco control programs can accelerate adult cessation rates in the population and have an effect beyond that predicted by tobacco-control policies alone.[6]

Data from numerous states provide additional evidence of the effectiveness of comprehensive tobacco prevention and cessation programs. States that have implemented comprehensive programs have achieved significant reductions in tobacco use among both adults and youth. The experiences in states from around the country who have invested in comprehensive prevention programs establish the following key points:

- When adequately funded, comprehensive state tobacco prevention programs quickly and substantially reduce tobacco use, save lives, and cut smoking-caused costs.
- State tobacco prevention programs must be insulated against the inevitable attempts by the tobacco industry to reduce program funding and otherwise interfere with the programs' successful operation.
- The programs' funding must be sustained over time both to protect initial tobacco use reductions and to achieve further cuts.
- When program funding is cut, progress in reducing tobacco use erodes, and the state suffers from higher levels of smoking and more smoking-caused deaths, disease, and costs.

Unfortunately, many states faced with budget difficulties have recently made the penny-wise but pound-foolish decision to slash the funding of even the most effective tobacco control programs, which will cost lives and money.[7]

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[4] Tauras, JA, et al., "State Tobacco Control Spending and Youth Smoking," *American Journal of Public Health* 95:338-344, February 2005.
[5] Farrelly, MC, et al., "The Impact of Tobacco Control Program Expenditures on Aggregate Cigarette Sales: 1981-2000," *Journal of Health Economics* 22:843-859, 2003.
[6] Hyland, A, et al., "State and Community Tobacco-Control Programs and Smoking – Cessation Rates Among Adult Smokers: What Can We Learn From the COMMIT Intervention Cohort?" *American Journal of Health Promotion* 20(4):272, April/March 2006.
[7] This factsheet focuses on the extensive public health benefits obtained by state tobacco prevention programs. Other Campaign factsheets show that these programs also reduce smoking-caused costs, including those incurred by state Medicaid programs. See, e.g., TFK Factsheet, *Comprehensive Statewide Tobacco-Prevention Programs Save Money*, http://tobaccofreekids.org/research/factsheets/pdf/0168.pdf.

Program Success – California

In 1988, California voters approved Proposition 99, a ballot initiative that increased state cigarette taxes by 25 cents per pack, with 20 percent of the new revenues (over $100 million per year) earmarked for health education against tobacco use. California launched its new Tobacco Control Program in Spring 1990. Despite increased levels of tobacco marketing and promotion, a major cigarette price cut in 1993, tobacco company interference with the program, and periodic cuts in funding, the program has still reduced tobacco use and its attendant devastation substantially.

- California's comprehensive approach has reduced adult smoking significantly. Adult smoking declined by 43 percent from 1988 to 2007, from 24.2 percent to 13.8 percent.[8] If every state had California's current smoking rate, there would be more than 16 million fewer smokers in the United States.

- Since the passage of Proposition 99, between 1988 and 2003, cigarette consumption in California declined by 60 percent, compared to just 38 percent for the country as a whole.[9] Even after the tobacco industry's successful efforts to reduce the state's tobacco prevention funding, cigarette consumption still declined more in California than in the rest of the country.[10]

- In the 10 years following the passage of Proposition 99, adult smoking in California declined at twice the rate it declined in the previous decade.[11]

- Between 1988 and 2003, lung and bronchus cancer rates in California declined at three times the rate of decline as the rest of the U.S.[12] Surveillance, Epidemiology, and End Results (SEER) data associated lower lung cancer incidence with California's program.[13]

- In California, from 1996 to 2006, smoking declined by 45 percent among eighth grade students and by 46 percent among tenth grade students. From 2000 to 2006, smoking prevalence decreased by more than 20 percent among twelfth grade students.[14]

The California tobacco control program produced much larger smoking reductions in the early years, when it was funded at its highest levels, than during subsequent years, when the state cut its funding. For example, when California cut the program's funding in the mid 1990s, its progress in reducing adult and youth smoking rates stalled, but it got back on track when program funding was partially restored.[15]

Program Success – Washington

The Washington State Tobacco Prevention and Control program was implemented in 1999 after the state Legislature set aside money from the Master Settlement Agreement to create a Tobacco Prevention and Control Account. Tobacco prevention and control received additional funds in 2001 when the state's voters passed a cigarette tax increase that dedicated a portion of the new revenue to tobacco prevention

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[8] Adult Smoking Prevalence, California Department of Health Services, Tobacco Control Section, 2007 http://www.dhs.ca.gov/tobacco. See also, Overview of Evaluation in the California Tobacco Control Program; Warner, Kenneth E, et al., "Tobacco Control Success vs Demographic Destiny: Examining the Causes of the Low Smoking Prevalence in California," *Am J Public Health* 98: 268-269, February 2008.

[9] Cigarette Consumption, California Department of Health Services, Tobacco Control Section, 2005. http://www.dhs.ca.gov/tobacco.

[10] Pierce, JP, et al., "Has the California Tobacco Control Program Reduced Smoking?," *Journal of the American Medical Association* 280(10), September 9, 1998.

[11] *California's Tobacco Control Program: Preventing Tobacco Related Disease and Death*; Tobacco Control Section, California Department of Health Services, April 3, 1998.

[12] California Department of Health Services, Tobacco Control Section, California Tobacco Control Update, 2006, http://www.cdph.ca.gov/programs/tobacco/Documents/CTCPUpdate2006.pdf; CDC, presentation at the National Conference on Tobacco or Health, 2007, Minneapolis, MN.

[13] Cancer Surveillance Section, California Department of Health Services. Unpublished data. See also, California Department of Health Services, Tobacco Control Section, California Tobacco Control Update, 2004, http://www.dhs.ca.gov/tobacco/documents/pubs/2004TCSupdate.pdf.

[14] California Department of Health Services, Tobacco Control Section, Youth Smoking, 2008 http://www.cdph.ca.gov/programs/tobacco/Documents/CTCPFactShYouthSmoking2008.pdf.

[15] Pierce, JP, et al., "Has the California Tobacco Control Program Reduced Smoking?," *Journal of the American Medical Association* 280(10):893-899, September 9, 1998.

and cessation. According to a recent study in CDC's peer-reviewed journal, *Preventing Chronic Disease*, although Washington made progress in implementing tobacco control policies between 1990 and 2000, smoking prevalence did not decline significantly until after substantial investment was made in the state's comprehensive tobacco control program.[16] As the data below demonstrate, Washington's comprehensive program is working.

- Since the program began, Washington's tobacco prevention efforts have cut smoking by 60 percent among sixth graders, 58 percent among eighth graders, 40 percent among tenth graders, and 43 percent among twelfth graders. Because of these declines, there are 65,000 fewer youth smokers in Washington.[17]

- Since the tobacco control program was implemented, adult smoking has declined by 24 percent, from 22.4 percent in 1999 to 16.5 percent in 2007, one of the lowest smoking rates in the country.[18] Washington's dramatic decline in adult smoking translates to more than 240,000 fewer smokers in the state, saving about $2.1 billion in future health care costs.[19]

Program Success – New York

New York began implementing a comprehensive state tobacco control program in 2000 with funds from the Master Settlement Agreement and revenue from the state cigarette tax. As the data below demonstrate, New York's comprehensive approach is working. While declines in youth smoking nationally have slowed, New York's rates continue to decline steadily.

- Between 2000 and 2006, smoking among middle school students declined by 61 percent, (from 10.5 percent to 4.1 percent), and smoking among high school students declined by 40 percent, (from 27.1 percent to 16.3 percent).[20]

- Between 2000 and 2006, adult smoking declined by 15 percent, from 21.6 percent to 18.3 percent.[21]

Program Success – Maine

In 1997, Maine increased its cigarette excise tax and used a portion of those funds to establish a comprehensive tobacco prevention program known as the Partnership for a Tobacco-Free Maine. Maine has subsequently augmented its program with proceeds from the 1998 state tobacco settlement, which also resulted in a further increase in cigarette prices (the state also raised cigarette taxes again in 2001, to $1.00 per pack, and in 2005 to $2.00 per pack). Prior to launching this effort, Maine had one of the highest youth smoking rates in the country. Now, it has one of the lowest.

- Smoking among Maine's high school students declined a dramatic 64 percent between 1997 and 2007, falling from 39.2 percent to 14 percent. Smoking among Maine's middle school students declined by 71 percent, from 21 percent to 6 percent, over the same time period.[22] The Maine Department of Health (DOH) has calculated that, as a result of these declines, there are now more than 26,000 fewer youth smokers in Maine and more than 14,000 youth will be

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[16] Dilley JA, et al., "Effective tobacco control in Washington State: A smart investment for healthy futures," *Preventing Chronic Disease* 4(3), July 3, 2007, http://www.cdc.gov/pcd/issues/2007/jul/06_0109.htm.

[17] Washington State Department of Health, Tobacco Prevention and Control Program, Progress Report, March 2007. Data are from 2006 Healthy Youth Survey, http://www.doh.wa.gov/Tobacco/program/reports/tpcp07progrpt.pdf .

[18] CDC, *Behavioral Risk Factor Surveillance System* (BRFSS), http://apps.nccd.cdc.gov/brfss/display.asp?cat=TU&yr=2006&qkey=4396&state=WA.

[19] Dilley JA, et al., "Effective tobacco control in Washington State: A smart investment for healthy futures," *Preventing Chronic Disease* 4(3), July 3, 2007. See also, Washington State Department of Health, Tobacco Prevention and Control Program, Progress Report, March 2007. See also, Behavioral Risk Factor Surveillance System for adult smoking rates.

[20] Youth Tobacco Surveillance in New York State, 2006. NY State Department of Health. http://www.nyhealth.gov/prevention/tobacco_control/youth_tobacco_survey.htm

[21] CDC, *Behavioral Risk Factor Surveillance System* (BRFSS), http://apps.nccd.cdc.gov/brfss/list.asp?cat=TU&yr=2006&qkey=4396&state=All.

[22] *Maine 2007 Youth Risk Behavior Survey*, Maine Department of Human Services, 2008.

saved from premature, smoking-caused deaths. Based on estimates that smokers, on average, have $16,000 more in lifetime health care costs than non-smokers, the DOH calculated that these declines will save Maine more than $416 million in long-term health care costs.

Program Success – Indiana

In 2000, Indiana implemented a comprehensive tobacco prevention and cessation program with revenue received from the state's tobacco settlement. Indiana's program is modeled after other comprehensive programs that have been successful in reducing tobacco use. Indiana's program includes public education efforts, a counter-marketing campaign, community and school-based programs, and enforcement initiatives.[23]

- Between 2000 and 2006, smoking among high school students declined by 25 percent, (from 32.0 percent to 23.9 percent).
- Smoking among middle school students declined by 22 percent, from 10 percent to 7.8 percent, over this same time period.

Program Success – An Experiment in Texas

Rather than using settlement money to fund a comprehensive statewide tobacco prevention program, the state of Texas decided to use a small portion of its tobacco settlement money to test tobacco prevention interventions of varying intensity and comprehensiveness in selected parts of the state. Not surprisingly, this experiment found that the largest effects on both youth smoking rates occurred in those areas where comprehensive programs were implemented and sustained. Data show that youth smoking in the comprehensive program area decreased at more than four times the state rate of decline.[24]

- Between 2000 and 2005, smoking among high school students dropped by 46 percent, from 34.2 percent to 18.3 percent, in the Beaumont/Port Arthur comprehensive program area. Statewide, youth smoking only declined by 9.3 percent, from 24.7 percent in 2001 to 22.4 percent in 2004.
- From 2000 to 2005, current cigarette use among middle school students decreased by 34 percent (from 17 percent to 11.2 percent) in the Beaumont/Port Arthur comprehensive program area. Statewide, smoking among middle school students actually increased by 2 percent, from 10.2 percent to 10.4 percent, between 2001 and 2004.

Program Success – Massachusetts

In 1992, Massachusetts voters approved a referendum that increased the state cigarette tax by 25 cents per pack. Part of the new tax revenues was used to fund the Massachusetts Tobacco Control Program (MTCP), which began in 1993. As in California, despite some reductions in funding encouraged by the tobacco industry, the program achieved considerable success until its funding was cut by more than 90 percent in 2003. Data from 2000 demonstrate that the program was successful in reducing tobacco use among both children and adults.

- Massachusetts cigarette consumption declined by 36 percent between 1992 and 2000, compared to a decrease of just 16 percent in the rest of the country (excluding California).[25]
- From 1995 to 2001, current smoking among Massachusetts high school students dropped by 27 percent (from 35.7 percent to 26 percent), while the nationwide rate dropped by 18 percent (34.8 percent to 28.5 percent)[26]

[23] Indiana Youth Tobacco Survey, 2000 and 2006, http://www.in.gov/itpc/files/youth_fact_sheet_Jan08.pdf
[24] McAlister, AL, et al., "Settlement-Funded Tobacco Control in Texas: 2000-2004 Pilot Project Effects on Cigarette Smoking," *Public Health Reports*, May-June, 2006.
[25] Abt Associates Inc, *Independent Evaluation of the Massachusetts Tobacco Control Program, Seventh Annual Report, January 1994 to June 2000.*
[26] *Massachusetts Youth Risk Behavior Survey 2001*; *National Youth Risk Behavior Survey*.

- Between 1993 and 2000, adult smoking prevalence dropped from 22.6 percent to 17.9 percent, resulting in 228,000 fewer smokers.[27] Nationally, smoking prevalence dropped by just seven percent over this same time period.[28]

- Between 1990 and 1999, smoking among pregnant women in Massachusetts declined by more than 50 percent (from 25 percent to 11 percent). Massachusetts had the greatest percentage decrease of any state over the time period (the District of Columbia had a greater percent decline).[29]

Despite the considerable success achieved in Massachusetts, funding for the state's tobacco prevention and cessation program was cut by 95 percent – from a high of approximately $54 million per year to just $2.5 million in FY2004, although funding for the program has increased slightly in recent years. These drastic reductions in the state's investments to prevent and reduce tobacco use will translate directly into higher smoking rates, especially among kids, and more smoking-caused disease, death, and costs. In fact, a study released by the Massachusetts Association of Health Boards shows that the Massachusetts program funding cuts have already been followed by an alarming increase in illegal sales of tobacco products to children.[30]

- Between 2002 and 2003, cigarette sales to minors increased by 74 percent, from eight percent to 13.9 percent in communities that lost a significant portion of their enforcement funding.

- Over the same time period, cigarette sales to minors increased by 98 percent in communities that lost all of their local enforcement funding.

Between 1992 and 2003, per capita cigarette consumption declined at a higher rate in Massachusetts as it did in the country as a whole (47 percent v. 28 percent). However, from 2003 to 2006, Massachusetts' per capita cigarette consumption declined a mere seven percent (from 47.5 to 44.1 packs per capita), while the U.S. average cigarette consumption declined by ten percent (from 67.9 to 61.1 packs per capita). Most recently, between 2005 and 2006, Massachusetts' per capita cigarette consumption *increased* by 3.2 percent (from 42.7 to 44.1 packs per capita), while nationwide, per capita consumption *declined* by 3.5 percent (from 63.3 to 61.1 packs per capita).[31]

[27] Abt Associates Inc, *Seventh Annual Report - January 1994 to June 2000*.
[28] National Health Interview Survey, 1993 and 2000.
[29] Abt Associates Inc, *Seventh Annual Report - January 1994 to June 2000*.
[30] Sbarra, C, Massachusetts Association of Health Boards, Abstract, March 2004.
http://www.mahb.org/tobacco/sales%20to%20minors%20study%20abstract.pdf
[31] Data from Orzechowski & Walker, *Tax Burden on Tobacco 2006* [an industry-funded report]. Per capita cigarette consumption is measured as per capita cigarette pack sales.

APPENDIX C

COMPREHENSIVE STATEWIDE TOBACCO PREVENTION PROGRAMS SAVE MONEY

It is well established that comprehensive statewide tobacco-prevention programs prompt sharp reductions in smoking levels among both adults and kids by both increasing the numbers who quit or cutback and reducing the numbers who start or relapse.[1] As shown by the experience of those states that already have comprehensive tobacco-prevention programs, these smoking reductions save thousands of people from suffering from the wide range of smoking-caused illnesses and other health problems, thereby producing enormous declines in state health care costs and other smoking-caused expenditures.

Immediate Savings

Substantial cost savings from getting adult smokers to quit begin to appear as soon as the smoking declines occur. While most of the healthcare savings from getting kids to quit smoking or never start do not appear until many years later, some savings from reducing youth smoking also appear immediately. Most notably, reducing smoking among pregnant women (including pregnant teens, who have especially high smoking rates) produce immediate reductions in smoking-caused pregnancy and birth complications and related healthcare costs. Research studies estimate that the direct additional healthcare costs in the United States associated just with the birth complications caused by pregnant women smoking or being exposed to secondhand smoke could be as high as $2 billion per year or more, with the costs linked to each smoking-affected birth averaging $1,142 to $1,358.[2] And state Medicaid programs cover well over half of all births in the United States.[3]

Not surprisingly, program officials have announced that the Massachusetts comprehensive tobacco-prevention program, which began in 1993, quickly began paying for itself just through the declines in smoking among pregnant women in the state.[4] In addition, research in California shows that its program, which began in 1989, reduced state healthcare costs by more than $100 million in its first seven years just by reducing the number of smoking-caused low-birthweight babies, with more than $11 million of those savings in the first two years.[5] Subsequent research indicates that California's overall cost savings from reducing all smoking-affected births and birth complications during its first two years totaled roughly $20 million.[6]

Similarly, smoking declines among parents (including teen parents) rapidly produce healthcare cost savings by immediately reducing smoking-triggered asthma and respiratory illness and other

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[1] For extensive examples of real-world adult and youth smoking declines in states that have already initiated statewide tobacco-prevention programs, see TFK Factsheet, *Comprehensive Statewide Tobacco Prevention Programs Effectively Reduce Tobacco Use*, http://www.tobaccofreekids.org/research/factsheets/pdf/0045.pdf, and other related Factsheets at www.tobaccofreekids.org/research/factsheets/index6.shtml. For information on the structure of effective state programs, see TFK Factsheet, *Essential Elements of a Comprehensive State Tobacco Prevention Program*, http://www.tobaccofreekids.org/research/factsheets/pdf/0015.pdf, and the others at www.tobaccofreekids.org/research/factsheets/index7.shtml.

[2] Miller, P, et al., "Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking," *Nicotine & Tobacco Research* 3(1):25-35, February 2001. Lightwood, JM, et al., "Short-Term Health and Economic Benefits of Smoking Cessation: Low Birth Weight," *Pediatrics* 104(6):1312-20, December 1999. Adams, EK & Melvin, CL, "Costs of Maternal Conditions Attributable to Smoking During Pregnancy," *American Jnl of Preventive Medicine* 15(3): 212-19, October 1998. U.S. Centers for Disease Control & Prevention (CDC), "Medical Care Expenditures Attributable to Cigarette Smoking During Pregnancy – United States, 1995," *MMWR* 46(44):1048-1050, November 7, 1997, http://www.cdc.gov/mmwr/preview/mmwrhtml/00049800.htm.

[3] Orleans, CT, et al., "Helping Pregnant Smokers Quit: Meeting The Challenge in the Next Decade," *Tobacco Control* 9(Supplemental III):6-11, 2000, http://tc.bmjjournals.com.

[4] Connolly, W, Director, Massachusetts Tobacco Control Program, Joint Hearing of the Pennsylvania House of Representatives Committee on Health and Human Services and the Pennsylvania Senate Committee on Public Health and Welfare, June 22, 1999. Campaign for Tobacco-Free Kids (TFK) Factsheet, *Harm Caused by Pregnant Women Smoking or Being Exposed to Secondhand Smoke*, http://tobaccofreekids.org/research/factsheets.

[5] Lightwood, JM, et al., "Short-Term Health and Economic Benefits of Smoking Cessation: Low Birth Weight," *Pediatrics*, 104(6):1312-1320, December 1999.

[6] Miller, P, et al., "Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking," *Nicotine & Tobacco Research* 3(1):25-35, February 2001.

secondhand-smoke health problems among their children. Parental smoking has been estimated to cause direct medical expenditures of more than $2.5 billion per year to care for smoking-caused problems of exposed newborns, infants, and children.[7] And these estimates do not even include the enormous costs associated with the physical, developmental, and behavioral problems of smoking-affected offspring that not only occur during infancy but can extend throughout their entire lives.[8]

By quickly reducing the number of cigarettes smoked by adults and kids in the state each year, statewide tobacco-control programs also reduce other health problems, and related costs, caused by secondhand smoke. Adults and children with emphysema, asthma or other respiratory illnesses, for example, can suffer immediate distress from being exposed to cigarette smoke, which can even lead to hospitalization in some cases.[9] Reducing the number of cigarettes smoked in a state can also reduce the number of smoking-caused fires and the amount of smoking-caused smoke damage, soiling, and litter. While no good estimates of the related cost savings exist, smoking-caused fires cause more than $500 million in residential and commercial property losses each year; and business maintenance and cleaning costs caused by smoking annually total roughly $5 billion nationwide.[10]

Sharp drops in the major smoking-caused diseases (such as strokes, heart disease, and lung and other cancers), with large related savings, do not appear for several years after state adult smoking levels decline. But some small declines in these smoking-caused diseases do begin to occur immediately, with significant cost savings. In California, for example, the state tobacco control program's reductions to adult smoking in its first seven years produced healthcare costs savings of $390 million just through the related declines in smoking-caused heart attacks and strokes, with more than $25 million of those savings appearing in the first two years.[11]

Annual Cost Savings From An Established State Tobacco-Prevention Program

As noted, California's tobacco-control program secured substantial savings over the first seven years of its operation just from reducing smoking-affected births and smoking-caused heart attacks and strokes. Taken together, these savings more than covered the entire cost of the state's program over that time period, by themselves, and produced even larger savings in the following years.[12] 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.[13] 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.[14] In addition, these savings estimates for California do not even reflect the fact that since 1988 (the year before the California tobacco-prevention began), the rates of lung and bronchus cancer in California have declined more than five times as fast as they have in a sample of other areas of the U.S. (-14.0% vs. -2.7%). This decline is not only

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[7] Aligne, CA & Stoddard, JJ, "Tobacco and Children: An Economic Evaluation of the Medical Effects of Parental Smoking," *Archives of Pediatric and Adolescent Medicine*, 151:648-653, July 1997.
[8] TFK Factsheet, *Harm Caused by Pregnant Women Smoking or Being Exposed to Secondhand Smoke*, http://tobaccofreekids.org/research/factsheets/pdf/0007.pdf.
[9] See, e.g, California Environmental Protection Agency, *Health Effects of Exposure to Environmental Tobacco Smoke*, 1997, http://www.oehha.org/air/environmental_tobacco/finalets.html.
[10] Hall, JR, Jr., *The U.S. Smoking-Material Fire Problem*, National Fire Protection Association, April 2001; Mudarri, D, *The Costs and Benefits of Smoking Restrictions: An Assessment of the Smoke-Free Environment Act of 1993 (H.R. 3434)*, U.S. Environmental Protection Agency report submitted to the Subcommittee on Health and the Environment, Committee on Energy and Commerce, U.S. House of Representatives, April 1994; CDC, *Making Your Workplace Smokefree: A Decision Maker's Guide*, 1996.
[11] Lightwood, J & Glantz, S, "Short-term Economic and Health Benefits of Smoking Cessation: Myocardial Infarction and Stroke," *Circulation*, 96:1089-1096, 1997. Kabir, et al., "Coronary Heart Disease Deaths and Decreased Smoking Prevalence in Massachusetts, 1993-2003," *American Jnl of Public Health* 98(8): 1468-69, August, 2008.
[12] Lightwood, J & Glantz, S, "Short-term Economic and Health Benefits of Smoking Cessation: Myocardial Infarction and Stroke," *Circulation*, 96:1089-1096, 1997; Lightwood, JM, et al., "Short-Term Health and Economic Benefits of Smoking Cessation: Low Birth Weight," *Pediatrics* 104(6):1312-1320, December 1999; Miller, P, et al., "Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking," *Nicotine & Tobacco Research* 3(1):25-35, February 2001.
[13] 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/pubs/CTCUpdate.pdf.
[14] Tobacco Control Section, California Department of Health Services, *California Tobacco Control Update*, August 2000, http://www.dhs.ca.gov/tobacco/documents/pubs/CTCUpdate.pdf or http://www.dhs.ca.gov/tobacco.

saving thousands of lives but also saving the state millions of dollars in medical costs with projected future savings in the billions.[15]

Because it started later, and is a smaller state (which faces higher per-capita costs to implement some key tobacco-control elements), the Massachusetts program has not yet enjoyed as large per-capita savings as the California tobacco prevention program. But a report by an economist at the Massachusetts Institute of Technology in 2000 found that the state's program was already reducing statewide healthcare costs by $85 million per year – which means the state was annually reducing smoking-caused health care costs by at least two dollars for every single dollar it invested in its comprehensive tobacco-prevention efforts.[16]

More recent research has added to these findings to show that state programs secure even larger returns on investment for sustained funding of tobacco prevention at adequate levels over ten or more years. Most notably, a more recent study of California's tobacco prevention program found that for every dollar the state spent on its tobacco control program from 1989 to 2004, the state received tens of dollars in savings in the form of sharp reductions to total healthcare costs in the state.[17] This study confirms that the cost-saving benefits from sustained state investments in effective tobacco control programs quickly grow over time to dwarf the state expenditures, producing massive gains for the state not only in terms of both improved public health and increased worker productivity but in reduced government, business, and household costs.

Similarly, an August 2008 Australian study found that for every dollar spent on a strong tobacco control program there (consisting primarily of aggressive anti-smoking television ads along with telephone quitlines and other support services to help smokers quit) the program reduced future healthcare costs by $70 over the lifetimes of the persons the program prompted to quit. This savings estimate was based on the study's finding that for every 10,000 who quit because of the tobacco control program, more than 500 were saved from lung cancer, more than 600 escaped having heart attacks, at least 130 avoid suffering from a stroke, and more than 1700 were prevented from suffering from chronic obstructive pulmonary disease (COPD).[18]

Even Larger Future Savings From Early Tobacco-Program Smoking Declines

While impressive, the estimates of current savings compared to current costs overlook a critically important component of the cost savings from state tobacco-control. 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. Put simply, the lifetime healthcare costs of smokers total at least $16,000 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.[19] That means that for every thousand kids kept from smoking by a state program, future healthcare costs in the state decline by roughly $16 million (in current dollars), and for every thousand adults prompted to quit future health costs drop by roughly $8.5 million.

[15] CDC, "Declines in Lung Cancer Rates – California," *MMWR* 49(47):1066-9, December 2000, http://www.cdc.gov/mmwr/preview/mmwrhtml/mm4947a4.htm.
[16] Harris, J, "Status Report on the Massachusetts Tobacco Control Campaign, with a Preliminary Calculation of the Impact of the Campaign on Total Health Care Spending in Massachusetts," 2000.
[17] Lightwood, JM et al., "Effect of the California Tobacco Control Program on Personal Health Care Expenditures," *PLOS Medicine* 5(8): 1214-22, August 2008, http://medicine.plosjournals.org/perlserv/?request=get-document&doi=10.1371%2Fjournal.pmed.0050178.
[18] Hurley, SF & JP Matthews, "Cost-Effectiveness of the Australian National Tobacco Campaign," *Tobacco Control*, http://tobaccocontrol.bmj.com/cgi/content/abstract/tc.2008.025213v1, published online August 21, 2008.
[19] Hodgson, TA, "Cigarette Smoking and Lifetime Medical Expenditures," *The Millbank Quarterly* 70(1), 1992 [study's results converted to 2004 dollars using Consumer Price Index for medical care prices (following CDC updating formulas and procedures)]; See also, Nusselder, W, et al., "Smoking and the Compression of Morbidity," *Epidemiology and Community Health*, 2000; Warner, KE, 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.bmjjournals.com.

These savings-per-thousand figures are significant, but it is important to note that in an average-sized state a one percentage point decline in adult smoking means that more than 30,000 adults have quit smoking, which translates into savings over their lifetimes of more than a quarter of a billion dollars in reduced smoking-caused healthcare costs. And maintaining a single one-percentage-point reduction in youth smoking in an average-sized state will keep 16,000 kids alive today from ever becoming smokers, producing healthcare savings over their lifetimes of more than one quarter of a billion dollars, as well.[20] Moreover, an adequately funded, comprehensive statewide tobacco-prevention program in any state should be able to reduce adult and youth smoking by much more than a single percentage point over just its first few years of operation. California, for example, reduced adult smoking rates by roughly one percentage point per year, above and beyond national adult smoking declines, during each of its first seven years.[21] In the first three years of its youth-directed tobacco control program, Florida reduced high-school and middle-school smoking by almost three percentage points per year.[22] By reducing adult and youth smoking rates by five percentage points, an average-sized state would reduce future state smoking-caused healthcare costs by more than $2.5 billion.

Along the same lines, the findings of a 2004 study show that if every state funded it tobacco prevention efforts at the minimum amount recommended by the U.S. Centers for Disease Control and Prevention (CDC), just the related declines in youth smoking would lock in future reductions in smoking-caused healthcare costs of more than $31 billion.[23] The related declines in adult smoking and in secondhand smoke exposure from the states making these CDC investments in tobacco prevention would lock in tens of billions of dollars in additional smoking-caused cost savings.

State Tobacco-Prevention Efforts and State Medicaid Program Savings

The long-term savings from state tobacco-prevention programs -- as well as the immediate and short-term savings outlined above – 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 (with actual state rates ranging from a low of slightly more than 10% for North Dakota and Delaware to more than 27% for Maine, New Hampshire and New York, and a high of 36% for Louisiana).[24] Other state healthcare programs and the state's health insurance programs for government employees also accrue significant cost savings from the smoking declines prompted by state tobacco-prevention programs.

Can Other States Do As Well As California and Massachusetts?

States that establish comprehensive statewide tobacco-prevention programs should do at least as well, in terms of cost savings, as California and Massachusetts have in the past, and could do even better. By taking advantage of the knowledge and experience gained from the efforts in California, Massachusetts, and elsewhere, other states can design and initiate programs that are even more effective than those states' early efforts and can get up to full speed more quickly. Other states can also simply make larger investments in tobacco prevention. Massachusetts and California tobacco-control expenditures have only roughly matched or even fallen below the minimum funding recommendations of the U.S. Centers for Disease Control and Prevention (CDC). By matching or exceeding the CDC guidelines, and maintaining those funding levels over time, other states should secure even larger per-capita savings.

[20] Calculations based on adult and youth population data from U.S. Bureau of the Census.
[21] Tobacco Control Section, California Department of Health Services, "Adult Smoking Trends in California," http://www.dhs.ca.gov/tobacco/documents/FSAdulttrends.pdf, downloaded February 2002.
[22] Florida Department of Health, *2001 Florida YTS*, http://www.doh.state.fl.us/disease_ctrl/epi/FYTS.
[23] Tauras, JA, et al., "State Tobacco Control Spending and Youth Smoking," *American Journal of Public Health*, February, 2005 [with additional calculations by the primary authors based on the studies findings and methodology].
[24] 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.

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[2] U.S. Federal Trade Commission (FTC), Cigarette Report for 2004 and 2005, 2007, http://www.ftc.gov/reports/tobacco/2007cigarette2004-2005.pdf. FTC, Smokeless Tobacco Report for the Years 2002 and 2005, 2007, http://www.ftc.gov/reports/tobacco/02-05smokeless0623105.pdf. Data for top 5 manufacturers only. Total among New England states is a prorated estimate based on cigarette pack sales in each state.

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[4] Orzechowski & Walker *The Tax Burden on Tobacco*, 2008; CDC, Youth Behavioral Risk Surveillance System, 2007; U.S. Bureau of Labor Statistics.

[5] CDC, *State Data Highlights*, 2006, http://www.cdc.gov/tobacco/data_statistics/state_data/data_highlights/2006/00_pdfs/DataHighlights06rev.pdf.

[6] CDC, *State Data Highlights*, 2006, http://www.cdc.gov/tobacco/data_statistics/state_data/data_highlights/2006/00_pdfs/DataHighlights06rev.pdf.

[7] Farrelly, MC, et al., "The Impact of Tobacco Control Programs on Adult Smoking," *American Journal of Public Health* 98:304-309, February 2008. See, also, Hyland, A, et al., "State and Community Tobacco-Control Programs and Smoking-Cessation Rates Among Adult Smokers: What Can We Learn From the COMMIT Intervention Cohort?," *American Journal of Health Promotion* 20(4):272-81, March-April, 2006.

[8] Tauras, JA, et al., "State Tobacco Control Spending and Youth Smoking," *American Journal of Public Health* 95:338-344, February 2005.

[9] Lightwood, JM, et al., "Effect of the California Tobacco Control Program on Personal Health Care Expenditures," *PLoS Medicine* 5(8):1214-22, August 2008, http://medicine.plosjournals.org/perlserv/?request=get-document&doi=10.1371%2Fjournal.pmed.0050178.

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[13] Point of Purchase Advertising Institute, *The Point-Of-Purchase Advertising Industry Fact Book*, 1992.