

# Tobacco Collaborative Cost Comparison to PMPM Benefits

As employers evaluate the Tobacco Collaborative Plan relative to a health plan or vendor tobacco cessation benefits rider, a primary difference is that the Tobacco Collaborative charges based on actual use whereas many health plans and vendors charge on a per member per month (pmpm) basis.

To make an apples-to-apples comparison, a Tobacco Collaborative pmpm cost estimate is calculated using Ohio's tobacco prevalence rate of 20.3 percent, the Ohio Quit Line's externally validated quit rate of 40 percent, Centers for Disease Control's (CDC) recommended reach rate of 6 percent, and actual Tobacco Collaborative costs (described below). This calculation allows for a general cost comparison of the Tobacco Collaborative benefit to a benefit rider priced on a pmpm basis. This estimate is for comparison purposes only and can vary depending on actual use of the benefit. Additionally, it is important to note that tobacco cessation programs outcomes can vary greatly depending on the services offered. The Ohio Quit Line's quit rate is based on an insured population who utilized coaching and a 4-week course of nicotine replacement therapy.

## Tobacco Collaborative Costs

- Four weeks of Nicotine Replacement Therapy (NRT), free of charge to the member (\$57).
- Up to five outbound telephonic coaching sessions by trained counselors (\$138).
- Unlimited inbound telephonic support.

For reference purposes, the example below uses 1,000 employees. In this example, the cost calculation indicates that a pmpm cost of .20 cents per 1000 members would be a comparable cost to the Tobacco Collaborative.

	INPUTS	CALCULATED #
Employee count	1,000	
Ohio tobacco use rate	0.203	
Number of assumed smokers (population x tobacco use rate)		203 (1,000 x 0.203)
% of smokers contacting Quit Line	0.06	
Number of smokers who contact the Quit Line (% contact rate x smokers)		12.2 (.06 x 203)
Ohio Quit Line quit rate	40.1%	
Number of quit tobacco users (number of smokers who contact Quit Line x quit rate)		5 (12.2 x .401)
Cost per smoker who contacts the Quit Line (NRT + coaching)	\$195	
Total cost of use-based Tobacco Collaborative for employer (cost per smoker who contacts Quit Line x number of smokers who contact Quit Line)		\$2,379 (12.2x \$195))
Cost per quit smoker (total cost/# of quit smokers)		\$475.80 (\$2,379/5)
Proxy pmpm equivalent (total cost divided by total number of employees divided by 12)		\$0.20 (\$2,379 / 1,000)/12

*For calculating a specific employer's possible costs, insert the employer's employee count. All other numbers remain the same.*

**For more information or to sign up for the Tobacco Collaborative, please contact Cindy Haugland with National Jewish Health at 303-728-6505 or [hauglandc@njc.org](mailto:hauglandc@njc.org).**

## Ohio Cessation Benefits Team

