Smoking-Related Spending in AR Medicaid

JULY 2024

Method 1: Smoking Diagnoses

AR Medicaid claims and encounters with at least one smoking-related diagnosis

From 2021-2023:

- Approximately 160,000 smokers have been identified on Medicaid
- $149M to $189M in direct expenditures from FFS claims
- $348M to $408M in total annual spending* (including encounter)
- 6.1% to 7.3% of total annual spending (including encounter)

* Reported encounter expenditures included and not the PMPM rate

Method 2: Smoking-Attributable Fraction

Smoking-attributable fraction of a given disease =

$$\frac{A}{A+B+C}$$

A = Number of smokers in the population who contract a particular disease, Disease X, due to their smoking habit

B = Number of smokers who contract Disease X, not due to their smoking habit

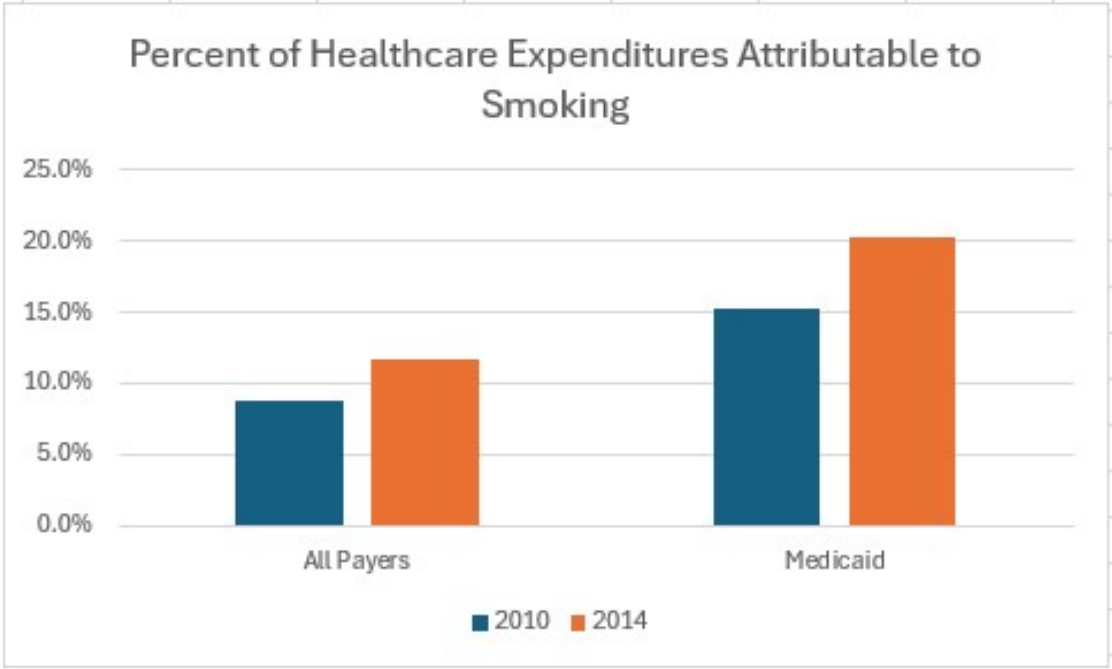
C = Number of non-smokers who contract Disease X

[T = A+B+C = Total number of people who contract Disease X]

Method 2: Smoking-Attributable Fraction

- Different methods for estimating the smoking-attributable fraction and associated spending
- Common way uses the Medical Expenditure Panel Survey (MEPS)
  - National survey
  - Links
    - Healthcare claims, and
    - Survey data on self-reported smoking status and amount smoked, related risk factors (e.g., alcohol use, risk behaviors), and sociodemographic factors (e.g., marital status, education level)

Method 2: Smoking-Attributable Fraction



AR Medicaid Smoking-Attributable Fraction

- Most recent national data estimates smoking accounts for 20.3% of Medicaid spending.
- Assume Arkansas Medicaid = national Medicaid average
- 2023
  - Total Arkansas Medicaid expenditures = $6.6 billion
  - Estimated smoking-attributable fraction = $6.6 billion x 20.3% = $1.3 billion