



# Testimony to the Vermont Legislature on S.18

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# Tobacco is a major cause of chronic disease. In 2022, over \$1 billion was paid to treat chronic disease in Vermont.



**62%** of all deaths among Vermonters are chronic disease-related.

**4,889** Vermonters died from a chronic disease in 2022.

**865** were younger than 65 years old.

Data source: Vermont Vital Records, 2022 (preliminary)



**At least 6 in 10 Vermont adults have one or more chronic disease.**

**60%** of Vermonters have one of these common chronic diseases: arthritis, asthma, cardiovascular disease, diabetes, hypertension, COPD, cancer and chronic kidney disease

Data source: Vermont BRFSS, 2021



**Chronic disease is a leading driver of annual healthcare costs.**

**Estimated cost of health care in Vermont for chronic disease in 2022:**

**\$1 billion**

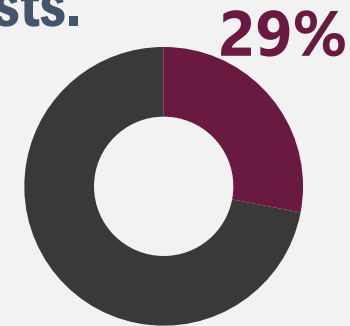
Costs were calculated from the Vermont Health Care Uniform Reporting and Evaluation data set, maintained by the Green Mountain Care Board (GMCB). Claims are included for most, but not all Vermonters. Costs include what the insurer paid for a service as well as any deductible, co-pay or co-insurance paid by the individual. All analyses, conclusions, and recommendations provided here are solely those of the VDH and not necessarily those of the GMCB.

# Tobacco use contributes to increased cancer and death in Vermont.

**Tobacco use is the #1 preventable cause of death in Vermont and results in 1,000/year.**

**18% of all VT deaths** among adults over 35 are attributable to cigarette smoking.

Nearly one-third of **Vermont's cancer deaths** can be attributed to cigarette smoking = **\$188 million** in healthcare costs.



# Tobacco use is expensive for all Vermonters, even those who don't smoke.

Smoking directly causes **\$404 million** annual health care costs in Vermont, with **\$94 million cost to VT Medicaid**.

The 2022 tobacco tax revenue was less than the costs of just Medicaid smoking-related expenditures, at **\$76 million**.

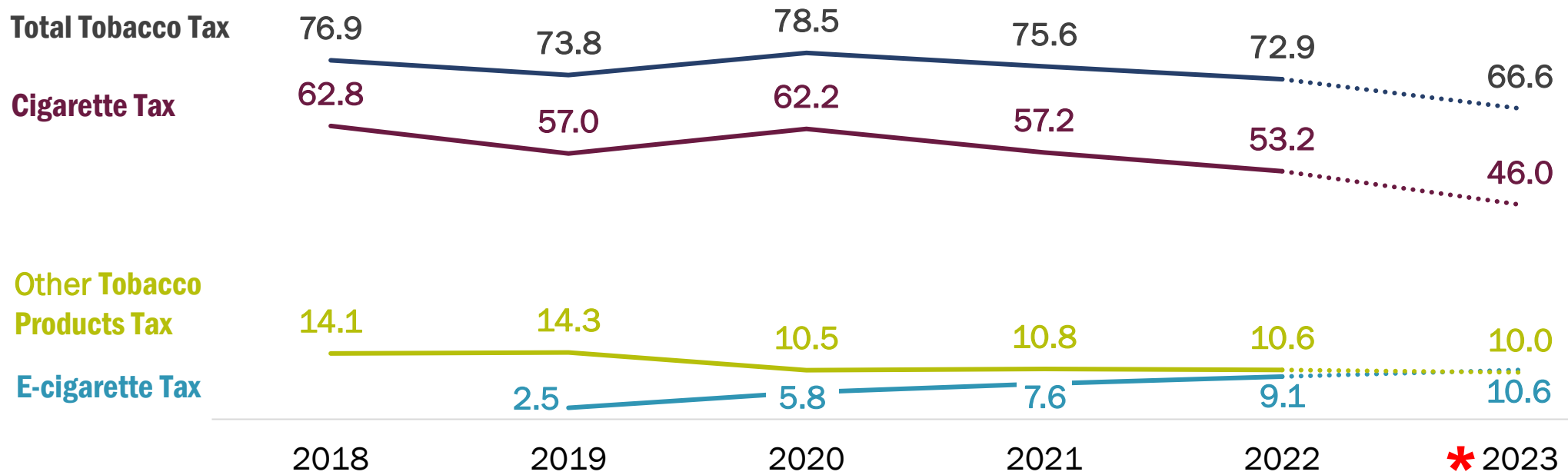
**\$576.2 million** in smoking caused productivity losses among VT workforce (not including secondhand smoke, smoking-related fires and other tobacco use).

## Tobacco-related costs to Vermont outweigh annual tax revenue



# Vermont generates around \$75 million annually from Tobacco Taxes.

Annual Vermont Tobacco Tax Revenue (in Millions): Total and by Product Type



Data Source: VT Department of Taxes Form CTT-646 and CTT-642.

Note: E-cigarette taxes started in Q3 of 2019. \* Data for 2023 is preliminary as of December 28, 2023 and does not contain full data for December.

# All Vermonters share the high cost of Tobacco use.

Smoking costs Vermonters **\$1,072 per household** in state and federal tax burden from smoking-caused government expenditures.

The total costs to Vermont households each year = **\$282 million.**

# Additional Healthcare Costs and Chronic Disease Burden.

In addition to direct health care costs, smoking is related to numerous chronic diseases, including heart disease, stroke, diabetes and **Chronic Obstructive Pulmonary Disease (COPD)**:

**80%** of COPD is due to tobacco use and accounts for 1.5 million emergency department visits annually. 7% of Vermonters have COPD.

It costs an average of **\$4,322** per COPD patient per year at an annual cost of **\$164 million**.

Data from Campaign for Tobacco Free Kids. The Toll of Tobacco in Vermont. <https://www.tobaccofreekids.org/problem/toll-us/Vermont> and Vermont Department of Health. (2023). COPD overview, <https://www.healthvermont.gov/wellness/asthma/copd-chronic-obstructive-pulmonary-disease>; [State-Level Projections of Cancer-Related Medical Care Costs: 2010 to 2020 - PMC \(nih.gov\)](#).

## Cost Benefits of Reducing Tobacco Use in Vermont.

From 2001 through 2014, RTI estimates that Vermont's tobacco control and prevention efforts saved the state at least **\$245 million** through reducing adult smoking prevalence.

Based on total VT Medicaid spending of \$1.7 billion in 2021 and a 1% decrease in the smoking rate among Medicaid-insured Vermonters between 2018 to 2021, VT is estimated to have saved **\$2.3 million in Medicaid spending in 2022.**

In 2022, VT Medicaid spending was \$1.9 billion. Between 2021-2022, there was a 2% decrease in smoking among Medicaid members, an **\$16.6 million cost savings to VT Medicaid in 2023.**



## Public Health Benefits of Flavored Bans.

For menthol cigarettes alone, a flavored ban in Vermont would result in an estimated **600 additional adults** in Vermont who smoke quitting smoking (CDC).

For each Vermonter who quits smoking, they will save an estimated **\$8,500** in lifetime health care costs (Hodgson).

National expert Dr. Frank Chaloupka has modeled the impact of a comprehensive flavor ban in the U.S. on tax revenues and public health benefits.

Menthol and flavored restrictions are shown to reduce sales and contribute to public health goals by decreasing youth initiation and increasing quit activity.

# Massachusetts' Ban on All Flavors: Decreased Tobacco Use without Impacting Other States or Losing Business.

- 1 MA adult tobacco use rates are decreasing. A 1% decline in smoking among MA adults age 25 or older results in \$477 million in long term healthcare costs savings.
- 2 Sales of flavored tobacco products decreased sharply in MA without impacting retail health. Sales weren't impacted in other states including VT other than a short-lived increase in NH.

# Summary:

**1** Compared to healthcare costs and human toll caused by tobacco in VT, the loss in revenue from tobacco sales would be a drop in the bucket.

**2** Tobacco-associated healthcare costs far exceed tobacco revenue. Annual tobacco-associated cancer healthcare costs of **\$188 million** overshadow annual tobacco tax revenue of **\$75 million**.

**3** The state budget has already benefited from decreases in tobacco use, nearing \$19 million in savings to VT Medicaid budget (2017-2023). We estimate further cost savings of **\$8.3 million for each 1% reduction in smoking**.

Decrease in Medicaid Smoking rate	Estimated Cost Savings in Following year (in Millions)
0.5%	\$4.1
1.0%	\$8.3
2.0%	\$16.6
3.0%	\$24.9

# Additional Vermont Tobacco Data

Flavored Tobacco Snapshot:

<https://www.healthvermont.gov/sites/default/files/document/hsi-flavors-tobacco-snapshot.pdf>

2021 Vermont BRFSS Tobacco Data Brief:

<https://www.healthvermont.gov/sites/default/files/document/HSI-BRFSS-2021-Tobacco-Brief.pdf>

Age of Initiation Data Brief:

[https://www.healthvermont.gov/sites/default/files/document/hsi-brfss-age\\_of\\_initiation\\_tobacco\\_brief.pdf](https://www.healthvermont.gov/sites/default/files/document/hsi-brfss-age_of_initiation_tobacco_brief.pdf)

Vermont Tobacco Policy Brief:

[https://www.healthvermont.gov/sites/default/files/documents/pdf/hpdp\\_tcp\\_tobacco\\_policy\\_brief.pdf](https://www.healthvermont.gov/sites/default/files/documents/pdf/hpdp_tcp_tobacco_policy_brief.pdf)

2021 Youth Risk Behavior Survey Report:

<https://www.healthvermont.gov/sites/default/files/document/hsi-yrbs-2021-full-report.pdf>

Vermont Tobacco Data Pages:

[www.healthvermont.gov/sites/default/files/documents/pdf/HS\\_2019\\_Tobacco\\_Data\\_Pages\\_2022\\_04.pdf](http://www.healthvermont.gov/sites/default/files/documents/pdf/HS_2019_Tobacco_Data_Pages_2022_04.pdf)