

# 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.<sup>1</sup>
- Smoking-attributable productivity losses related to cancer, cardiovascular disease and respiratory diseases cost \$1.3 billion in Minnesota in 2004.<sup>2</sup>

## 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.<sup>3</sup>
- Tobacco use screening and intervention is one of three clinical preventive services that is a proven cost-saving measure.<sup>3</sup>
- Tobacco cessation treatment for pregnant women is one of the most cost-effective preventive services available.<sup>4</sup>

## 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.<sup>5,6</sup>
- For every former smoker who does not relapse, the lifetime savings of tobacco-related health expenses is approximately \$22,434.<sup>7</sup>
- 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.<sup>7</sup>

## 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](http://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.<sup>8</sup>
- 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.<sup>9</sup>
- A comprehensive, effective cessation benefit generally cost less than \$.50 PMPM.<sup>9, 10, 11</sup>
- Full coverage of tobacco cessation benefits is associated with increased quit attempts and utilization of pharmacotherapy treatments.<sup>12</sup>

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

Health Consequences of Smoking	Estimated Savings
Coronary Heart Disease & Stroke	\$153
Adult Pneumonia	\$3
Low Birth Weight Babies	\$9
Childhood Asthma	\$14
Other Childhood Respiratory Conditions	\$8
Childhood Ear Infections	\$5
<b>Total Savings</b>	<b>\$192</b>

\* Fitch K, Iwasaki K, Pyenson B, 2006

## References

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