

FISCAL IMPLICATIONS

There is no immediate fiscal impact of SB 743. There is, however, disagreement about whether mandating smoking cessation and prevention will ultimately raise or lower health premiums. The premiums affect the state since the employers share of premiums is paid by the Risk Management Division of the General Services Department for the active state employees, the PSIA for the public school employees and the RHCA for the retirees.

Some experts believe that mandating any coverage will increase premiums. Others argue the overall health benefits of stopping smoking will ultimately result in healthier covered individuals and save money in the long run.

ADMINISTRATIVE IMPLICATIONS

Insurers will be required to refile policy forms and premium rates with the Insurance Division of the PRC, but the administrative impact is minimal.

RELATIONSHIP

SB 743 relates to:

HB 144 and SB 133, which propose tobacco settlement program fund appropriations for FY04, including prevention and cessation programs, on behalf of the recommendations of the Tobacco Settlement Revenue Oversight Committee.

SB 534, which proposes tobacco settlement program fund appropriations, including prevention and cessation programs.

TECHNICAL ISSUES

The DOH recommends changing “smoking “ to “tobacco use”, such that it incorporates all forms of tobacco (e.g., spit tobacco) in the following sections:

Title, Page 1 Line 12,

Section 1, Page 1, Lines 17, 22 and 24

Section 3, Page 8, Line 5

Section 4, Page 10, Line 12

Section 6, Page 12, Line 13

OTHER SUBSTANTIVE ISSUES

DOH provided the following:

Tobacco exacts a heavy death toll in our state. More than 2000 New Mexicans die each year from smoking-related conditions, and more than 2000 children in the state have lost at least one parent as a result of tobacco use. If current trends continue, the number of New Mexicans currently under age 18 who will ultimately die from smoking is estimated at 44,000.

Treating tobacco dependence is the most important action health care providers can take to improve the length and quality of life for patients who smoke. Patients would benefit if systems were in place to ensure that preventive healthcare is addressed at each patient visit. The influence of health care system administrators, insurers and purchasers could be used to encourage and

support the consistent and effective identification and treatment of tobacco users.

Smoking cessation treatments are not only clinically effective, but they are economically defensible as well. Cost effectiveness analyses have shown that smoking cessation treatments compare quite favorably with routine medical interventions such as the treatment of hypertension and other preventive interventions such as periodic mammography.

Savings from prevention and cessation treatments are immediate and measurable. For example, Massachusetts and California are saving up to \$3 in tobacco-caused health care costs for every dollar spent on prevention. Each pack of cigarettes sold in the United States costs the nation an estimated \$7.18 in medical care costs and lost productivity. Per pack, the medical costs were estimated to be \$3.45 in 1999, up significantly from \$2.06 per pack in 1993. Lost productivity costs are estimated to be \$3.73 per pack.

Smoking cessation is also cost effective in special populations such as hospital patients and pregnant woman. Every dollar spent on trying to get pregnant women to stop smoking can save \$6 in long-term costs. Smoking cessation interventions for pregnant women are especially cost effective because they result in fewer low birth weight babies and perinatal deaths, fewer physical, cognitive and behavioral problems during infancy and childhood, and also yield important health benefits for the mother.

DW/yr