Costs Related to Tobacco Use and Tobacco Cessation Benefits

Cost of Tobacco in Minnesota

- In Minnesota, smoking-attributable health care expenditures cost $2.87 billion in 2007.¹
- Smoking-attributable productivity losses related to cancer, cardiovascular disease and respiratory diseases cost $1.3 billion in Minnesota in 2004.²

The Cost of Prevention

- Tobacco use screening and intervention has consistently received the highest ranking for improved health outcomes and is more cost-effective than commonly offered preventive services including colonoscopies, screening for hypertension, mammograms, pap smears, and cholesterol screening and treatment.³
- Tobacco use screening and intervention is one of three clinical preventive services that is a proven cost-saving measure.³
- Tobacco cessation treatment for pregnant women is one of the most cost-effective preventive services available.⁴

Why Quitting is Important to Cost Savings

- Cost analyses demonstrate that cessation benefits are cost-saving for employers and highly cost-effective for health plans.⁵,⁶
- For every former smoker who does not relapse, the lifetime savings of tobacco-related health expenses is approximately $22,434.⁷
- Comparing the cost of offering a cessation program with the business savings gained from each smoker who successfully quits, there is a net savings of $542 per smoker.⁷

Calculating Return on Investment

- To estimate a business’ return on investment for various tobacco cessation benefits, visit the online ROI calculator at www.businesscaseroi.org.

Cost of a Tobacco Cessation Benefit

- The average cost in dollars per-member-per-month (PMPM) of a cessation benefit depends on several factors: the types of treatments covered, cost sharing provisions, and benefit use rates.⁸
- The estimated cost of a cessation benefit can range from $.02 PMPM for minimal benefits, which only cover telephone-based counseling, to $.45 PMPM for benefits, which cover prescription and over-the-counter medications, as well as individual counseling sessions.⁹
- A comprehensive, effective cessation benefit generally cost less than $.50 PMPM.⁹,¹⁰,¹¹
- Full coverage of tobacco cessation benefits is associated with increased quit attempts and utilization of pharmacotherapy treatments.¹²

### Savings to the Health Plan During the First Year Per Smoker Who Quits*

<table>
<thead>
<tr>
<th>Health Consequences of Smoking</th>
<th>Estimated Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coronary Heart Disease &amp; Stroke</td>
<td>$153</td>
</tr>
<tr>
<td>Adult Pneumonia</td>
<td>$3</td>
</tr>
<tr>
<td>Low Birth Weight Babies</td>
<td>$9</td>
</tr>
<tr>
<td>Childhood Asthma</td>
<td>$14</td>
</tr>
<tr>
<td>Other Childhood Respiratory Conditions</td>
<td>$8</td>
</tr>
<tr>
<td>Childhood Ear Infections</td>
<td>$5</td>
</tr>
<tr>
<td><strong>Total Savings</strong></td>
<td><strong>$192</strong></td>
</tr>
</tbody>
</table>

References

1 Blue Cross and Blue Shield of Minnesota. Health care costs and smoking in Minnesota—The bottom line. St. Paul, MN: Blue Cross Blue Shield of Minnesota, Center for Prevention; 2010. Available at: http://www.preventionminnesota.com/objects/pdfs/X18121_A_HCC_and_Smoking.pdf


10 Curry SJ, Grothaus MA, McAfee T, Pabiniak C. Use and cost effectiveness of smoking-cessation services under four insurance plans in a health maintenance organization. NEJM. 1998;339(10):673–79.


To learn more about smoking cessation, visit www.workshifts.org.