

# COVERAGE FOR TOBACCO USE CESSATION TREATMENTS

Why,

What,

and

How

## Why Is Health Insurance Coverage for Tobacco Use Treatments So Important?

- Smoking is costly to employers both in terms of smoking-related medical expenses and lost productivity.
  - Ten percent of smokers alive today are living with a smoking-related illness.<sup>1</sup>
  - Men who smoke incur \$15,800<sup>2</sup> (in 2002 dollars) more in lifetime medical expenses and are absent from work 4 days more per year than men who do not smoke.<sup>3</sup>
  - Women who smoke incur \$17,500<sup>2</sup> (in 2002 dollars) more in lifetime medical expenses and are absent from work 2 days more each year than nonsmoking women.<sup>3</sup>
  - In 1999, each adult smoker cost employers \$1,760 in lost productivity and \$1,623 in excess medical expenditures.<sup>4</sup>
  - Smoking causes heart disease, stroke, multiple cancers, respiratory diseases, and other costly illnesses. Secondhand smoke causes lung disease and lung cancer.<sup>5,6</sup>
  - Smoking increases costly complications of pregnancy, such as pre-term delivery and low birth-weight infants.<sup>7</sup>
- Smoking is the leading preventable cause of death in the United States.<sup>8,9</sup> Smokers who quit will, on average, live longer and have fewer years living with disability.<sup>10</sup>
- About 23% of American adults and 28% of teens smoke.<sup>11,12</sup> More than 70% want to quit, but few succeed without help.<sup>11</sup> Tobacco use treatment *doubles* quitting success rates.<sup>9</sup>

*Paying for tobacco use cessation treatments is the single most cost-effective health insurance benefit for adults that can be provided to employees.*<sup>13, 14, 15</sup>

## What Treatments Are Available? How Effective Are They?

Smoking cessation treatments have been found to be safe and effective. These include counseling and medications, or a combination of both.<sup>9</sup>

- Face-to-face counseling and interactive telephone counseling are more effective than services that only provide educational or self-help materials.<sup>9,16</sup>
- The effectiveness of counseling services increases as their intensity (the number and length of sessions) increases.<sup>9</sup>
- Smokers are more likely to use telephone counseling than to participate in individual or group counseling sessions.<sup>16,17</sup>



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- The Food and Drug Administration has approved six first-line medications to help smokers quit:
  - Five are nicotine replacement therapies that relieve withdrawal symptoms. They include nicotine gum, patch, nasal spray, inhaler, and lozenge.<sup>9</sup>
  - The sixth medication, bupropion SR (sustained release), is a non-nicotine medication that is thought to reduce the urge to smoke by affecting the same chemical messengers in the brain that are affected by nicotine.<sup>9</sup>

### Prescription and Over-the-Counter Tobacco Cessation Medications\*

Type	Form	Common Brand Name(s)	Availability
Nicotine Replacement Therapy	Gum	Nicorette®	Over-the-counter (OTC)
	Patch	Nicoderm®, Habitrol®, Prostep®, Nicotrol®	OTC and prescription
	Inhaler	Nicotrol®	Prescription
	Nasal Spray	Nicotrol®	Prescription
	Lozenge	Commit®**	OTC
Bupropion SR	Pill	Zyban®, Wellbutrin®	Prescription

\* Approved by the Food and Drug Administration (FDA) and addressed in the 2000 PHS Guidelines.

\*\* Received FDA approval on October 31, 2002, therefore not addressed in the 2000 PHS Guidelines.

*Scientifically proven treatments can double a person's chances of quitting smoking.<sup>9</sup>*

### How Should Benefits Be Designed?

Benefits for proven tobacco-use cessation treatments have been shown to increase treatment use and the number of successful quitters; therefore, both the Public Health Service-sponsored Clinical Practice Guideline, *Treating Tobacco Use and Dependence*, and the Community Preventive Services Task Force recommend that all insurers provide tobacco cessation benefits that do the following:

- Pay for counseling and medications, together or separately.<sup>9</sup>
  - Cover at least four counseling sessions of at least 30 minutes each,<sup>9</sup> including proactive telephone counseling and individual counseling. While classes are also effective, few smokers attend them.<sup>19</sup>
  - Cover both prescription and over-the-counter nicotine replacement medication and bupropion (see medication table).<sup>9</sup>
  - Provide counseling and medication coverage for at least two smoking cessation attempts per year.<sup>20, 21</sup>
  - Eliminate or minimize co-pays or deductibles for counseling and medications, as even small copayments reduce the use of proven treatments.<sup>18, 19</sup>

### What Is the Role of Health Insurance Coverage in Tobacco-Use Cessation?

- Health insurance coverage of medication and counseling increases the use of effective treatments.<sup>18</sup>
- Although 66% of Americans under the age of 65 are insured through an employer,<sup>22</sup> only 24% of employers offer any coverage for tobacco-use treatment.<sup>23</sup>

*Coverage of tobacco-use cessation treatment increases both use of effective treatment and the number of successful quit attempts.<sup>18</sup>*

## How Much Do Cessation Benefits Cost? Are They Cost-Effective?

- Tobacco cessation is more cost-effective than other common and covered disease prevention interventions, such as the treatment of hypertension and high blood cholesterol.<sup>14</sup>
- Cost analyses have shown tobacco cessation benefits to be either cost-saving or cost-neutral.<sup>3, 20</sup> Overall, cost/expenditure to employers equalizes at 3 years; benefits exceed costs by 5 years.<sup>3</sup>
- 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).<sup>19, 24</sup>
- In contrast, the annual cost of tobacco use is about \$3,400 per smoker or about \$7.18 for each pack of cigarettes sold.<sup>4</sup>
- Neonatal health care costs related to smoking are equivalent to \$704 for each maternal smoker.<sup>4</sup> Randomized controlled trials indicate that a smoking cessation program for pregnant women can save as much as \$6 for each \$1 spent.<sup>25</sup>

## What Is the Experience of Companies and Health Plans Providing This Benefit?

Businesses that have included a tobacco cessation benefit report that this coverage has increased the number of smokers willing to undergo treatment and increased the percentage that successfully quit.<sup>24, 26</sup>

- Union Pacific Railroad has experienced a decrease smoking prevalence among its employees from 40% to 25% in the 7-year period that it has offered a cessation benefit as part of a comprehensive cessation program.<sup>26</sup>
- At the Group Health Cooperative in Seattle, enrollees offered full coverage for smoking cessation treatments were four times as likely to try to quit and four times as likely to succeed.<sup>24</sup>

### *How Tobacco Cessation Cuts Cost*

- Over time, tobacco-use cessation benefits generate financial returns for employers in four ways:
  - Reduced health care costs<sup>3, 27</sup>
  - Reduced absenteeism<sup>3, 28, 29</sup>
  - Increased on-the-job productivity<sup>3, 28, 29</sup>
  - Reduced life insurance costs<sup>3, 28</sup>
- Benefits realized more immediately include:
  - Increases in employee productivity<sup>3, 29</sup>
  - Reductions in smoking-attributed neonatal health care costs<sup>25</sup>
- Employers who provide a smoke-free workplace may also realize savings on fire insurance and costs related to items such as ventilation services and property repair and upkeep.<sup>3, 28</sup>

## How Do I Get More Information?

Listed below are Web sites where you can find additional information on tobacco-use cessation or reimbursement for cessation treatment.

### *Smoking Cessation Treatment Effectiveness*

- ***Treating Tobacco Use and Dependence*** is a Public Health Service-sponsored clinical practice guideline that contains evidence-based strategies and recommendations to support effective treatment for tobacco use and nicotine addiction. The guideline and related consumer and clinician materials also can be found at <http://www.surgeongeneral.gov/tobacco/>.
- ***The Guide to Community Preventive Services*** provides information on the effectiveness of community-based interventions in three areas of tobacco-use prevention and control: (1) initiation of tobacco use, (2) cessation, and (3) reduction of exposure to environmental tobacco smoke. Articles, slide sets, and commentaries can be found at <http://www.thecommunityguide.org/tobacco/>.
- **Surgeon General's Reports** related to tobacco are available on the Centers for Disease Control and Prevention Web site at <http://www.cdc.gov/tobacco/sgrpage.htm>.
- **Data on tobacco-use prevalence and tobacco-related morbidity and mortality rates** can be found at two Centers for Disease Control and Prevention Web sites: <http://www.cdc.gov/tobacco/data.htm> and <http://www.cdc.gov/nchs/>.

### Designing Health Insurance Benefits

- **Sample purchasing specifications**, which provide valuable contract language that can be used by employers and purchasers to structure benefits related to tobacco-use prevention and cessation, are available to assist states in implementing evidence-based tobacco-dependence treatment and improve Medicaid contracts. These sample specifications, developed by CDC in conjunction with George Washington University Center for Health Services Research and Policy, are available at <http://www.gwhealthpolicy.org/newspubs/tobacco>.
- **Build a Financial Infrastructure: Health Plan Benefits and Provider Reimbursement** combines evidence-based recommendations with the experiences of the Pacific Center on Health and Tobacco (PCHT), a consortium of five western states (California, Oregon, Washington, Arizona, and Hawaii) concerning tobacco cessation benefits and provider reimbursement. The report is designed to guide planning and decision-making by states and other groups that are working to implement tobacco cessation programs. Also available are two summaries based on this report: (1) *Health Insurance Benefits for Treatment of Tobacco Dependence* and (2) *Invest in Tobacco Cessation for a Healthy, Productive Workforce*. Visit the PCHT Web site at <http://www.paccenter.org>.
- **Employers' Smoking Cessation Guide: Practical Approaches to a Costly Workplace Problem**, a guide published by the Professional Assisted Cessation Therapy (PACT) consortium for large and small employers interested in enacting an affordable, effective smoking cessation program, is available at <http://www.endsmoking.org>.
- **Reimbursement for Smoking Cessation Therapy: A Health Care Practitioner's Guide**, published by the Professional Assisted Cessation Therapy (PACT) consortium for health care providers on how to obtain reimbursement for cessation services can be helpful to employers in the implementation of a tobacco cessation benefit. It is available at <http://www.endsmoking.org>.
- **Data on insurance status and type** (national and by state) from a survey conducted jointly by the Bureau of Labor Statistics and the Bureau of the Census are located at <http://ferret.bls.census.gov/macro/032002/health/toc.htm>.
- **Coverage of Smoking Cessation Treatment by Union Health and Welfare Funds** [Barbeau E, Li Y, et al. *American Journal of Public Health* 2001; 91(9):1412-1415]. This article presents the results of a survey to determine the level of insurance coverage for smoking cessation treatment and factors associated with coverage among health and welfare funds affiliated with a large labor union. Information on purchasing a copy of this article is located at <http://www.ajph.org/cgi/reprint/91/9/1412>.
- **Data concerning changes in coverage of tobacco-dependence treatments by state Medicaid programs** from a study conducted by the Center for Health and Public Policy Studies at the University of California, Berkeley, and links to publications addressing health insurance policy and tobacco control are available at <http://chpps.berkeley.edu/smoking/index.htm>.
- **A guide to purchasing prevention benefits** that was developed for employers in North Carolina by North Carolina Prevention Partners contains information that may be helpful to employers in other states. The guide can be found at <http://www.ncpreventionpartners.org/basic/eguide.htm>.

### Resources Useful for Employers

- **Making Your Workplace Smokefree: A Decisionmaker's Guide** provides information on the costs of tobacco use to employers. The entire guide or selected chapters are available in PDF format at [http://www.cdc.gov/tobacco/research\\_data/environmental/etsguide.htm](http://www.cdc.gov/tobacco/research_data/environmental/etsguide.htm).
- **Quitline Resource Guide**, published by CDC's Office on Smoking and Health, provides information on contracting for quitline services and key components of quitline services, such as counseling, staffing, quality assurance, promotion, and evaluation. The guide (in press when this document was published) will be available at <http://www.cdc.gov/tobacco>.

- **Linking a Network: Integrate Quitlines with Health Care Systems**, published by the Pacific Center on Health and Tobacco, describes the importance of linking state quitlines with health care systems and presents case studies describing linkages with health care systems. This resource (in press when this document was published) will be available at <http://www.paccenter.org>.
- **A Quick Reference Guide to Effective Tobacco Cessation Treatments and Activities** and other resources are available from the Center for Tobacco Cessation's (CTC) Web site at <http://www.CTCinfo.org>. CTC, which is jointly funded by the American Cancer Society and The Robert Wood Johnson Foundation, serves as a source of science-based information on cessation and works with national partners to expand the use of effective tobacco dependence treatment and activities.
- **Information on tobacco cessation counseling** can be found on the American Cancer Society Web site located at <http://www.cancer.org>. Type "cancer AND counseling" in the search box located in the upper right corner of the home page.
- **Information on tobacco cessation and the effects of tobacco use on specific populations** can be found on the American Lung Association Web site located at <http://www.lungusa.org>.

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