Keeping the Promise: Comprehensive Tobacco Prevention and Cessation for New Jersey

A WIN-WIN SOLUTION FOR NEW JERSEY’S HEALTH AND ECONOMY

June 15, 2017
**Introduction**

Tobacco control is a smart investment that improves health, saves lives and saves money by reducing health care costs, including smoking-caused Medicaid costs. Increasing funding for New Jersey’s Comprehensive Tobacco Control Program to $7 million—approximately 1 percent of the State’s tobacco tax revenues—would secure millions of dollars in future health care cost savings by preventing New Jersey kids from becoming addicted smokers and by helping tobacco users quit. Investing in a comprehensive tobacco control program that adheres to the evidence-based recommendations outlined in the Center for Disease Control and Prevention’s (CDC’s) *Best Practices for Comprehensive Tobacco Control Programs* will help tobacco users throughout the state quit, prevent kids from smoking and reduce smoking-caused health care costs.

**New Jersey Needs to Do More to Reduce the Toll of Tobacco**

The progress New Jersey had made in the past left some of its most vulnerable citizens behind. As we will outline, it is the young, the poor, and the uneducated who continue to be disproportionately affected by tobacco use and the illness and premature death it causes.

**Youth Use of Other Tobacco Products Threatens to Undermine Smoking Declines**

Despite recent progress in reducing smoking rates, more than 23,000 New Jersey kids try smoking each year and 3,900 more kids become regular, daily smokers every year, one-third of whom will die prematurely. 37,000 high school students in New Jersey still smoke cigarettes. Moreover, 14.2 percent of New Jersey high school students still use a tobacco product: 8.2 percent smoke cigarettes, 6.3 percent smoke cigars, 11.8 percent smoke hookah and 12.1 percent use e-cigarettes. Both hookah and e-cigarette use increased from 2012 to 2014.

**Disparities in Tobacco Use among New Jersey Adults**

13.5 percent of adults (over 939,000) in New Jersey still smoke. Smoking rates remain notably higher among certain subpopulations. For example, smoking rates are higher among African Americans (18.0 percent), those with only a high school education or GED (18.8 percent), and those with lower income (22.4 percent for those making less than $15,000 per year). The smoking prevalence among the Medicaid population in New Jersey is 23.0 percent.

**Health and Economic Impact of Tobacco Use in New Jersey**

Tobacco use still poses an enormous threat to New Jerseyans. It is the leading preventable cause of death in the state, killing more than 11,800 New Jersey residents every year, while thousands more suffer from smoking-caused disease and disability. More than a quarter (26.7 percent) of cancer deaths in New Jersey are attributable to smoking.

Statistics can be mind-numbing, but we cannot forget that these numbers represent real people—mothers and fathers, brothers and sisters, colleagues and friends.

In addition, tobacco use costs New Jersey over $4 billion each year in health care costs, including more than $1 billion in Medicaid costs—much of it borne by taxpayers. In fact, each New Jersey household pays an additional $850 each year in taxes to cover smoking-caused government expenditures. State productivity losses from smoking total an additional $3.15 billion per year, not even counting the productivity declines from smokers being sick more often than other workers and taking cigarette breaks while on the job.

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\(^i\) For more detail on the toll of tobacco in New Jersey see: [http://www.tobaccofreekids.org/facts_issues/toll_us/new_jersey](http://www.tobaccofreekids.org/facts_issues/toll_us/new_jersey).
It is clear that tobacco use continues to take a devastating toll on the lives of thousands of New Jersey residents. It is unacceptable that over the past five years, the state has spent almost nothing to address one of the greatest and most expensive health challenges the state faces. It is imperative that New Jersey provide funding for the state’s evidence-based tobacco prevention and cessation program that is proven to save lives and taxpayer dollars. It is time for New Jersey to take bold action that can accelerate progress in reducing tobacco use and put the state on a course to ultimately eliminate the death and disease caused by tobacco.

**New Jersey Has Made No Investment in Tobacco Prevention in Number of Years**

The CDC recommends that New Jersey spend $103.3 million per year on a comprehensive tobacco control program that includes statewide and community programs and media campaigns to prevent kids from starting to smoke and to help smokers quit. New Jersey has not allocated state money to its tobacco control program since FY 2012, ranking it last among all states, year after year. Increasing funding to $7 million would still only represent a small fraction (6.8 percent) of the investment recommended by CDC and a mere 1 percent of tobacco tax revenues in the state, but is an important first step toward rebuilding tobacco control efforts in the state.

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![Graph showing New Jersey Total Annual Tobacco Prevention Spending FY2007 - FY2017](chart.png)
In FY 2017, New Jersey received over $944 million from the 1998 tobacco settlement payments as well as from state tobacco tax revenues. The tobacco settlement was meant to provide funds to support state tobacco prevention efforts; so far, New Jersey has broken its promise to New Jersey kids by failing to invest the tobacco settlement payments into efforts that prevent and reduce tobacco use and its harms.\(^\text{ii}\)

Meanwhile, tobacco companies are spending over $177 million annually on marketing and promoting their products in the state.\(^{13}\) Many of these efforts target specific populations and are meant to encourage youth to start smoking, either by making the products look attractive or by lowering the prices to make their products 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. This trend continues today as tobacco companies have recently focused on in-store promotions and point-of-sale advertising to attract younger smokers.iii Further, new and less-expensive candy- and fruit-flavored products, especially e-cigarettes and cigars, are being marketed aggressively, and young people are the most likely to use them.iv

*Investing in a comprehensive tobacco prevention program is a proven way to oppose tobacco companies’ attempts to attract youth to a lifetime of addiction and health problems.*

**Providing Funding for New Jersey’s Tobacco Use Prevention and Cessation Program Will Reduce Smoking, Save Lives, and Protect Kids**

The 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.14 Investing in a comprehensive tobacco control program that adheres to the evidence-based recommendations outlined in CDC’s *Best Practices for Comprehensive Tobacco Control Programs* will save lives and reduce health care expenditures in New Jersey.

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 initiating tobacco use, 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.

Providing funds to prevent and reduce tobacco use would dramatically improve the health of New Jersey residents. The following table shows the impacts on youth smoking in New Jersey from increasing tobacco prevention funding from $0 as it stands today to $7 million:15

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<td><strong>Decrease in New Jersey youth smoking rate</strong></td>
<td>1.4%</td>
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<tr>
<td><strong>Fewer New Jersey kids growing up to become addicted adult smoker</strong></td>
<td>3,230</td>
</tr>
<tr>
<td><strong>Fewer New Jersey kids growing up to die prematurely from smoking</strong></td>
<td>1,100</td>
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<tr>
<td><strong>Related decrease in future health care expenditures in New Jersey</strong></td>
<td>$67.8 million</td>
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The projected impact on youth smoking rates is estimated to come to fruition within 3-5 years. Decreases to future healthcare costs occur over the lifetimes of the affected youth. These estimates are conservative, however, because they only account for the impact of funding on youth smoking and do not include the impact of adults quitting. Further, a comprehensive program would have an impact on the use of other tobacco products besides cigarettes, such as smokeless tobacco and cigars.

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iii For more information, see [http://www.tobaccofreekids.org/facts_issues/fact_sheets/toll/tobacco_kids/marketing/](http://www.tobaccofreekids.org/facts_issues/fact_sheets/toll/tobacco_kids/marketing/).

iv For more information on flavored tobacco products, see *The Flavor Trap: How Tobacco Companies are Luring Kids with Candy-Flavored E-Cigarettes and Cigars*, March 2017, a special report issued by the Campaign for Tobacco-Free Kids, American Academy of Pediatrics, American Heart Association, American Lung Association and American Cancer Society Cancer Action Network, [http://www.tobaccofreekids.org/microsites/flavortrap/](http://www.tobaccofreekids.org/microsites/flavortrap/).
Adequately Funded Tobacco Prevention Programs Reduce Smoking and Related Harms and Costs

As recommended by the Surgeon General, the CDC and other public health experts, well-funded state tobacco prevention and cessation programs are essential components of a comprehensive strategy to accelerate progress and win the fight against tobacco use. Through their community-based and youth prevention activities, public education efforts and programs and services to help smokers quit, state tobacco prevention programs play a critical role in helping to drive down tobacco use rates and serve as an effective counter to the nearly half a million dollars per day the tobacco industry currently spends on marketing and promotions to encourage new tobacco use in New Jersey.

There is conclusive evidence that tobacco prevention and cessation programs work to reduce tobacco use, save lives and save money by reducing tobacco-related health care costs. Every scientific authority that has studied the issue – including the Surgeon General, the CDC, the Institute of Medicine, the President’s Cancer Panel and the National Cancer Institute – has concluded that when properly funded, implemented and sustained, tobacco prevention and cessation programs reduce smoking among both kids and adults, by both increasing the number of people who quit or cut back on smoking and reducing the numbers who start or relapse.

- The 2014 Surgeon General Report, “The Health Consequences of Smoking – 50 Years of Progress,” calls for a number of specific actions, including: “Fully funding comprehensive statewide tobacco control programs at CDC recommended levels.” The report also notes, “States that have made larger investments in comprehensive tobacco control programs have seen larger declines in cigarettes sales than the nation as a whole, and the prevalence of smoking among adults and youth has declined faster, as spending for tobacco control programs has increased.” Importantly, the Report finds that long-term investment is critical. It states, “Experience also shows that the longer the states invest in comprehensive tobacco control programs, the greater and faster the impact.”

- The Community Preventive Services Task Force, an independent expert advisory committee created by CDC, found “strong evidence” that comprehensive tobacco control programs reduce the prevalence of tobacco use among adults and young people, reduce tobacco product consumption, increase quitting, and contribute to reductions in tobacco-related diseases and deaths. The evidence also indicates that comprehensive tobacco control programs are cost-effective, and savings from averted health care costs exceed intervention costs.17

- In 2007, the Institute of Medicine 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.18 Accordingly, both the Institute of Medicine and the President’s Cancer Panel recommended that every state adequately fund its tobacco prevention program at the CDC-recommended levels.

State tobacco prevention programs not only reduce the death, disease, disability and other harms caused by smoking and other tobacco use – but also save money by reducing tobacco-related health care costs.19

Extensive research on the experiences of other states makes it clear that increasing state funding for the New Jersey Tobacco Control Program would significantly prevent and reduce smoking and other tobacco use in the state and produce enormous public health and economic benefits. For example:

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A study in the *American Journal of Public Health* found that for every dollar spent by Washington State’s tobacco prevention and control program from 2000 to 2009, more than five dollars were saved by reducing hospitalizations for heart disease, stroke, respiratory disease and cancer caused by tobacco use. Over the 10-year period, the program prevented nearly 36,000 hospitalizations, saving $1.5 billion compared to $260 million spent on the program. The 5-to-1 return on investment is conservative because the cost savings only reflect the savings from prevented hospitalizations. The researchers indicate that the total cost savings could more than double if factors like physician visits, pharmaceutical costs and rehabilitation costs were included.

A 2013 study found that from 1989 to 2008, California’s tobacco control program reduced health care costs by $134 billion, far more than the $2.4 billion spent on the program. Researchers attribute these savings to reductions in smoking rates and cigarette consumption per smoker, generating significant savings in health care expenditures. This study builds on previous research which found that for every dollar the state spent on its tobacco control program from 1989 to 2004, the state received as much as $50 in health care cost savings in the form of sharp reductions to total health care costs in the state.

A 2013 study published in the *American Journal of Public Health*, which examined the impact of well-funded tobacco prevention programs, higher cigarette taxes and smoke-free air laws, found that each of these tobacco control policies contributed to declines in youth smoking from 2002 to 2008. The study also found that states could achieve far greater gains if they more fully implemented these proven strategies. For example, the study found that a doubling of the total funding for tobacco prevention programs would reduce current youth smoking by 4 percent.

A 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 its program at the level 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. 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 3 percent to 14 percent lower during the study period, from 1991 to 2000. Further, if every state funded tobacco prevention at CDC-recommended 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.

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.

Data from numerous states provide additional evidence of the effectiveness of comprehensive tobacco prevention and cessation programs. The experiences in states from across the country that 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 and its allies to reduce program funding and otherwise interfere with the programs’ successful operation.

• The programs’ funding must be sustained over time to protect initial tobacco use reductions, to further drive down tobacco use rates and to achieve additional health benefits.

• 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.

**Conclusion**

Lawmakers in New Jersey must drastically increase funding for the New Jersey Comprehensive Tobacco Control Program so it can do the critical work of preventing kids from smoking and helping tobacco users quit. Allocating 7 million dollars to tobacco prevention will save lives and reduce health care spending and is a solid first step toward adequately funding efforts to reduce the burden of tobacco use in New Jersey.

Tobacco is not only the number one preventable cause of death and disease in New Jersey – it is a substantial drag on the state’s economy. Investing in critically important tobacco prevention and cessation efforts would produce enormous tobacco use declines and related public health and economic benefits immediately and for years to come. The people, businesses and taxpayers of New Jersey deserve no less.
References:

1. New Jersey Legislative Budget and Finance Office, Legislative Fiscal Estimate S862, June 1, 2017, [link](http://www.njleg.state.nj.us/2016/Bills/S1000/862_E1.PDF).
4. CDC, BRFSS 2015 online data: [link](https://www.cdc.gov/tobacco/data_statistics/state_data/data_highlights/2016/index.htm).
7. Lortet-Tieulent, J, et al., “State-Level Cancer Mortality Attributable to Cigarette Smoking in the United States,” JAMA Internal Medicine, published online October 24, 2016. Includes 12 smoking-related cancers (acute myeloid leukemia and cancers of the oral cavity and pharynx; esophagus; stomach; liver; pancreas; larynx; trachea, lung, and bronchus; cervix uteri; kidney and renal pelvis; and urinary bladder.
9. State Medicaid program expenditures are before any federal reimbursement. State Medicaid program expenditures may be conservative because they do not reflect the effects of Medicaid expansion under the Affordable Care Act.
10. Equals New Jersey residents' federal & state tax payments necessary to cover all state government tobacco-caused costs plus the residents' pro-rated share, based on state populations, of all federal tobacco-caused costs. See above and Xu, X et al., “Annual Healthcare Spending Attributable to Cigarette Smoking: An Update,” Am J Prev Med, 2014, 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.
11. CDC, State Data Highlights 2006 (and underlying CDC data/estimates), [link](http://www.cdc.gov/tobacco/data_statistics/state_data/data_highlights/2006/index.htm); cost data have been adjusted for inflation and updated to 2009 dollars.


