

Communities Putting Prevention to Work

Boston Tobacco Prevention

FACT SHEET: SMOKING CESSATION BENEFITS



Smoking-related illness continues to be the leading cause of death in Massachusetts, killing more residents each year than homicides, AIDS, motor vehicle accidents, suicides and poisonings combined.¹ Though smoking rates have dropped steadily over the past decade, we still have about 800,000 active adult smokers in the Commonwealth. In addition to the human costs of smoking-related disease, we know that smoking increases health care costs and costs millions of dollars each year in lost productivity.

Most smokers want to quit, but need help to be successful. One very effective way employers can help is by offering smoking cessation benefits to their employees in connection with employee health insurance plans. This type of benefit offers employees access to medication and counseling to help them quit smoking. While many employers offer some smoking cessation benefits as part of their employee insurance benefits, not all cessation benefits are created equal. In fact, research indicates that the quality of a cessation benefit can have a direct effect on use of the benefit, as well as the success of a smoker's quit attempt.

What does the ideal cessation benefit look like? MassHealth, the state's Medicaid insurance program, began offering a high-quality tobacco cessation benefit in 2006 as part of the Massachusetts health reform initiative. This benefit, considered a model by most experts, provides coverage for all FDA-approved medications to quit smoking; behavioral counseling; and very low co-pays to reduce barriers to access.² The MassHealth benefit is better than the others, because it offers an array of prescription and over-the-counter options to patients and also provides an opportunity for patients to get in-person or on-the-phone counseling about cessation. It offers these benefits in a way that minimizes co-pays to patients, to reduce barriers to use of the benefit.

Employers who provide less robust smoking cessation benefits are, in essence, paying for a benefit that does not maximize the return on investment and does not maximize results. Consider the impact that the MassHealth smoking cessation benefit has had since 2006:

- In the first two and a half years, MassHealth saw a 26% reduction in smoking rates;
- 46% fewer MassHealth cessation benefit users were hospitalized for heart attack after using the benefit in year 1;³

¹ Health of Massachusetts, MA Department of Public Health, 2010.

² Partnership for Prevention, *Massachusetts Model Tobacco Cessation Benefit Spurs Drop in Smoking Rates*
<http://www.prnewswire.com/news-releases/massachusetts-model-tobacco-cessation-benefit-spurs-unprecedented-drop-in-smoking-rates-heart-attacks-asthma-and-birth-complications-70401442.html>

³ Land T, Rigotti NA, Levy DE, Paskowsky M, Warner D, et al. (2010) A Longitudinal Study of Medicaid Coverage for Tobacco Dependence Treatments in Massachusetts and Associated Decreases in Hospitalizations for Cardiovascular Disease. PLoS

- Preliminary analysis shows that 18% fewer benefit users visited the emergency room for asthma symptoms in year 1; and
- 75,000 people used the benefit to try to quit.⁴

Below is a comparison between the MassHealth benefit and two other benefits – Medicare and a private insurance plan offered through the city of Boston.

Insurance Plan	Cessation Counseling Benefit	Cessation Pharmacy Benefit
MassHealth	Will reimburse for 16 counseling sessions every 12 months; prior authorization is needed for counseling beyond limit.	Will pay for over-the-counter treatments such as nicotine patches, gum, and lozenges; and for bupropion (Zyban, Wellbutrin) and varenicline (Chantix). Nicotine inhaler and nasal spray require prior authorization.
Medicare	Will reimburse for 8 sessions every 12 months. ⁵ Recently changed policy to provide access to all Medicare patients.	Will pay for prescription medications only; not over-the-counter products such as the patch or gum.
Harvard Pilgrim Health Plan	Discount on QuitSmart self-help cessation materials, includes a hypnosis CD, guidebook on quitting and “patented simulated cigarette.” The discount reduces cost of package from \$31.99 to \$26.23. Also provides information on the Quit Line.	Requires subscribers to pay \$5 co-pay for generic drugs. \$25 co-pay for brand-name medications such as Chantix and Wellbutrin and Zyban. No coverage for over-the-counter products such as the patch or gum.

In addition to helping employees, cessation benefits save on costs in the short and long run.⁶

Research shows that a comprehensive and effective smoking cessation program typically costs less than \$0.50 per member per month.⁷ What’s more is that an employer can expect a positive return-on-investment (ROI) in just two years of offering a high-quality cessation benefit that includes counseling,

Med 7(12): e1000375. Available at:
<http://www.plosmedicine.org/article/info%3Adoi%2F10.1371%2Fjournal.pmed.1000375>.

⁴ Partnership for Prevention.

⁵ Under National Health Care Reform, Medicare Part A and Part B will cover expanded access to counseling regardless of illness. Emily Walker. MedPage Today, April 27, 2010 *Medicare to Cover Smoking Cessation*
<http://www.medpagetoday.com/Pulmonology/Smoking/21901>

⁶ Campbell KP, Lanza A, Dixon R, Chattopadhyay S, Molinari N, Finch RA, editors. *A purchaser's guide to clinical preventive services: moving science into coverage*. Washington, DC: National Business Group on Health; 2006.

⁷ Curry S, Grothaus M, McAfee T, et al. Use and cost effectiveness of smoking-cessation services under four insurance plans in a health maintenance organization. *NEJM*. 1998; 339(10):673-679.

and access to prescription and over-the-counter nicotine replacement therapies.⁸ This joint study between the Association of Health Insurance Providers, the Center for Health Research and Kaiser Permanente Northwest further demonstrated that an investment of \$.18 -\$.79 per member per month yields a net return of \$1.70-\$2.20 after five years.⁹ In addition to short-term benefits, employers can also expect to see a long-term reduction in health care spending, decreased costs for life and disability insurance and fewer indirect expenses due to lost productivity. The Centers for Disease Control and Prevention and Bureau of Labor Statistics estimate that every employee that quits smoking saves a municipal employer \$3,487 in annual direct healthcare costs and indirect expenses related to lost productivity.

So, what steps would an employer need to take to provide a high quality cessation benefit? These benefits are the result of negotiations between an employer and an insurance company. This means that employers have significant influence over what is part of a final benefits package. Typically, these benefits are negotiated on an annual basis by the human resources department. If you offer benefits to unionized employees, you may also need to include a discussion of this during labor contract negotiations.

For more information, please contact Odessa Ortiz of the CPPW Tobacco Prevention Team at (617) 534-2376 or oortiz@bphc.org.

⁸ Fellows JF, Rehm B, Hornbrook M, Hollis J, Haswell TC, Dickerson J, Volk C. Making the Business Case for Smoking Cessation and ROI Calculator. Center for Health Research, 2004
Available at: <http://www.businesscaseroi.org>

⁹ Id.