

# Investing in Tobacco-Free Youth

## What Tobacco Costs Ohio, What Prevention Could Save



### The Costs

Annual health care costs in Ohio directly caused by smoking	<b>\$4.37 billion</b>
- Portion covered by the state Medicaid program	<b>\$1.4 billion</b>
Residents' state & federal tax burden from smoking-caused government expenditures	<b>\$642 per household</b>
Smoking-caused productivity losses in Ohio	<b>\$4.65 billion</b>
Annual tobacco industry marketing expenditures nationwide	<b>\$724 million</b>

Amounts do not include health costs caused by exposure to secondhand smoke, smoking-caused fires, spit tobacco use, or cigar and pipe smoking. Other non-health costs from tobacco use include residential and commercial property losses from smoking-caused fires (more than \$500 million per year nationwide); extra cleaning and maintenance costs made necessary by tobacco smoke and litter (about \$4+ billion nationwide for commercial establishments alone); and additional productivity losses from smoking-caused work absences, smoking breaks, and on-the-job performance declines and early termination of employment caused by smoking-caused disability or illness (dollar amount listed above is just from productive work lives shortened by smoking-caused death).

### The Savings

- **Immediate savings from smoking-affected births.** State Medicaid programs cover well over half of all births in the United States. For each smoking-affected birth prevented, the state saves \$1,142 to \$1,358.<sup>1</sup>
- **Proven long-term savings.** For every single dollar the state of California has been spending on their tobacco-control program, it has been reducing statewide healthcare costs by more than \$3.60—with reductions in other smoking-caused costs saving another six dollars or more.<sup>2</sup> Because it started later Massachusetts has not yet enjoyed as large a savings as California. However, a report by an economist at the Massachusetts Institute of Technology 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.<sup>3</sup>
- **Larger future savings.** 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.<sup>4</sup> 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, and for every thousand adults prompted to quit future health costs drop by roughly \$8.5 million.

#### Investing in Tobacco-Free Youth Coalition

Protect Children, Save Lives, Reduce Healthcare Costs

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<sup>1</sup> U.S. Centers for Disease Control and Prevention (CDC), "Medical Care Expenditures Attributable to Cigarette Smoking During Pregnancy—United States, 1995," *MMWR* 46(44): 1048-1050, November 7, 1997; Adams, E.K. & C.L. Melvin, "Costs of Maternal Conditions Attributable to Smoking During Pregnancy," *American Journal of Preventive Medicine* 15(3): 212-219, October 1998; Lightwood, J.M., 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.

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“Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking,” *Nicotine & Tobacco Research* 3(1): 25-35, February 2001.

<sup>2</sup> Tobacco Control Section, California Department of Health Services, California Tobacco Control Update, August 2000, <http://www.dhs.ca.gov/tobacco> or <http://www.dhs.ca.gov/tobacco/documents/CTCUpdate.pfd>.

<sup>3</sup> 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.

<sup>4</sup> Hodgson, T.A., "Cigarette Smoking and Lifetime Medical Expenditures," *The Millbank Quarterly* 70(1), 1992 [study's results converted to 2002 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, K.E., et al., "Medical Costs of Smoking in the United States: Estimates, Their Validity, and Their Implications," *Tobacco Control* 8(3): 290-300, Autumn 1999, <http://tc.bmjournals.com>.