

Cover It!

Any smoker will tell you, it's hard to quit. Three-quarters of all smokers want to quit.¹ Nearly half try every year—and fail.² They are two to three times more likely to succeed when they get help than when they don't.³ Yet many businesses and insurers do not provide help that could significantly improve smokers' chances of success.

Businesses like yours, particularly when facing skyrocketing health care costs, need to carefully weigh changes in benefits or services. In making such decisions, consider why helping smokers quit is an investment in a healthy and productive workforce that can produce bottom-line results.

10 reasons to help people quit tobacco

- 1.** Health care costs for smokers at any given age are as much as 40 percent higher than those for nonsmokers.⁴
- 2.** Employees who take four 10-minute smoking breaks a day work one month less per year than workers who don't take smoking breaks.⁵
- 3.** On average, smokers cost company drug plans twice as much as nonsmokers.⁶
- 4.** Smokers are absent from work for sickness at least 26 percent more than nonsmokers.⁷
- 5.** Helping adult smokers quit is the most cost-effective preventive service that can be provided to employees.⁸ Tobacco-cessation benefits pay for themselves and can save employers money in two to four years.^{9, 10}
- 6.** Businesses pay higher life insurance premiums for smokers. Smokers are subject to more disciplinary actions and are at greater risk of occupational injuries. By creating a smoke-free workplace, a business not only can support workers in quitting tobacco, but may reduce fire insurance premiums as much as 30 percent.¹¹
- 7.** Smoking harms nearly every organ of the body, placing smokers at greater risk for many chronic diseases, including asthma, cancer, heart disease, diabetes, and chronic obstructive pulmonary disease.^{12, 13}
- 8.** Smoking during pregnancy is the most important preventable cause of poor pregnancy outcomes, resulting in low birth weight, perinatal mortality, and sudden infant death syndrome. Medical costs of complicated birth are 66 percent higher for pregnant smokers than for pregnant nonsmokers.¹⁴
- 9.** Children exposed to tobacco smoke are at increased risk of respiratory illnesses, middle-ear infections, and decreased lung function. Health care costs for a privately insured child of a smoker average \$174 more per year than the child of a nonsmoker.¹⁵ Employers often pay these costs and for the reduced productivity, as parents care for sick children.
- 10.** Smoking is the leading preventable cause of premature death and disability in the United States, killing about 440,000 people every year.^{16, 17} For every person killed by tobacco use, another 20 live with tobacco-related disease.¹⁸

How much does tobacco cost you?

It costs pennies on the premium dollar to help smokers quit—far less than the cost of tobacco-related disease. An effective cessation benefit, including counseling and medications, costs less than 50 cents per member per month—\$6 per year, according to estimates by the Milliman, a respected actuarial firm. By comparison, in 2007, annual health insurance premiums for an individual averaged \$4,400.^{19, 20}

Smoking significantly increases the risk of heart disease, stroke, pneumonia, low-birth-weight babies and a host of other illnesses. When a person quits, the risks—and expenses—for these conditions diminish. The list below, based on a Milliman actuarial study, estimates the impact on health care costs during the first year a smoker quits. These estimates do not factor in reduced absenteeism, increased productivity, or the compounding of employer savings over time.

Selected Tobacco-Related Health Conditions	Avoided Costs the Year after a Smoker Quits
Coronary Heart Disease & Stroke	\$153
Adult Pneumonia	\$3
Low Birth-Weight Babies	\$9
Childhood Asthma	\$14
Other Childhood Respiratory Conditions	\$8
Childhood Otitis Media (ear infections)	\$5
Total Annual	\$192

It is impossible to predict whether the employee who quits smoking is the one who would have suffered a heart attack or stroke. However, for the medical cost of that one heart attack--\$33,000 for one year—a company with 5,500 employees and dependents could offer a robust cessation benefit for a year.

If you invest in tobacco-cessation services, you will realize a return-on-investment within a few years. When you consider productivity issues and other indirect expenses, your return will be even quicker.

Calculate the costs of smoking-related diagnoses at your workplace. A worksheet, Resource B, can help you.

Studies show that tobacco use costs more than \$5,600 per smoker per year when you factor in:^{21, 22, 23, 24}

- Greater health care costs
- Increased absenteeism
- Work time spent on smoking rituals
- Higher life insurance premiums
- Greater risk of occupational injury
- Costlier disability
- More disciplinary action

Do the Math

of employees _____

% of smokers or .21²⁵
(average U.S. rate)

Estimated number of smokers _____

Cost per smoker: \$5,600

Total cost per year: _____

x _____

x5,600

Help employees quit

Since your company already pays for the loss of health and productivity resulting from smoking, why not come out ahead and provide the help employees want and need to kick their addiction?

In 1988, Surgeon General C. Everett Koop declared tobacco use an addiction.²⁶ Research testifies to the grip of nicotine in tobacco. More addictive than heroin or cocaine, nicotine changes the brain's chemistry and becomes necessary in the life of a tobacco user. Once inhaled, nicotine reaches the brain in seven seconds, affecting thought processes and changing moods.²⁷ Tobacco users become dependent upon nicotine's effects when they take smoking breaks at work, when they smoke or chew when feeling stressed, or while driving, relaxing or engaging in other activities.

Thus, when people quit tobacco, they not only face the physical challenges of withdrawal, they must also change their daily rituals and stress relievers. Within hours of quitting, they experience cravings, anxiety, frustration, irritability, loss of concentration, increased heart rate, fatigue or light-headedness. Although most of these symptoms disappear within three weeks, the urge to smoke can recur for months and even years.²⁸

Extensive research conducted over decades shows that the most effective help includes medications to treat the withdrawal symptoms of quitting, and counseling to help develop new ways to cope with the behavioral and psychological effects.²⁹ Medicare covers this evidence-based cessation treatment. So does Medicaid in most states.³⁰ An increasing number of employers and health insurers are making the investment as well.³¹

Companies that have been most successful in curbing worker tobacco use generally make a commitment to becoming tobacco-free and devise strategies and measurements to continually improve how they help employees quit.

Chevron tackles top risk factor—tobacco

Chevron, a California-based oil company with 65,000 employees, won the 1998 C. Everett Koop Award for worksite health promotion for its focus on tobacco-cessation. The company found that it spent about \$4 million per year on tobacco-related illnesses—more than on any other risk factor. Since 1991, Chevron has reduced the number of employees who smoke by more than 43 percent.

Company personnel educated health insurers on how to effectively monitor and treat tobacco use and addiction. They measured how each insurance company provided these services and demanded necessary improvements. Finally, Chevron structured an internal program with the kinds of counseling and medications proven to be most effective.

Review the health benefits or services you provide

Do you know what your company offers to help tobacco users quit? Find out if you provide evidence-based cessation benefits or services: counseling and medications. Design a benefit that encourages smokers to take the tough road to quitting.

Include assistance that effectively helps people quit smoking

Counseling/Coaching³²

Expert counseling or coaching increases quitting success.

- Person-to-person counseling—individual, by telephone, or in groups—is the most effective.
- Smokers are more likely to use telephone counseling than participate in individual or group counseling sessions.
- The effectiveness of counseling increases with more or longer sessions.

A national Tobacco Quit Line phone number, 1-800-QUIT NOW, transfers smokers to telephone based support in their home state. Services vary depending upon state funding. A quit line may offer quit information, a quit coach who provides direct telephone support, nicotine replacement therapy, local resources, and services in various languages. An employer or insurance company may be able to contract directly with the vendor for more intensive treatments, including company-specific reports. To learn what your state quit line offers, visit http://www.naquitline.org/flash/map_world/map_world.html

Services that provide only educational or self-help materials, including those on the web, have not been shown to be effective. However, web assistance tailored to an individual can be useful, particularly when it is linked with other effective treatments.

Medications³³

The Food and Drug Administration has approved seven medications to help people quit tobacco. Some may be purchased over the counter. Others require a prescription. Some are available in generic form. Studies show that each of these therapies can help a smoker quit:

- The five nicotine-replacement therapies relieve cravings and withdrawal symptoms. They are available in different forms, including gum, lozenges, nasal spray, inhaler, or patch. Costs vary significantly.
- Bupropion SR, a sustained release tablet, reduces withdrawal symptoms by preparing the body for the stress of quitting. It is commonly used to treat depression.
- Varenicline, sold as Chantix™, reduces the pleasant effects of nicotine on the brain.

These medications can produce side-effects, but none has been found to be as damaging as smoking. Smokers concerned about using nicotine-replacement therapies, products that contains nicotine to help them quit, may not know that it is the 4,000-plus chemicals, tars and additives in cigarettes that cause illness and premature death. The nicotine creates the addiction to cigarettes or chewing tobacco. Nicotine-replacement therapies, used properly, can ease the withdrawal symptoms.³⁴

Benefit design³⁵

When designing a tobacco-cessation benefit, remember that breaking the addiction to smoking is difficult. Successful quitting can take multiple tries using a variety of aids. Reduce treatment barriers to encourage smokers to get help, prevent relapse, and eventually quit.

Tobacco-cessation benefits that have been found to be most effective cover the following:

- Counseling and medications, together or separately
- Counseling services, including telephone and individual counseling classes, are also effective, but few smokers attend them³⁶
- Several counseling sessions over a period of several weeks or more
- FDA-approved medications, including prescription and over-the-counter nicotine replacement medication, bupropion and varenicline

FDA-Approved Prescription and Over-the-Counter Tobacco-Cessation Medications

Type	Form	Common Brand Names
Nicotine- Replacement Therapy	Gum	Nicorette®
	Patch	Nicoderm® Habitrol® Prostep® Nicotrol®
	Inhaler	Nicotrol®
	Nasal Spray	Nicotrol®
	Lozenge	Commit®
Bupropion SR	Pill	Zyban® Wellbutrin®
Varenicline	Pill	Chantix™

Show tobacco users you want to help them quit and understand the chronic nature of tobacco dependence by designing a benefit that encourages quitting—even if it takes awhile:

- Require employees to pay no more than the standard copayment. Data show that smokers rarely use cessation services inappropriately and are much more likely to try to quit when no copayment is required.³⁷
- Provide at least two courses of treatment per year—both medications and counseling.
- Do not impose a lifetime limit.

Incentives

A recent study by a quit-line vendor found 50 percent higher quit rates among employers who offer incentives.³⁸

Design an incentive that meets the five Health Insurance Portability and Accountability Act (HIPAA) standards for a wellness plan:³⁹

- The premium reduction for those in a wellness plan is not more than 20 percent of the cost of coverage
- The program is designed to promote health and prevent disease
- Individuals eligible for the program can qualify for a premium discount or incentive at least once a year
- The program provides a “reasonable alternative standard” for those having an unreasonably difficult time quitting (i.e. discount for attending educational classes or trying a nicotine patch) and
- Plan materials describe the reasonable alternative standard to qualify for the lower premium.

Here is a list of incentives that have been used:⁴⁰

- Up to \$500/year in benefit credits for people who meet wellness goals
- Discounted life insurance premiums for nonsmokers
- Nonsmokers receive a \$100 credit toward annual health insurance premium
- \$50 for pledging to avoid tobacco and avoid misusing alcohol or drugs
- People who quit smoking get \$600 in cash over 18 months
- Those who successfully meet wellness goals are entered into a drawing for a prize

How much would an effective tobacco-cessation benefit cost you?⁴¹

Number of covered lives: _____
\$.28 per member, per month** x _____
Total cost per year _____

**Assumptions: Includes a physician evaluation and advice session, 8 weeks NRT, six individual/group therapy sessions, 25% cost-sharing, used by 6 percent of smokers.

Monitor the effectiveness of your programs

While science provides volumes of evidence of what helps people quit tobacco, you and those you work with are experts on your workplace and circumstances. Union Pacific Railroad pioneered the concept of “making it their business” to help employees quit tobacco more than two decades ago. The company started its wellness effort in the late 1980s with a champion or two. Now, Union Pacific is a national leader in wellness with its award-winning program.

In 1987, Union Pacific found that its high incidence of smoking was costing millions of dollars in health care claims and safety incidents. The company had some challenges in addressing the issue, with more than 50,000 employees based in 23 states who were constantly on the move. Union Pacific made a business decision to reduce tobacco use. The company decreased smoking from 40 percent in 1992 to less than 17 percent in 2007. Over the years, the company has aligned its policies to support its goal of a healthy workforce:^{42, 43, 44}

Union Pacific’s Timeline

- 1987** No smoking in headquarters offices
Smoking rooms established
- 1996** Smoking rooms closed
- 1999** Started pilot study for smoking cessation
- 1999** Smoking restricted at all sites and on equipment
- 2004** Non-hiring of smokers where legal
- 2005** Contributions to employees’ healthcare reimbursement accounts for completing a wellness assessment and for being a nonsmoker or completing a smoking-cessation program
- 2005** No smoking on any company property

Union Pacific's General Director of Health Promotion, Jackie Austad, attributes the company's success to a company-wide commitment to wellness as a major business objective.

The company has won numerous awards for its efforts, including the Partnership for Prevention Healthy Workplace Award, the C. Everett Koop National Health Award for Integrated Health, Productivity & Safety Management Programs, and the National Business Group on Health Platinum Award as a Best Employer for Healthy Lifestyle.



Union Pacific posts motivational messages for employees on match books.

Group Health eases quitting journey

Group Health Cooperative's ongoing effort to curb tobacco use pays off: fewer smokers, more quit attempts, and reduced use of health care services. In 1991, Seattle-based Group Health made reducing tobacco use a top priority for members. Since then, smoking prevalence by the 600,000-member health maintenance organization has declined from 25 percent to less than 15 percent.⁴⁵

Management commitment and close analysis of results are key to the group's success. Senior leadership, including the CEO and medical director, make reducing tobacco use a top prevention priority. In the 1990s, Group Health removed copays for counseling, simplified paperwork, and removed geographical barriers by using telephone counseling.⁴⁶

More recently, Group Health revitalized its cessation effort with new policies and improved benefits. In 2007, Group Health banned tobacco use on all of its campuses, including 25 medical centers and a hospital. In 2008, the company approved the use of Varenicline to help members quit and eliminated the copayment for all FDA-approved cessation medications. Within six months, quit attempts doubled.⁴⁷

Group Health promotes its stop-smoking program in every issue of its quarterly member magazine. The HMO finds that luring members to quit smoking not only improves their health, it saves money: Three to five years after giving up tobacco, members used significantly fewer inpatient and outpatient health care services than counterparts who continued to smoke.⁴⁸

Take the next step

- Assemble a team within your organization committed to developing a tobacco-free workforce.
- Examine your policies surrounding tobacco use. Consider policies that discourage tobacco use and support employees to quit tobacco.
- Measure the toll of tobacco on your company. How many employees use tobacco? What is the estimated impact on your company's health care costs, absenteeism, smoking breaks, life insurance, disability, workforce harmony, industrial accidents and disciplinary actions?
- Talk to your insurance consultant or broker about benefits, riders, products or discounts designed to help employees quit tobacco.
- Add coverage for the counseling and medications that have proven most effective in helping tobacco-users quit.
- Determine ways to make tobacco-cessation benefits more accessible. Limit employee costs by waiving or reducing them to no more than the standard copayment. Offer at least two courses of treatment per year.
- Expand tobacco-cessation benefits to employees, spouses, significant others, and dependents as a way to encourage more support for quitting.
- Establish systems to measure what you do and the impact of any changes you make.

Determine your next steps. Resource C can provide some direction.