

Insurance Companies Covering Tobacco Cessation is Smart Business

Bottom Line?
Tobacco Cessation
Benefits save employers
and insurance
companies money!

How much does tobacco use cost?

Smoking affects nearly every system in the body and costs the nation **\$167 billion** in healthcare and disability costs, as well as lost worker productivity.¹ **Tobacco cessation is one of the most cost-effective benefits an employer can provide.** In fact, tobacco cessation benefits are more cost-effective than other commonly covered disease prevention interventions, such as the treatment of hypertension and high blood cholesterol.²

Treating tobacco use and dependence can prevent the development of many costly chronic diseases such as heart diseases, cancers and lung disease. Table 1 below demonstrates savings to employer-sponsored health benefit programs for people who quit smoking.

Short-Term Consequences of Smoking on Selected Conditions	Annual Medical Savings per Smoker Who Quits
Coronary Heart Disease and Stroke	\$153
Adult Pneumonia	\$3
Low-Birthweight Babies	\$9
Childhood Asthma	\$14
Other Childhood Respiratory Conditions	\$8
Childhood Otitis Media (Ear infections)	\$5
Annual Total	\$192

Source: Fitch K, Iwasaki K, Pyenson B. *Covering Smoking Cessation as a Health Benefit: A Case for Employers.* Milliman, Inc. December 2006.



Employees who use
tobacco are *expensive*.

Helping them quit
is *cost-effective*.

3 Ways to Structure Benefit Payment

(Based on National Estimates)

Per Service Fee	\$ 33.00
Per Enrollment Fee avg 4 services per quit attempt + Medication	\$ 215.00
Per Member Per Month	\$ 0.74

Actual plan costs would vary based on lives covered.

ROI - Save Lives, Save Money

Help employers save thousands of dollars every year in health care costs and productivity time.

- In contrast, the annual cost of tobacco use is about \$3,400 per smoker or about \$7.18 for each pack of cigarettes sold.¹
- Tobacco cessation benefits are more cost-effective than other common and covered disease prevention interventions, such as the treatment of hypertension and high blood cholesterol.²
- It costs between 10 and 40 cents per member per month to provide a comprehensive tobacco cessation benefit (costs vary based on utilization and dependent coverage).^{3,4}

For more information, visit:

www.businesscaseroi.org

Quitlines Provide Cost-Effective Services

Quitlines provide evidence-based interventions for tobacco cessation via telephone. Trained quitline coaches help tobacco users develop individualized quit plans and, in many cases, make proactive follow-up calls to support the quit process.

- Tobacco users receiving quitline counseling are 60% more likely to quit than tobacco users quitting on their own.⁴
- Quitline users taking cessation medication are 30% more likely to quit compared to those using cessation medications only.⁴

Arizona Smokers' Helpline (ASHLine)

With over 15 years of helping Arizonians quit tobacco, ASHLine is a comprehensive tobacco cessation service provider, able to take care of many of your employees' behavioral and pharmaceutical needs to quit tobacco.

- Provides effective, evidence-based behavioral support from highly trained quit coaches
- Has one of the highest long-term quit rates among all state-funded quitlines
- Provides convenience to clients via phone and web-based services
- Partners with state agencies and both public and private healthcare systems
- Offers flexible billing schedules (e.g., per-member per-month, per service, per enrollment, etc.)

For more information, visit:

www.ashline.org



Bottom line – tobacco cessation benefits save employers and insurance companies money.

Ensure that health plans cover behavioral support and tobacco cessation medications. Tobacco cessation is ROI.

1. Centers for Disease Control and Prevention. Smoking-attributable mortality, years of potential life lost, and productivity losses: United States, 2000-2004. *Morbidity and Mortality Weekly Report*, 2008;57(45):1226-8.
2. Cummings SR, Rubin SM, Oster G. The cost-effectiveness of counseling smokers to quit. *Journal of the American Medical Association* 1989;261(1):75-79.
3. State of Colorado Resource Book: Tobacco Cessation Coverage for Self-insured Employees. Jan/2010
4. Fiore MC, Bailey WC, Cohen SJ, et al. Treating Tobacco Use and Dependence: Clinical Practice Guideline 2008 Update. Rockville, MD: U.S. Department of Health and Human Services, Public Health Service; 2008.