



PROJECTED MEDICAID PROGRAM SAVINGS IN VIRGINIA FROM ADEQUATE STATE INVESTMENTS TO PREVENT AND REDUCE TOBACCO USE

The following projections of the reductions to total State Medicaid program expenditures that Virginia could obtain through sustained state investments in tobacco prevention are based on the following two assumptions:

1. That Virginia will, for at least five years in a row, invest the annual amount recommended by the U.S. Centers for Disease Control and Prevention (CDC) to support a comprehensive tobacco prevention program in the State (\$103.2 million per year); and
2. That those investments will produce results similar to those obtained by other states that have made significant investments, over several years, to support statewide tobacco prevention efforts (e.g., California and, years ago, Massachusetts) – thereby reducing adult and youth smoking rates in Virginia by at least one percentage point per year.

Benefits and Medicaid Program Savings (in millions of dollars) from Sustained State Investments in Tobacco Prevention

Minimum Annual State Tobacco Control Expenditures	Adults That Quit Over Five Years	Youths Saved From Tobacco Addiction	Early Smoking Deaths Prevented	5-Year Medicaid Heart Attack & Stroke Savings	5-Year Medicaid Pregnancy Savings	5-Year Medicaid H&S and Pregnancy Savings	Adult Quit Medicaid Savings (Lifetime)	Youth Prevention Medicaid Savings (Lifetime)	Total Future Medicaid Savings Locked In
\$103.2	294,200	91,300	107,200	\$8.1	\$13.7	\$21.8	\$338.7	\$193.6	\$532.4

- Adults that quit equals those adult smokers who quit because of the state's tobacco prevention efforts. Youths prevented from future tobacco addiction equals the number of kids alive today in Virginia who will not become addicted adult smokers because of the state's tobacco prevention investments.
- Savings equal reductions to the smoking-caused expenditures of the state's Medicaid program. Medicaid covers approximately 12.1% of the state's total healthcare costs and roughly 50% of the state's pregnancy-related health costs. 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; Orleans, CT, et al., "Helping Pregnant Smokers Quit: Meeting the Challenge in the Next Decade", *Tobacco Control* 9(Supplemental III): 6-11, 2000.
- 5-Year heart/stroke and pregnancy savings accrue in the first five years after the state begins its investments in tobacco prevention. These savings represent only the tip of the iceberg. Substantial additional savings from reducing other smoking-caused disease will also accrue over the first five years of the state tobacco prevention efforts, but available research and data does not yet provide an adequate basis for making projections of these additional savings. In addition, the savings from reduced smoking-caused heart attacks and strokes will continue to grow larger each year after the first five.
- Lifetime adult quit savings obtained by the state Medicaid program over the lifetimes of those adults who quit because of the state's investments in tobacco prevention efforts (primarily over the next 35 years with annual savings rising steadily and then beginning to peak in 10-15 years).
- Lifetime youth prevention savings obtained by the state Medicaid program over the lifetimes of those kids who quit or never start because of the state's investments in tobacco prevention. The lion's share of those savings will start to accrue in about 30 years, but some start immediately.

For more information and cites to sources, see the TFK factsheet *Comprehensive State Tobacco-Control Programs Save Money*, <http://tobaccofreekids.org/research/factsheets/pdf/0168.pdf>. Additional information is at <http://tobaccofreekids.org/research/factsheets> and <http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=6>.

Campaign for Tobacco-Free Kids, October 6, 2008 / Eric Lindblom