



Employee Smoking Costs Employers! Providing Cessation Treatment Saves Money!

Tobacco use is costly to employers; however offering employees a cessation benefit (counseling and medication) will result in a positive return-on-investment (ROI) within the first year. The following calculations can assist employers in assessing the cost of employee smoking and the cost-savings of offering help with quitting.

CALCULATING THE COST OF EMPLOYEE SMOKING

To calculate the financial toll of smoking on an individual company, consider the following:

North Carolina has a smoking prevalence of **“20.9 percent”** among its total population, which can be generalized to any workplace population. For example, if the smoking prevalence in your state is 20 percent, it is likely that approximately 20 percent of your employees smoke.

- The CDC estimates that companies spend \$3,856 per smoker per year in direct medical costs and lost productivity.¹

Example:

(5,000 employees) x (.20 smoking prevalence) = 1,000 employees who smoke
 (1,000) x (\$3,856) = \$3,856,000 per year in business-borne costs associated with employee smoking

CALCULATING RETURN-ON-INVESTMENT FOR TOBACCO CESSATION

America’s Health Insurance Plans (AHIP) and Kaiser Family Foundation have developed a calculator that is accepted industry-wide and that demonstrates a positive ROI for tobacco cessation within one year for productivity and within two years for medical savings.

The model provides the economic impact of the following tobacco interventions:

Tobacco Interventions	
Usual Care (2As)	In less than three minutes, a doctor’s office might Ask about tobacco use and Advise a person to quit smoking.
5 As	During a visit, the health care provider uses the 5 As (Ask, Advise, Assess, Assist, and Arrange) to identify smokers and encourage them to quit. This intervention is recommended by the PHS clinical guideline on tobacco cessation treatment.
5 As + Using Tobacco Cessation Medication (Rx)	5 As PLUS coverage for FDA-approved tobacco cessation medications. This intervention is recommended by the PHS clinical guideline on tobacco cessation treatment.
5 As + Enrolling in Quitline	5 As PLUS access to telephone counseling and support. This intervention is recommended by the PHS clinical guideline on tobacco cessation treatment.
5 As + Rx + Quitline	5 As PLUS access to telephone counseling and support as well as FDA-approved tobacco cessation medications. This intervention has been shown to be the most effective approach to tobacco cessation.

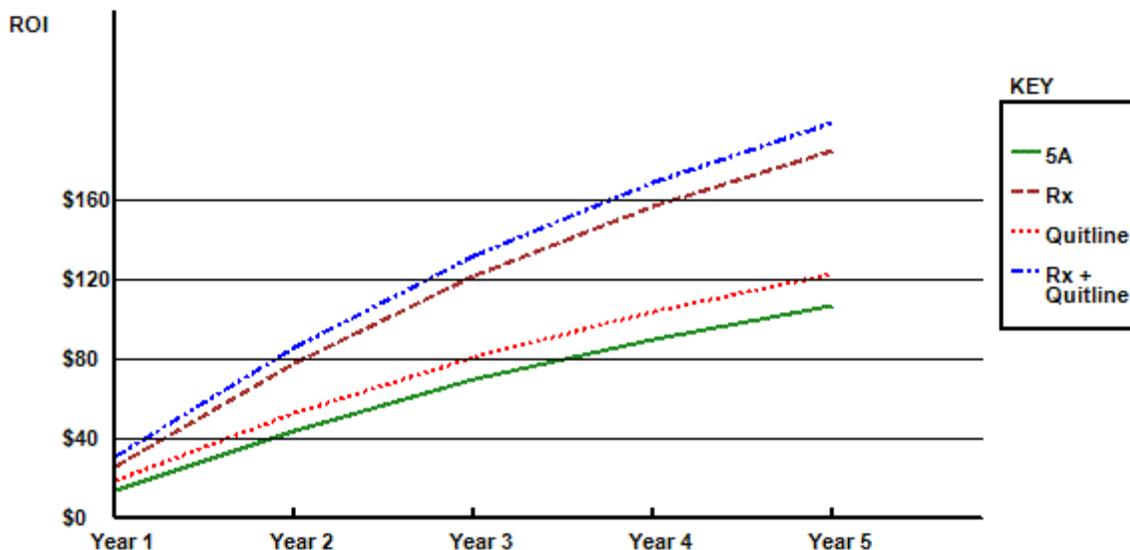
SAMPLE DATA OUTPUT: ROI CALCULATOR RESULTS FOR EMPLOYERS*2

Intervention Use, Cost, and Return on Investment for Company X at Year 1

	Usual Care 2As	5As	5As+Rx	5As+Quitline	5As+Rx+ Quitline
Total Population	17,072	17,072	17,072	17,072	17,072
Total Participants	1,866	2,333	2,333	2,333	2,333
Full Regimen Participants	-	537	537	429	429
Brief Advice Participants	1,866	1,796	1,796	1,904	1,904
Quitters	209	239	262	243	265
Employer Productivity Savings	-	\$8,849.24	\$15,201.22	\$9,920.65	\$16,043.04
Employer ROI per Participant	-	\$13.73	\$26.09	\$18.68	\$30.72

*Assumes 100% of Health Plan participants are covered by employer-sponsored plan.

Employer ROI per participant for years 1-5 for each intervention²



To calculate ROI for your company's investment in cessation treatment, visit: www.businesscaseroi.org

QuitlineNC connects people who want to quit smoking or using other tobacco products to an experienced Quit Coach. The Quit Coach works with the tobacco user to set up a personal quit plan and provide tips and support that will increase the chances of quitting tobacco for the long term. People who use the **QuitlineNC** coaching services and nicotine patch are **up to four times** as likely to quit smoking compared to those who quit on their own.

QuitlineNC is open seven days a week, 24 hours per day.

To learn more about making quitline services available to your employees, please contact:
Joyce Swetlick, Director of Tobacco Cessation,
NC Department of Health and Human Services,
Division of Public Health
Tobacco Prevention and Control Branch
Joyce.swetlick@dhhs.nc.gov or 1-919-707-5402

REFERENCES

¹Centers for Disease Control and Prevention. *Smoking-attributable mortality, years of potential life lost, and productivity losses: United States, 2000-2004*. Morbidity and Mortality Weekly Report, 2008; 57(45): 1226-8.

²American Health Plan Insurance. *Making the Business Case for Tobacco Cessation*. Retrieved from <http://www.businesscaseroi.org>



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Department of Health and Human Services | Aldona Z. Wos, M.D., Secretary
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