

How Tobacco Hurts an Employer's Bottom Line

Q: What's the single most cost-effective health benefit you can provide to your employees?

A: Tobacco use cessation interventions.¹

Tobacco use results in huge costs to the nation as a whole and to employers in particular. The estimated costs to the health care system for treating smoking-related illness are more than \$4.4 billion for Ohio and \$96 billion for the U.S.² Smokers consume more health care resources, experience greater absenteeism and tend to be less productive while at work.

Health Care Resources

- Smoking and smoking-related illnesses annually cost employers \$2,132 per smoker in excess medical expenses.³
- On average, tobacco users cost company pharmaceutical plans twice as much as non-users.⁴
- Compared to nonsmokers, smokers are 50 percent more likely to be hospitalized.⁵

Absenteeism

- Smoking and smoking-related illnesses annually cost employers \$2,312 per smoker in lost productivity.³
- Smokers on average, miss 6.2 days of work per year due to sickness compared to nonsmokers, who miss 3.9 days of work per year.⁶
- Eliminating smoking decreases disability time by 2.5 years for men and 1.9 years for women.⁷

Productivity

- Smokers have about two times more lost production time per week than nonsmokers.⁸
- It takes approximately seven minutes to smoke a cigarette. Employees who take four ten-minute smoking breaks a day will work one month less per year than workers who do not take smoking breaks.⁹

Workers' Compensation

- Businesses pay an average of \$2,189 in workers' compensation costs for smokers, compared with \$176 for nonsmokers. Smokers do not experience more injuries but they do not heal as quickly.¹⁰

The federal Patient Protection and Affordable Care Act (PPACA) will impact the majority of the employer groups in Ohio and throughout the nation. Effective September 23, 2010, health plans and non-grandfathered employer groups must cover all United States Preventative Services Task Force (USPSTF) A and B recommendations with no member cost sharing. These recommendations include coverage for tobacco cessation benefits.

1. Partnership for Prevention. Priorities for America's Health: Capitalizing on Life-saving, Cost-effective Preventive Services, 2006.

2. Centers for Disease Control and Prevention. Sustaining State Programs for Tobacco Control: Data Highlights 2006. U.S. Department of Health and Human Services Centers for Disease Control and Prevention, 2006.

http://www.cdc.gov/tobacco/data_statistics/state_data/data_highlights/2006/00_pdfs/DataHighlights06rev.pdf.

3. US Centers for Disease Control and Prevention (adjusted for 2008 dollars).

4. <http://www.dhss.mo.gov/SmokingAndTobacco/EmployersToolkit.pdf>.

5. <http://www.healthguidance.org/entry/6290/1/Smoking-and-Health-The-Facts.html>.

6. Impact of Smoking Status on Workplace Absenteeism and Productivity. Tobacco Control 10(3): 233-238, September 2001.

7. Smoking and the Compression of Morbidity. Journal of Epidemiologic Community Health; 54:566-74, 2000.

8. Lost Productivity Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audits. Journal of Occupational and Environmental Medicine. 45(12): 1234-46, December 2003.

9. Americans for Nonsmokers' Rights. Business Costs in Smoke-filled Environments. <http://no-smoke.org/document.php?id=209>.

10. The Association of Health Risks With Workers Compensation Costs. Journal of Occupational and Environmental Medicine. 43(6): 534-541, June 2001.

Ohio Cessation Benefits Team

