

The “tobacco sweep” and other assaults on public health

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“This is like déjà vu all over again.” – Yogi Berra

The “Tobacco Sweep”

Nothing epitomizes the dysfunctional nature of public policymaking in Nevada any better than our state’s approach to tobacco control and public health.

In his recent State of the State address, Governor Gibbons proposed a sweep of \$3.75 million from the Fund for a Healthy Nevada and the Trust Fund for Public Health. The “tobacco sweep” was included in a lengthy list of \$109 million in health and social service reductions and “budget adjustments” presented to the Legislature’s Interim Finance Committee the following day.

With nary a whimper from either side of the legislative aisle, state lawmakers appear set to approve this latest assault on public health in Nevada when the special session convenes later this month.

The sole source of public health dollars being swept is Nevada’s annual payment from the Tobacco Master Settlement Agreement. The deal was negotiated between 46 states and the largest tobacco companies, who agreed in 1998 to make annual payments to the states in perpetuity as reimbursement for past tobacco-related health care costs and future tobacco control efforts.

The proposed reversion of tobacco dollars to the state general fund will result in immediate cuts to grant programs for children’s health, disability services, and aging services. Worse, the nefariously labeled “tobacco sweep” would completely eliminate funding for effective community-based tobacco prevention and cessation programs across Nevada.

In testimony before Interim Finance Committee members last week, Health and Human Services director Mike Wilden was technically correct, if disingenuous, in claiming that nothing prevents states from using settlement dollars in any way they see fit. Over the past decade, forty six states have essentially used annual MSA payments in forty six different ways.

It is, however, an entirely different matter to suggest that Nevada’s use of settlement dollars to shore up budget deficits is a wise or equitable use of those funds – particularly considering tobacco’s toll in Nevada and previous hits to public health over the last couple of years. Among other unfinished business, current data indicates that 22.3 percent of adult Nevadans smoke,

13.6 percent of high school students smoke, and 3,300 deaths are caused by smoking each year in Nevada.

Nevada's Use of Tobacco Dollars

During the 1999 session, the Nevada Legislature approved two bills which determined how settlement dollars received by the State of Nevada would be used. Fifty percent of payments would go the Fund for Healthy Nevada to support a wide range of historically-underfunded health care programs, including the state's tobacco prevention and cessation program, and 40 percent was earmarked for Millennium Scholarships.

In a rare fit of fiscal foresight, the legislature also directed ten percent of settlement payments to be put in the Trust Fund for Public Health. These dollars were to be invested, as is the case with other trust funds overseen by the State Treasurer, with only the interest on accumulating principal to be used to support much needed investments in health promotion programs, disease prevention services, and public health research across the state.

While Nevada has spent only a fraction of the amount that the Centers for Disease Control and Prevention recommends each year to have an effective, comprehensive tobacco prevention program, state policymakers have nonetheless honored the intent of the multi-state tobacco settlement by using a portion of annual payments to attack the enormous public health problems posed by tobacco use in Nevada.

Settlement-supported tobacco prevention programs have been a key factor in the reduction of smoking rates and tobacco-related illness in Nevada. Youth smoking has dropped 48 percent and the adult smoking rate has declined by 30 percent in Nevada since program funding began earlier this decade.

Specific programs responsible for these accomplishments include school-based programs that teach children about the dangers of tobacco, cancer screenings for children, counseling programs for pregnant women, training health care providers on how to help their patients quit smoking, programs that provide alternatives to smoking for college students, cancer screenings for children.

These programs will no longer exist in Nevada with the proposed tobacco sweep.

Lawmaker's Assault on Public Health

In the past two years, the Governor has proposed and the legislature has consented to "sweeps" of \$60 million from settlement-supported public health programs in Nevada to plug budget holes, including \$18.9 million from the Fund for a Health Nevada and \$41.2 million in from the Trust Fund for Public Health.

The evisceration of the Trust Fund remains one of the uglier attacks on public health by any legislature in Nevada history. To shore up budget deficits in 2008, the legislature reverted \$31.4 million in accumulated principal and payments due to the Trust Fund effectively killing this vital source of public health funding in Nevada.

It is thus disgusting to hear the Governor and lawmakers from both parties frame cuts to MSA-funded tobacco control and public health programs as “tough decisions” or “difficult choices” forced by our state’s dire economic situation and deepening budget crisis. Unlike health and social programs supported by tax payers and general fund appropriations, the reversion of tobacco settlement dollars is a “decision” or “choice” that should not be on the table in the first place.

For 10 years, Nevada’s annual tobacco settlement payments have allowed the state to invest in much needed public health programs and services – investments that have begun reversing our state’s notoriously poor ranking on population health indicators.

These efforts will come to an abrupt end with the tobacco sweep.

What Lies Ahead?

If recent actions by state lawmakers are any indication, the “tobacco sweep” is unlikely to be stopped.

Ominously, a new budget line has emerged in spreadsheets recently released by the Department of Health and Human Services. Funds “available to be swept” for the State fiscal year 2012 represent the latest addition to the budget hawk’s calculus and cynically suggests that the executive branch already staking its claim to future tobacco settlement payments.

Stealing a page from Rahm Emmanuel’s playbook, it appears that Gibbons is not going to allow our state’s severe budget crisis “to go to waste.” Moreover, his unvarnished commitment to dismantling the social safety net in Nevada combined with willing accomplices in the legislature portend an uncertain, if not sorry, future for public health in Nevada.

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