

## Tobacco, Two Years Later: A Continuing Health Crisis

In 2016, the Richard M. Fairbanks Foundation released a report showing that tobacco use has resulted in a major health and economic crisis in Indiana. Smoking claims thousands of Hoosier lives and costs Indiana billions of dollars each year. Two years later, the crisis continues. Indiana has some of the highest tobacco use in the U.S. With a statewide adult smoking rate of 21.1 percent, Indiana places among the ten states with the highest smoking rates nationwide. Similarly, Indiana's youth smoking rates are

substantially higher than the national averages for 8th, 10th and 12th graders, and the use of electronic cigarettes has increased significantly among Hoosier youth since 2016. In Marion County, the adult smoking rate stands at 21 percent, meaning Indianapolis is tied for last place among the 30 largest U.S. cities. The tobacco epidemic in Indianapolis and around the state puts at risk the fabric of our communities, threatening our health, quality of life and economic prosperity.

## The Human Cost: Thousands of Lives Lost Annually

Tobacco use is the leading cause of preventable disease and death in the U.S. More than 12,500 people in Indiana die prematurely each year from tobacco—the equivalent of more than two dozen Boeing 747 planes crashing with no survivors. This includes 11,100 smokers and 1,400 nonsmokers, who die from exposure to secondhand smoke. Indiana's children also bear the burden of this health crisis. Each year, 3,700 children under 18 become new daily smokers. More than 13 percent of women in Indiana smoke while pregnant, ranking the state the 11th worst in the U.S. in this category. Among the Medicaid population, 30 percent of pregnant women smoke. These high rates of maternal smoking are likely one reason why Indiana continues to suffer from disproportionately higher rates of infant mortality and underweight births compared to the national average.

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Smoking also exacerbates health disparities based on race, with higher smoking rates among African Americans in Indiana and Marion County than among whites and Hispanics. This helps explain some of the elevated death rate among African Americans, who suffer disproportionately from many smoking-related diseases, including cancer, diabetes and heart disease. Indiana adults with mental illness also smoke at much higher rates than adults without mental illness.

## The Economic Cost: Billions of Dollars Drained

Smoking strains Indiana economically. Each year, the direct healthcare costs associated with tobacco use amount to \$3.3 billion. The state Medicaid program bears approximately \$540 million of that cost, which means that Indiana taxpayers are affected, too. In fact, Hoosier families face an unnecessary combined annual state and federal tax burden of \$1,125 per household to cover the healthcare costs that result from tobacco use. On top of that, secondhand smoke results in healthcare costs of \$2.2 billion each year.

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Tobacco use also creates significant costs for Indiana businesses. Hoosier companies experience a total productivity loss due to tobacco use of \$2.8 billion annually. This includes \$2.1 billion due to lost productivity from unsanctioned smoking breaks and an additional \$700 million due to higher absenteeism and reduced performance while at work among smokers. In Marion County, smoking-caused productivity loss to employers is estimated at more than \$588 million per year. Tobacco's impact further manifests itself in less tangible, but equally concerning, ways. For example, employers who allow smoking face higher insurance premiums and put themselves at risk for litigation from nonsmoking employees and customers. And as more companies look at health rankings when deciding where to set up operations, Indiana's high smoking rates make the state a less desirable place for businesses to locate.

## Recommendations for Action

The health and economic challenges created by tobacco use in Indiana are daunting, but there is an array of proven solutions to reduce tobacco use and its negative impacts. The most effective approach—especially for curbing youth smoking—is increasing the price of cigarettes and other tobacco products. Extensive research clearly shows that the demand for tobacco products follows the most fundamental law of economics: as prices go up, the quantity consumed goes down, and vice versa. One way to adjust the cost of smoking in Indiana would be to raise the state cigarette tax. A \$2 increase in the cigarette tax, for example, would prevent an estimated 58,100 Hoosier youth from becoming adult smokers, encourage 70,100 adults to quit smoking, and prevent 36,300 future smoking-caused deaths in the current Indiana population. It would also generate at least \$78.9 million in healthcare cost savings in the first five years, a benefit that would grow over time to an estimated long-term savings of \$2.7 billion.

These savings, along with the revenue generated from a higher tobacco tax, could be used to increase funding for tobacco control programs. For several years, Indiana was among the leaders nationwide in this area, but with fiscal year 2018 funding of \$7.5 million, the state now ranks in the bottom half of all states at only ten percent of the CDC's recommended funding level. Restoring

tobacco control spending in Indiana to CDC recommendations would result in a 10.9 percent reduction in adult smoking, yielding roughly \$373 million in annual healthcare cost savings, and an 8.6 percent reduction in youth and young adult smoking.

Additional policies that can greatly reduce tobacco use and exposure to secondhand smoke include raising the legal age for smoking to 21, adopting comprehensive tobacco-free air laws, running effective anti-tobacco media campaigns and adopting policies addressing retail sales of tobacco products.

One area that deserves particular attention is the growing use of electronic cigarettes and other vaping products, considered by some to be a gateway to traditional smoking. In 2018, 29 percent of Indiana high school seniors used e-cigarettes, making them the most common nicotine-containing product consumed by Hoosier youth. No youth should be consuming nicotine, regardless of the delivery system, and Indiana should take steps to significantly decrease youth e-cigarette use. For example, adopting a significant tax on e-cigarettes while at the same time raising the tax on traditional cigarettes and other tobacco products could discourage youth from taking up e-cigarette use—and avoid the risk of becoming a lifelong nicotine addict.

**A public health challenge that affects all Hoosiers can only be effectively addressed with action by all stakeholders. In addition to policy solutions, a number of key institutions can implement measures to address Indiana's smoking crisis. Recommended actions include:**

- Healthcare systems can direct providers to integrate screening for smoking cessation at all patient visits, conduct brief interventions, and provide evidence-based treatment using pharmacotherapies and counseling.
- Employers can include both smoking cessation counseling and insurance coverage for medical treatment

**in health benefits packages and offer financial incentives to help employees quit smoking.**

- Education institutions can implement evidence-based programs that teach K-12 students personal and social skills to help avoid tobacco use and adopt comprehensive nicotine-free policies for campuses.
- Other non-profit and community-based organizations can educate the public on the harms of tobacco and e-cigarettes and effective solutions to quit, and also advocate for effective policies and practices that will prevent and reduce tobacco use and vaping.

## Sources

John Tauras, Ph.D., Frank Chaloupka, Ph.D., and Paul Halverson, Dr.PH. Report on the Tobacco Epidemic in Marion County and Indiana and Effective Solutions: 2018 Update. October 2018.

Indiana University Richard M. Fairbanks School of Public Health. Report on the Tobacco Epidemic in Marion County and Indiana. September 2016.