Economic Cost of Smoking in California was $18 Billion in 2009

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The Problem

Cigarette smoking is a leading cause of preventable death in the United States, triggering substantial healthcare costs and lost productivity from illness and premature death. The toll extends to nonsmokers exposed to secondhand smoke who also are known to suffer ill health effects and increased mortality.

Smoking took an $18.1 billion toll in California in 2009 -- $487 for each resident – and was responsible for more than one in seven deaths in the state, according to the first comprehensive analysis in more than a decade of the financial and health impacts of tobacco. While the number of smokers in California declined from a decade ago, and fewer cigarettes were smoked on a daily basis, nearly four million people still smoked, including an estimated 146,000 adolescents.

What We Know

Research conducted at the UCSF School of Nursing’s Institute for Health & Aging, reported total smoking-attributable costs, costs per resident and per smoker, expenditures for each type of healthcare, smoking prevalence, and mortality measures for each of California’s 58 counties. This report is the third in a series of reports; earlier reports were prepared for 1989 and 1999.

Highlights of the report include:

- The cost of smoking in California amounted to $18.1 billion: $487 per resident and $4,603 per smoker. This included direct healthcare costs and indirect costs from lost productivity due to illness and premature death;

- Among adults who smoked, a majority were “light” smokers who abstained some days or smoked fewer than 10 cigarettes a day (61 percent of women and 60 percent of men);

1 The project was supported by a grant from the Tobacco-Related Disease Research Program of the University of California’s Office of the President.
http://nursing.ucsf.edu/about/departments/institute-health-aging
• More adult men than women smoked – 2.4 million (17.2 percent of men) versus 1.4 million (10.1 percent of women). The same was true for adolescent boys and girls, 5.8 percent versus 3.2 percent;

• The cost of smoking was higher for men than women: $11.7 billion compared to $6.4 billion;

• Total costs in 2009 rose by 15 percent compared to the costs in 1999, from $15.8 billion to $18.1 billion. However, when adjusted for inflation, real costs actually decreased by 25 percent between 1999 and 2009.

• Altogether, smoking represented $6.8 billion in lost productivity and about 587,000 years of potential life lost from 34,363 deaths, or 17.1 years per death, the researchers found.

Compared to California deaths in 2009 from other causes, the 34,363 total deaths from smoking were 17 times the number from AIDS; five times the deaths from diabetes, influenza and pneumonia; and three times the number of deaths from Alzheimer’s disease and unintentional injuries. In California, as in the US, cancer is now the leading cause of smoking-attributable death (13,514 deaths), followed by cardiovascular disease (10,490), respiratory diseases (10,331), and pediatric disease (27). Secondhand smoke exposure caused 794 adult deaths.

The direct health care costs of smoking accounted for 54.4 percent of the total $18.1 billion cost of smoking, or $9.8 billion. Lost productivity due to illness comprised 7.9 percent ($1.4 billion), and lost productivity from premature death comprised 37.6 percent ($6.8 billion).

Hospital care of current and former smokers cost $4.3 billion (43.9 percent) of the $9.8 billion total health care costs of smoking. Ambulatory care services were $2.1 billion (20.9 percent), nursing home care $1.5 billion (15.4 percent), prescription drugs $1.1 billion, and home health care $794 million.

**What we can do about it**

California has demonstrated its success in cutting the smoking rate by 50 percent over the last two decades. This study found that the state’s tobacco control efforts are resulting in fewer smoking-attributable deaths, reduced real costs of smoking and lower smoking prevalence rates compared to a decade ago. However, while we may have fewer smokers, the price tag remains too large. California must fund its tobacco control programs at levels appropriate to develop new programs that target efforts in geographic regions of the state where smoking rates remain high. It is also important to continue to monitor the health and healthcare cost impact of smoking as new tobacco products are introduced and the patterns of tobacco use change.