

# Tobacco Settlement Revenue Oversight Committee

## **Tobacco Settlement Revenue: Funding History and Outcomes for HSD, DOH, IAD**

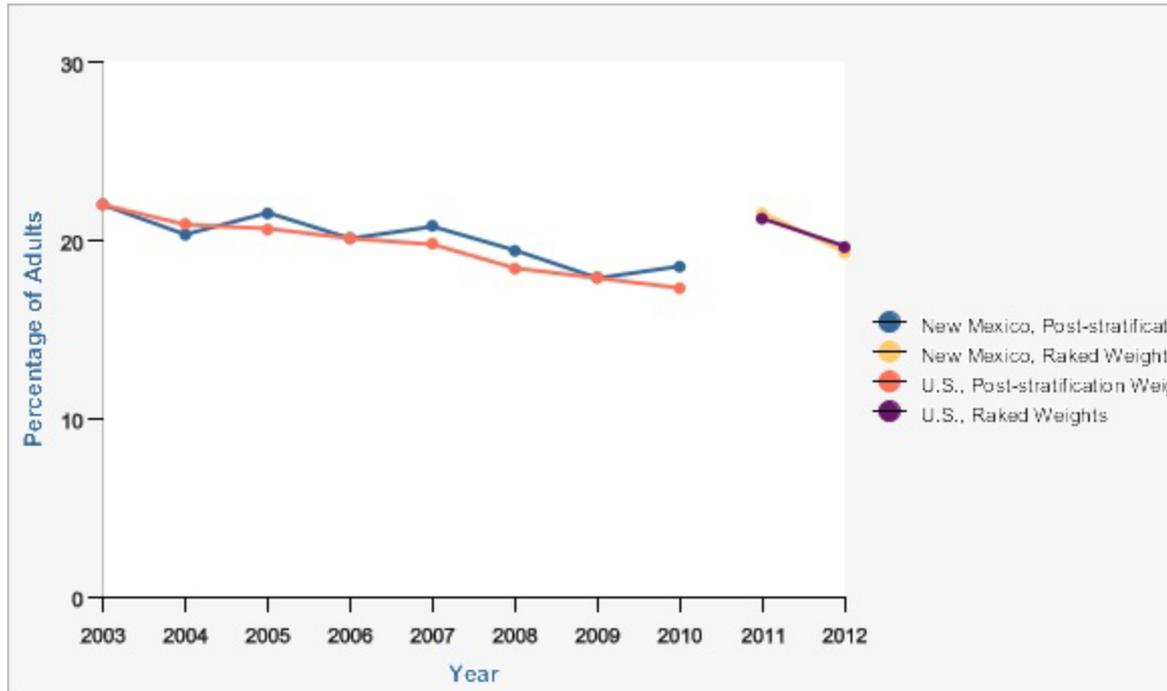
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Legislative Finance Committee

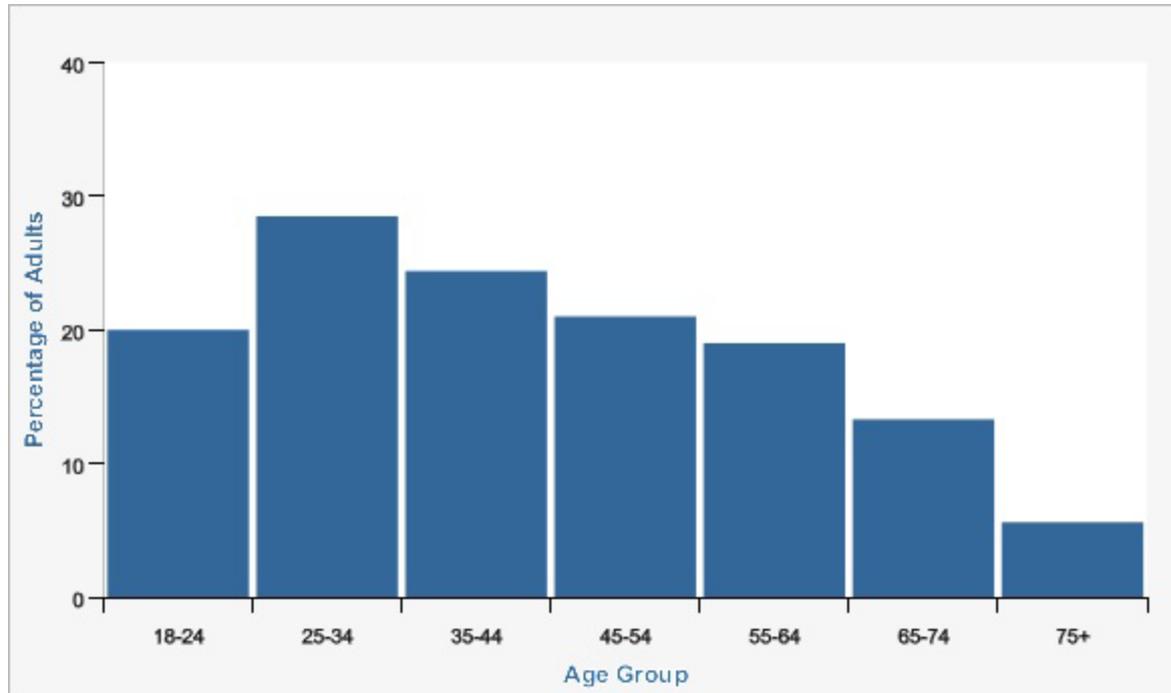
July 31, 2014

## Adult Smoking Prevalence by Year, New Mexico and U.S., 2003-2012



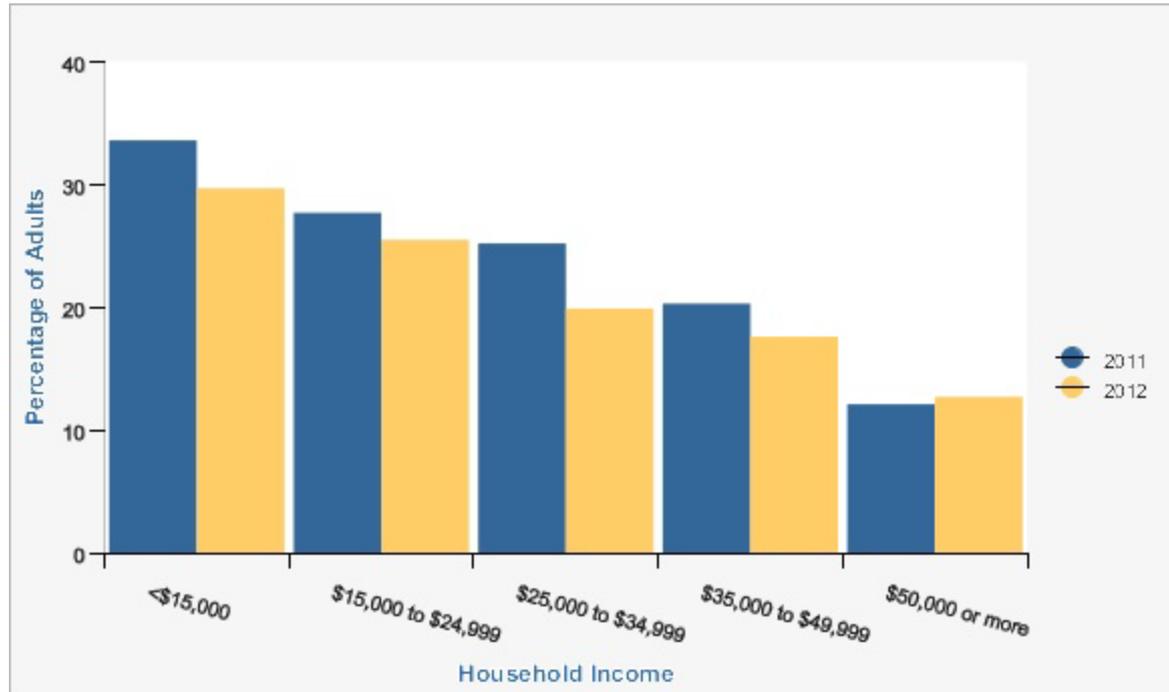
Source: New Mexico's Indicator-Based Information System (IBIS), Department of Health

## Adult Smoking Prevalence by Age Group, New Mexico, 2011-2012



Source: New Mexico's Indicator-Based Information System (IBIS), Department of Health

## Adult Smoking Prevalence by Household Income, New Mexico, 2011-2012



Source: New Mexico's Indicator-Based Information System (IBIS), Department of Health

“Smoking is the leading preventable cause of death in the United States. One in five adults and one in five youth smoke in New Mexico. About half of all lifetime smokers will die early because of their tobacco use. In New Mexico, about 2,100 people die from tobacco use annually and another 42,000 are living with tobacco-related diseases. Annual smoking-related costs in New Mexico are \$954 million (\$461 million in direct medical costs and \$493 million in lost productivity).”

Source: New Mexico’s Indicator-Based Information System (IBIS), Department of Health

# Evidence-Based Practices

- Addressing tobacco use effectively includes a coordinated effort to establish smoke-free policies and social norms, to promote and assist tobacco users to quit, and to prevent initiation of tobacco use. This comprehensive approach combines educational, clinical, regulatory, economic, and social strategies.
- Effective evidence-based strategies include increasing the unit price of tobacco products;
- Restricting minors' access to tobacco products;
- Restricting the time, place, and manner in which tobacco is marketed and sold;
- High impact and culturally-appropriate health communication mass media, including paid TV, radio, billboard, print, and web-based advertising at state and local levels;

# Evidence-Based Practices (continued)

- Ensuring that all patients seen in the health care system are screened for tobacco use, receive brief interventions to help them quit, and are offered counseling and low- or no-cost cessation medications;
- Providing insurance coverage of tobacco use treatment;
- Passage of laws and policies in a comprehensive tobacco control effort to protect the public from secondhand exposure;
- Focusing tobacco prevention and cessation interventions on populations at greatest risk in an effort to reduce tobacco-related health disparities;
- Combining medication and individual or group counseling, as medication alone has a 25 percent effective rate.
- Only 4 to 7 percent of quit attempts are successful without some form of help.

Sources: Centers for Disease Control and Prevention, Best Practices for Comprehensive Tobacco Control Programs, 2014; NCSL, Helping Smokers Quit, June 2014

# Federal Action

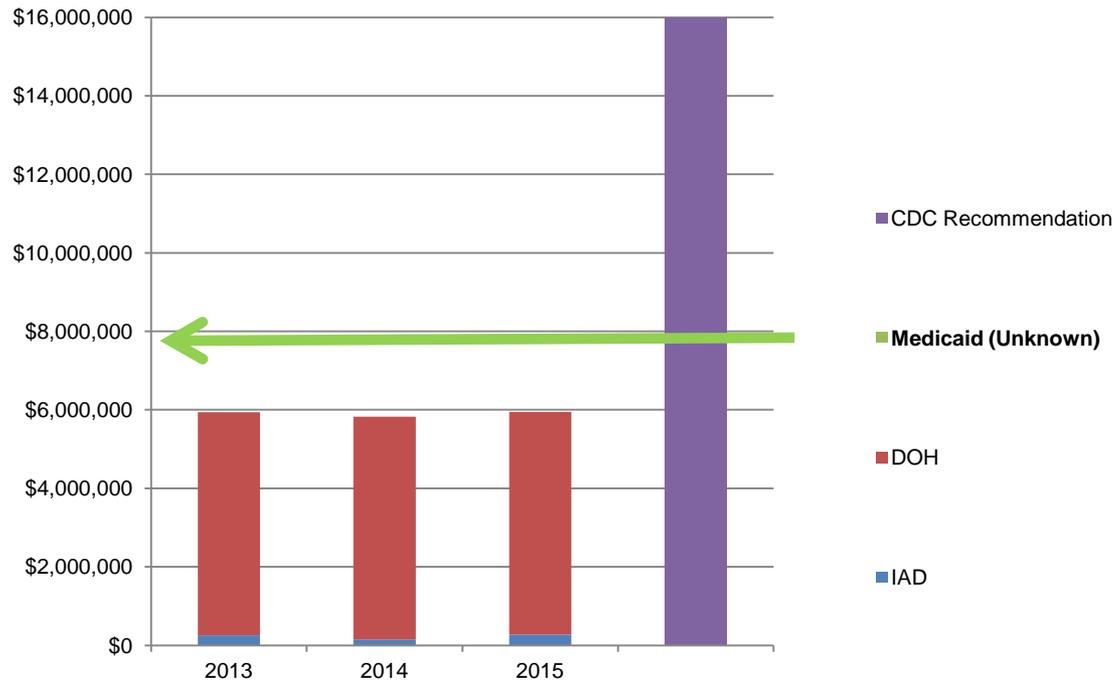
- The Affordable Care Act requires most new private health insurance plans cover tobacco-cessation treatment with no cost sharing, but states determine their own benchmarks for coverage and cessation treatments.
- FDA has approved 7 types of over-the-counter or prescription medication for tobacco cessation.
- Under ACA, Medicaid programs must cover the full cost of counseling and FDA-approved prescription and over-the-counter stop-smoking drugs for pregnant women.
- ACA prohibits Medicaid from excluding coverage of FDA-approved tobacco-cessation medications for all enrollees.

# States' Actions

- Nationally, approximately 37 percent of adult Medicaid enrollees smoke, compared to 19 percent of all adults over age 18.
- Reducing tobacco use in the Medicaid population could cut state Medicaid costs.
- 7 states cover individual counseling, group counseling and all 7 FDA-approved medications for all Medicaid enrollees—Connecticut, Indiana, Massachusetts, Minnesota, Nevada, Pennsylvania, Vermont.
- Barriers to accessing treatment are limits on duration and extent of treatment coverage, copayments and prior authorization requirements.
- Massachusetts' Medicaid program has a \$1 to \$3 copayment for FDA-approved smoking cessation drugs and up to 5 free counseling sessions from the state's telephone quit line. The program had a 10 percent reduction in smoking in 2 years and reduced expenditures for cardiovascular admissions to hospitals.
- State employee-targeted health insurance plans including FDA-approved prescriptions and access to quit coaches through help lines save an estimated \$3,800 per successful quitter through reduced healthcare costs and productivity.

Source: NCSL, Helping Smokers Quit, June 2014

# Tobacco Control Funding in New Mexico



Source: LFC Files

# NM Indian Affairs Department

- Tobacco cessation programs administered by contracted project manager Keres Consulting, Inc.
- To be considered for funding, applicants must demonstrate program alignment with CDC-recommended best practices
- Local programs are typically administered by community health centers or representatives
- Funded programs provide quarterly and annual reports to the Indian Affairs Department
- Keres Consulting, Inc. provides:
  - Technical support during proposal process
  - Ongoing administrative support, including two contacts per year to assure compliance with contract plan

# NM Department of Health Funding

- DOH's system of tobacco settlement revenue-financed programs is a complex patchwork providing an array of products and services.
- Total DOH tobacco settlement revenue funding:
  - FY13 - \$6,851.6
  - FY14 - \$6,851.6
  - FY15 - \$6,851.6

# DOH Funding (continued)

- Tobacco cessation & prevention funding, FY13-FY15, \$5,682.0 annually
- FY15 34 contracts (see handout)
- Diabetes prevention & control funding, FY13-FY15, \$748.0 annually
- FY14 22 contracts
- HIV/AIDS services funding, FY13-FY15, \$293.0 annually
- Breast & cervical cancer screening funding, FY13-FY15, \$128.6 annually

# DOH Outcome Data

- The Tobacco Use Prevention and Cessation (TUPAC) program tracks a variety of process and outcome measures at the contractor, program, and population levels (see handout).
- Working with American Lung Association on multi-unit housing secondhand smoke education and outreach activities
- McKee, Wallwork & Company conducting mass media and cessation services promotion activities
- Rescue Social Change Group conducting youth media and youth engagement campaigns
- Santa Fe Public Schools focusing on school policy and priority population outreach
- Transgender Resource Center/Fierce Pride working on priority population network activities
- All have data on: how much was done, how well was the work done, is anyone better off

# Recommendations

- Reduce funding fragmentation across many smaller contracts
- Reduce built in administrative and overhead costs
- Report regularly on contract deliverables and evidence-based outcomes ensuring accountability
- Leverage federal and other funds, including Medicaid