



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

May, 2019

Joint Committee on Finance

Paper #392

Tobacco Use Control (Health Services -- Public Health)

[LFB 2019-21 Budget Summary: Page 197, #3]

CURRENT LAW

The Division of Public Health in the Department of Health Services (DHS) administers the tobacco prevention and control program that awards grants to organizations throughout the state. The statutes require DHS to administer the program, establish criteria for grant recipients, provide a forum for public policy alternatives for smoking cessation and prevention, provide a clearinghouse of information on matters relating to tobacco, and continue implementation of a strategic plan for a statewide tobacco use control program.

The program may distribute grants to fund any of the following activities listed in s. 215.15 of the statutes: (a) community-based programs to reduce tobacco use or the burden of tobacco-related diseases; (b) school-based tobacco use cessation and prevention programs; (c) enforcement of local laws aimed at reducing exposure to secondhand smoke and restricting underage access to tobacco; (d) partnerships among statewide organizations and businesses that support activities related to tobacco use cessation and prevention; (e) marketing activities that promote tobacco use cessation and prevention; (f) projects designed to reduce tobacco use among minorities and pregnant women; (g) surveillance of indicators of tobacco use and evaluation of the activities funded by the tobacco control program; (h) development of policies that restrict access to tobacco products and reduce exposure to environmental tobacco smoke; and (i) other tobacco use cessation or prevention programs, including tobacco research and intervention.

Base funding for this program is \$5,315,000 GPR annually.

GOVERNOR

Increase funding for tobacco use control activities by \$3,300,000 annually, so that \$8,615,000 GPR would be budgeted each year for the program.

DISCUSSION POINTS

1. According to the Centers for Disease Control and Prevention (CDC), smoking is the leading cause of preventable disease and death in the United States, leading to approximately 480,000 deaths of people over 35 years old annually. A 2015 research paper published in the *American Journal of Preventive Medicine*, a peer-reviewed medical journal, estimated that, in 2010, approximately 8.7% of annual healthcare spending in the United States was attributable to cigarette smoking, amounting to as much as \$170 billion per year. More than 60% of this spending was paid by public programs, including Medicare and Medicaid.

2. Based on the most recent estimates of smoking attributable mortality, morbidity and economic costs, CDC estimates that an annual average of 7,900 people over 35 years old in Wisconsin die from smoking-related causes, not including deaths attributable to second hand smoke. The CDC estimates that, in 2014, the total medical cost of care resulting from smoking in Wisconsin was approximately \$2.7 billion.

3. According to a report from the University of Wisconsin-Milwaukee's Center for Urban Population Health, 16% of adults in Wisconsin currently smoke cigarettes, slightly below the national average of 16.4%. The estimated percentage of adults who smoke has decreased significantly over the past several years, from 21% in 2011 to the current rate of 16%.

4. There are significant differences in estimated smoking rates among demographic groups in Wisconsin. For example, it is estimated that 29% of adults with annual income up to \$25,000 smoke, while the smoking rate for adults with income between \$25,000 and \$50,000 is 17%. Similarly, 28% of adults with less than a high school education smoke, which is nearly double the smoking rate for individuals who have at some college courses (15%), and over four times the rate for college graduates (6%). Approximately 28% of adult MA residents smoke. For these reasons, the health care costs relating to smoking are disproportionately borne by public health programs.

5. In 2008-09, state funding for tobacco control and prevention grants totaled \$15,250,000. The 2009-11 budget act reduced this amount to \$6,850,000 in 2009-10 and 2010-11. The 2011 budget act reduced grant funding to the current base amount, \$5,315,000, beginning in 2011-12.

6. The CDC has developed several best practices for states to follow in the implementation of a tobacco control program, and a recommended funding level for the state program. The recommended funding amounts represent a level that the CDC claims could achieve a reduction of national tobacco use prevalence to 10% (if all states implemented the recommended levels). In its 2014 report, the CDC recommends that Wisconsin allocate \$57.5 million per year to the tobacco control program.

7. Funding for tobacco use control has remained constant at \$5.3 million over the past eight years. During that period cigarette smoking for adults in Wisconsin has declined from 21% to 16%. Additionally, excise taxes on cigarettes in the state have declined from \$604.8 million in 2011-12 to \$538.9 million in 2017-18, a reduction of \$65.9 million, or 10.9%.

8. However, even with the decline in cigarette smoking in the state, smoking continues to

be a major health risk and a significant driver of healthcare expenditures. Because of this, it could be argued that additional funding for tobacco use control is a necessary investment in the health of the state.

9. The bill provides an additional \$3,300,000 GPR annually for tobacco use control grants, an increase of 62% over the base level. Although the bill does not specify how that money will be allocated within the program, the administration has indicated its intent to use the additional funding for three purposes.

10. First, \$2,300,000 annually would be provided to increase support for the University of Wisconsin Center for Tobacco Research and Intervention's (UW-CTRI) Wisconsin Tobacco Quit Line (WTQL). The WTQL is a free service to help people quit smoking, vaping, and using tobacco in other ways by providing free one-on-one phone counseling and information, local cessation program referrals, and starter packs of medications such as nicotine gum, patches, and lozenges. The program is funded through a combination of GPR and federal grants. In 2018-19, DHS provided approximately \$672,800 GPR for the program. Currently, the WTQL offers a one-call program, which allows Wisconsin residents to call in and receive counseling and recommendations for medication. It is up to the individual to follow-up on the recommendations of counsellors and to make any subsequent calls to the WTQL. The funding in the bill is intended to allow the program to implement a five-call program, in which state residents can call in for an initial appointment, and schedule four follow-up calls starting at the caller's chosen quit date. In these follow-up calls, counselors from the WTQL would call the person to offer additional counseling and motivation, as well as referrals for smoking cessation medication. Research from the UW Center for Tobacco Research and Intervention indicates that multi-call programs, such as the five-call program that would be funded under the bill, are more effective in helping individuals quit smoking than one-call programs. According to the research, one-call programs are associated with a quit-rate of approximately 25%, compared to a quit rate of 38% associated with a four-call program. The additional funding for the WTQL was chosen to reflect the estimated costs increased staffing resulting from a switch to a five-call program.

11. Second, \$500,000 of the additional annual funding would be provided to the Wisconsin Nicotine Treatment Integration Project (WiNTiP), which integrates evidence-based nicotine dependence treatment into behavioral health services. In 2018-19, this program received \$42,680 in GPR funding and an additional one-time \$112,000 FED from the community mental health services block grant distributed by the Department. The administration indicates that increased funding would be used to increase outreach attempts conducted through WiNTiP to the behavioral health workforce and increase the integration of tobacco cessation treatment among AODA mental health providers. A portion of funds would also be used for resource development.

12. Third, the administration intends to use \$500,000 in each year to improve outreach and cessation resources to individuals who have adverse childhood experiences (ACEs). This funding would be provided to the UW-CTRI to establish a grant program to increase the number of practitioners across the state who understand the impact of trauma and are able to identify ACE indicators among patients with tobacco use.

13. Several options are presented for the Committee's consideration. First, the Committee

could approve all of the Governor's recommendations (Alternative 1). Second, , the Committee could choose an alternative funding level for the program, enabling the Department to determine the highest priority projects that would be funded (Alternatives 2, 3, and 4). Finally, the Committee could maintain base funding for the program by deleting all of the additional funding that would be provided in the bill (Alternative 5).

ALTERNATIVES

1. Approve the Governor's proposal to increase funding for the program by \$3,300,000 GPR annually.

ALT 1	Change to	
	Base	Bill
GPR	\$6,600,000	\$0

2. Delete the Governor's recommendations to provide funding for specific projects identified by the administration (-\$3,300,000 GPR annually). Instead, increase funding for the tobacco control and prevention grants by \$5,000,000 GPR annually, enabling DHS to award grants to the highest priority projects, including the priority projects identified by the administration.

ALT 2	Change to	
	Base	Bill
GPR	\$10,000,000	\$3,400,000

3. Delete the Governor's recommendations to provide funding for specific projects identified by the administration (-\$3,300,000 GPR annually). Instead, increase funding for the tobacco control and prevention grants by \$2,000,000 GPR annually, enabling DHS to award grants to the highest priority projects, which may include some of the projects identified by the administration.

ALT 3	Change to	
	Base	Bill
GPR	\$4,000,000	-\$2,600,000

4. Delete the Governor's recommendations to provide funding for specific projects identified by the administration (-\$3,300,000 annually). Instead, increase base funding for the tobacco control and prevention grants by 10% in 2019-20 (\$531,500) and by an additional 10%

(\$1,063,000) in 2020-21, enabling DHS to award grants to the highest priority projects, which may include some of the priority projects identified by the administration.

ALT 4	Change to	
	Base	Bill
GPR	\$1,594,500	- \$5,005,500

5. Take no action.

ALT 5	Change to	
	Base	Bill
GPR	\$0	- \$6,600,000

Prepared by: Aaron Whitaker