

Short-term Gain, Long-term Loss: Fiscal and Public Health Policies Clash in Idaho

In tight budget times, public health prevention and health care services programs are often among the first to be targeted for cuts or elimination. But this is a short-sighted budget fix.

Idaho State law requires that budgets be balanced, and many programs must be funded from the finite pot of dollars in the state's general fund. However, in public health we know that cutting prevention programs often means foregoing future cost savings. This statement capsulizes the conflict between those who advocate increased spending for prevention and health promotion programs, in which current investments might take years to realize a return (for example, tobacco-related chronic diseases), and legislators who are pressed to have expenditures show tangible results during their terms of office.

"Tough times demand tough decisions," Idaho Governor Dirk Kempthorne said when he announced a contingency plan identifying nearly \$110 million that can be transferred into the state general fund to deal with possible budget shortfalls in fiscal year 2003 if state revenues continue to lag behind projections. More than half of the dollars in the plan (\$65 million) would come from the Millennium Fund, an account established by the legislature to serve as a repository for the funds Idaho receives annually as part of the landmark tobacco settlement. For the past three years, about 90 percent of the revenue from this account has been used to fund tobacco prevention, tobacco cessation, and tobacco-related disease treatment programs statewide (approximately \$3.5 million in fiscal year 2003). The governor's announcement will not result in a discontinuation of programs already funded for the 2002-2003 fiscal year, but it would effectively end the use of these dollars in future years, because \$65 million represents 95 percent of the fund's principal balance.

The June/July 2002 edition of *The Nation's Health*, a newspaper published by the American Public Health Association, featured a report on a study conducted by the American Legacy Foundation. Findings from the report focused on the fact that by following recommendations from the Centers for Disease Control and Prevention for funding tobacco prevention programs, states

could save \$500 million a year in Medicaid costs. "Rather than diverting money for short-term budget fixes, states would be wise to use the money to reduce the long-term budgetary impact of tobacco use. Tobacco prevention programs are proven to save lives and money."

The authors of another study, published in the April 2002 *Morbidity and Mortality Weekly Report*, stated that "implementation of comprehensive tobacco control programs could effectively reduce the prevalence, disease impact, and economic costs of smoking." Specifically, analyses revealed that smoking kills 440,000 people annually in the U.S.; each pack of cigarettes sold costs an estimated \$7.18 in medical care costs and lost productivity; smoking caused more than \$150 billion in annual health-related losses from 1995-1999; and the economic costs of smoking are estimated to be about \$3,390 per smoker per year. [See page 5 for more state tobacco statistics.]

It is sound policy that programs receiving public funds should be evaluated for effectiveness. Decisions about where to spend public dollars are difficult at best. Balancing the need to fund ongoing infrastructure and fixed cost programs and those that result in future cost savings requires both vision and political will. Sometimes it is more prudent to seek methods to raise income than to cut public health programs.

Raiding the funds dedicated for public health programs severely compromises any opportunity Idaho might have to realize tobacco-related savings in the future. We can expect health care expenditures to continue to increase. Providing funds for tested prevention interventions *now* leverages the best use of public dollars for reducing the percentage increase in health care expenditures in the future. Today's tough economic times should not translate into decisions that will result in tougher times in coming years. 🐾

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