

## Do smokers cost society money?

April 8 2009, By ERICA WERNER, Associated Press Writer

(AP) -- Smoking takes years off your life and adds dollars to the cost of health care. Yet nonsmokers cost society money, too - by living longer.

It's an element of the debate over tobacco that some economists and officials find distasteful.

House members described huge <u>health care</u> costs associated with <u>smoking</u> as they approved landmark legislation last week giving the <u>Food</u> <u>and Drug Administration</u> authority to regulate tobacco products. No one mentioned the additional costs to society of caring for a nonsmoking population that lives longer.

Supporters of the FDA bill cited figures from the Centers for Disease Control and Prevention that smokers cost the country \$96 billion a year in direct <a href="health care costs">health care costs</a>, and an additional \$97 billion a year in lost productivity.

A White House statement supporting the bill, which awaits action in the Senate, echoed the argument by contending that tobacco use "accounts for over a \$100 billion annually in financial costs to the economy."

However, smokers die some 10 years earlier than nonsmokers, according to the CDC, and those premature deaths provide a savings to Medicare, Social Security, private pensions and other programs.

Vanderbilt University economist Kip Viscusi studied the net costs of smoking-related spending and savings and found that for every pack of



cigarettes smoked, the country reaps a net cost savings of 32 cents.

"It looks unpleasant or ghoulish to look at the cost savings as well as the cost increases and it's not a good thing that smoking kills people," Viscusi said in an interview. "But if you're going to follow this health-cost train all the way, you have to take into account all the effects, not just the ones you like in terms of getting your bill passed."

Viscusi worked as a litigation expert for the tobacco industry in lawsuits by states but said that his research, which has been published in peerreviewed journals, has never been funded by industry.

Other researchers have reached similar conclusions.

A Dutch study published last year in the Public Library of Science Medicine journal said that health care costs for smokers were about \$326,000 from age 20 on, compared to about \$417,000 for thin and healthy people.

The reason: The thin, healthy people lived much longer.

Willard Manning, a professor of health economics and policy at the University of Chicago's Harris School of Public Policy Studies, was lead author on a paper published two decades ago in the Journal of the American Medical Association that found that, taking into account tobacco taxes in effect at the time, smokers were not a financial burden to society.

"We were actually quite surprised by the finding because we were pretty sure that smokers were getting cross-subsidized by everybody else," said Manning, who suspects the findings would be similar today. "But it was only when we put all the pieces together that we found it was pretty much a wash."



Such conclusions are controversial since they assign an economic benefit to <u>premature death</u>. U.S. government agencies shy away from the calculations.

The goal of the U.S. health care system is "prolonging disability-free life," states the 2004 Surgeon General's report on the health consequences of smoking. "Thus any negative economic impacts from gains in longevity with smoking reduction should not be emphasized in public health decisions."

Dr. Terry Pechacek, the CDC associate director for science in the office on smoking and health, said that data seeking to quantify economic benefits of smoking couldn't capture all the benefits associated with longevity, like a grandparent's contribution to a family. Because of such uncertainties the CDC won't put a price tag on savings from smoking.

"The natural train of logic that follows from that is that then anybody that's admitted around age 65 or older that's showing any signs of sickness should be denied treatment," Pechacek said. "That's the cheapest thing to do."

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