



**INCREASING STATE SMOKING-CAUSED MEDICAID COSTS
AND FUTURE MEDICAID SAVINGS FROM A 25% REDUCTION TO STATE SMOKING RATES
(Dollar Amounts in Millions Except Where Otherwise Noted)**

State	1993 Annual Smoking-Caused Medicaid Costs	1998 Annual Smoking-Caused Medicaid Costs	State Share 1993 Annual Smoking-Caused Medicaid Costs	State Share 1998 Annual Smoking-Caused Medicaid Costs	1993 to 1998 Increase In Smoking-Caused Medicaid Costs	Short-Term Annual Total Medicaid Savings From 25% Smoking Reduction (2004 dollars)	Short-Term Annual State Gov't Medicaid Savings From 25% Smoking Reduction (2004 dollars)	Long-Term Annual Total Medicaid Savings from 25% Smoking Reduction (2004 dollars)
Alabama	\$107.3	\$186	\$32.2	\$55.8	42.3%	\$6.8	\$2.0	\$16.6
Alaska	\$23.6	\$60	\$11.1	\$26.3	60.6%	\$5.3	\$2.4	\$7.8
Arizona	\$121.9	\$247	\$42.6	\$84.5	50.7%	\$9.7	\$3.4	\$25.2
Arkansas	\$78.5	\$189	\$21.2	\$50.9	58.5%	\$9.2	\$2.4	\$15.1
California	\$1.73 billion	\$2.31 billion	\$849.0	\$1.12	25.0%	\$104.0	\$50.9	\$335.2
Colorado	\$151.5	\$249	\$75.8	\$124.5	39.2%	\$13.2	\$6.6	\$37.0
Connecticut	\$181.8	\$336	\$90.9	\$168.0	45.9%	\$13.3	\$6.7	\$50.1
Delaware	\$22.9	\$62	\$11.4	\$31.0	63.1%	\$4.0	\$2.0	\$9.2
DC	\$35.8	\$61	\$10.7	\$18.3	41.3%	\$2.4	\$0.7	\$5.4
Florida	\$517.0	\$976	\$227.5	\$423.3	47.0%	\$46.4	\$20.4	\$126.0
Georgia	\$251.9	\$419	\$103.3	\$168.9	39.9%	\$16.2	\$6.7	\$50.3
Hawaii	\$44.1	\$91	\$19.4	\$41.9	51.6%	\$4.6	\$2.0	\$12.5
Idaho	\$25.3	\$65	\$7.3	\$19.0	61.0%	\$3.7	\$1.1	\$5.6
Illinois	\$560.6	\$1.22 billion	\$280.3	\$613.0	54.3%	\$86.0	\$43.0	\$182.5
Indiana	\$254.9	\$380	\$96.9	\$144.2	32.9%	\$23.5	\$9.0	\$43.0
Iowa	\$79.4	\$235	\$29.4	\$87.7	66.2%	\$13.7	\$5.1	\$26.1
Kansas	\$72.3	\$153	\$28.9	\$61.4	52.7%	\$13.4	\$5.4	\$18.3
Kentucky	\$200.7	\$380	\$60.2	\$112.5	47.2%	\$25.4	\$7.6	\$33.5
Louisiana	\$417.0	\$518	\$125.1	\$152.6	19.5%	\$24.3	\$7.3	\$45.4
Maine	\$95.9	\$169	\$31.6	\$57.2	43.3%	\$15.0	\$5.0	\$17.0
Maryland	\$212.3	\$372	\$106.2	\$186.0	42.9%	\$15.3	\$7.6	\$55.3
Massachusetts	\$405.9	\$817	\$203.0	\$408.5	50.3%	\$41.6	\$20.8	\$121.6
Michigan	\$532.6	\$881	\$234.3	\$386.0	39.5%	\$54.8	\$24.1	\$114.9
Minnesota	\$186.9	\$363	\$93.4	\$177.4	48.5%	\$19.4	\$9.7	\$52.8
Mississippi	\$111.1	\$206	\$26.7	\$47.7	46.1%	\$8.2	\$2.0	\$14.2
Missouri	\$206.9	\$415	\$80.7	\$161.7	50.1%	\$23.5	\$9.2	\$48.1
Montana	\$28.1	\$52	\$7.6	\$14.0	46.0%	\$3.7	\$1.1	\$4.1
Nebraska	\$45.4	\$105	\$18.2	\$41.6	56.7%	\$5.0	\$2.0	\$12.4
Nevada	\$50.1	\$96	\$25.1	\$47.6	47.8%	\$6.6	\$3.3	\$14.2

* Since 1998, the general consumer price index has increased by 15.0% but U.S. medical care costs have increased by 27.0%.
Bureau of Labor Statistics, <http://www.bls.gov/cpi/home.htm>.

Increasing State Smoking-Caused Medicaid Costs and Future Savings from a 25% Smoking Reduction / 2

State	1993 Annual Smoking-Caused Medicaid Costs	1998 Annual Smoking-Caused Medicaid Costs	State Share 1993 Annual Smoking-Caused Medicaid Costs	State Share 1998 Annual Smoking-Caused Medicaid Costs	1993 to 1998 Increase In Smoking-Caused Medicaid Costs	Short-Term Annual Total Medicaid Savings From 25% Smoking Reduction (2004 dollars)	Short-Term Annual State Gov't Medicaid Savings From 25% Smoking Reduction (2004 dollars)	Long-Term Annual Total Medicaid Savings from 25% Smoking Reduction (2004 dollars)
New Hampshire	\$94.5	\$90	\$47.3	\$45.0	-5.0%	\$4.8	\$2.4	\$13.4
New Jersey	\$544.7	\$755	\$272.4	\$377.5	27.9%	\$48.3	\$24.1	\$112.4
New Mexico	\$48.3	\$144	\$13.0	\$37.7	66.5%	\$6.8	\$1.8	\$11.2
New York	\$1.85 billion	\$4.27 billion	\$925.3	\$2.13	56.7%	\$231.4	\$115.7	\$635.7
North Carolina	\$205.6	\$600	\$80.2	\$225.1	65.7%	\$31.1	\$12.2	\$67.1
North Dakota	\$19.1	\$37	\$5.7	\$11.1	48.5%	\$1.5	\$0.4	\$3.3
Ohio	\$597.2	\$1.11 billion	\$244.9	\$455.9	46.3%	\$79.9	\$32.8	\$135.8
Oklahoma	\$80.1	\$170	\$24.0	\$48.8	52.9%	\$9.1	\$2.8	\$14.6
Oregon	\$89.2	\$224	\$36.6	\$89.6	60.2%	\$12.7	\$5.2	\$26.7
Pennsylvania	\$605.5	\$1.33	\$272.5	\$619.1	54.6%	\$91.6	\$41.2	\$184.3
Rhode Island	\$96.9	\$140	\$46.5	\$64.6	30.8%	\$7.6	\$3.7	\$19.3
South Carolina	\$142.0	\$307	\$44.0	\$90.7	53.7%	\$13.7	\$4.2	\$27.0
South Dakota	\$20.7	\$45	\$7.1	\$14.2	53.9%	\$2.4	\$0.8	\$4.2
Tennessee	\$299.9	\$531	\$108.0	\$192.2	43.5%	\$35.1	\$12.6	\$57.2
Texas	\$654.0	\$1.26 billion	\$261.6	\$498.7	48.3%	\$47.9	\$19.2	\$148.5
Utah	\$34.2	\$81	\$10.3	\$23.1	57.8%	\$5.9	\$1.8	\$6.9
Vermont	\$29.0	\$56	\$10.7	\$21.0	48.2%	\$4.0	\$1.5	\$6.2
Virginia	\$162.6	\$313	\$79.7	\$150.7	48.1%	\$14.2	\$7.0	\$44.9
Washington	\$237.2	\$508	\$118.6	\$250.4	53.3%	\$28.9	\$14.4	\$74.6
West Virginia	\$119.2	\$179	\$29.8	\$44.1	33.4%	\$11.0	\$2.8	\$13.1
Wisconsin	\$197.9	\$375	\$81.2	\$152.6	47.2%	\$19.4	\$7.9	\$45.5
Wyoming	\$11.5	\$29	\$4.4	\$10.7	60.5%	\$1.6	\$0.6	\$3.2
States Total	\$12.9 billion	\$23.5 billion	\$5.7 billion	\$10.4	111%	\$1.3 billion	\$584.1 million	\$3.07 billion

Sources: *State Highlights 2002: Impact and Opportunity*, April 2002, <http://www.cdc.gov/tobacco/StateHighlights.htm>. CDC, "Annual Smoking-Attributable Mortality, Years of Potential Life Lose, and Economic Costs -- United States 1995-1999," *MMWR*, April 11, 2002; American Legacy Foundation et al., *Saving Lives, Saving Money: Why States Should Invest in a Tobacco Free Future*, March 2002, <http://www.americanlegacy.org>. Smoking-caused medical care cost data for 1998 is still the most recent available. Savings amounts have been adjusted for inflation and put in current dollars as of March 2004. Because of the lag time between smoking and developing many of the major smoking-caused health problems (such as lung cancer), and the lag time between quitting and obtaining health benefits and savings from avoiding lung cancer and other smoking-caused health problems, the smoking-reduction cost savings start out relatively low but then grow rapidly. Over the longer-term, a 25% smoking decline will reduce smoking-caused Medicaid costs (and all other smoking-caused costs) by roughly 25 percent. Federal and state smoking-caused Medicaid costs are only one component of total federal and state government smoking-caused costs, and account for a much smaller fraction of total public and private smoking-caused health costs. In addition, non-health smoking-caused costs total more than \$75+ billion per year, nationwide.

For more on savings from state investments in reducing tobacco use, see the Campaign factsheet *Comprehensive State Tobacco-Control Programs Save Money*, <http://www.tobaccofreekids.org/research/factsheets/index.php?CategoryID=6>.