



Texas Business Group on Health
Texas Employers Benchmarking Survey:
Tobacco Use Policies and Programs – 2014
July 30, 2014

INTRODUCTION

Tobacco use is the single most preventable cause of death in the United States. Each year cigarette smoking and exposure to secondhand smoke causes 443,000—or 1 in 5—deaths. Economic losses are also staggering. Smoking-related diseases result in \$96 billion in health care costs annually.¹

Rising costs, new benefit options, and health care legislation, such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), and the Affordable Care Act (ACA), have impacted the way employers think about designing employee health benefits. A greater emphasis on preventive services, wellness programs and incentives/penalties that encourage use of these services continue to shape the benefits landscape for employers across the state.

SURVEY OVERVIEW

The Texas Business Group on Health (TBGH), in collaboration with the University of Texas at Austin acting on behalf of the Texas Department of State Health Services (DSHS), surveyed Texas employers in May 2014 to learn more about their tobacco use policies and programs in the workplace. *The Texas Employers Benchmarking Survey: Tobacco Use Policies and Programs – 2014* examines the general attitudes, policies and programs targeting tobacco use and tobacco cessation practices of more than 80 employers across the Lone Star State as they address this complicated – and costly – issue. The survey offers valuable insight into current strategies to improve workplace health and productivity by encouraging tobacco cessation among employees and their families.

Tobacco use impacts not only smokers, but also non-smokers, and thus, it has financial implications for all Texans. For example, the state and federal tax burden from smoking-related Medicaid expenditures is \$574 per household in Texas. Businesses in Texas also bear this burden in the form of smoking-related productivity losses of \$6.79 billion². The National Business Group on Health (NBGH) reports that, on average, smokers also incur higher workers' compensation benefits: \$2,189 compared to \$176 for non-smokers³.

The federal Centers for Disease Control and Prevention estimates that each adult tobacco user costs employers an average of \$1,600 in medical expenditures and \$1,800 in productivity losses annually⁴. The table below shows the burden of tobacco addiction for a medium sized business of 2,500 employees with a 18.2%⁵ rate of tobacco use, which is the current rate in Texas. The total cost of tobacco use could add up to more than \$1.5 million per year for a company.

Average Annual Employer Cost of Tobacco Use for a Mid-sized Business in Texas

Employers' tobacco related health care costs	\$728,000
Employer Productivity losses due to tobacco use	\$819,000
TOTAL Expenditure	\$1,547,000

Calculated based on 2,500 employees with a smoking rate of 18.2%

Tobacco dependence treatment, i.e. cessation counseling and medication approved by the Federal Drug Administration (FDA), has been recognized as the gold standard of health care cost effectiveness⁶. When you consider the latest Surgeon General's report that highlights the impact tobacco use has on chronic diseases like cancer, heart disease and pulmonary disease, it is easy to understand why. Comprehensive tobacco prevention and cessation efforts are recommended by state and national agencies, communities, schools, healthcare systems, and worksites. A comprehensive approach for the workplace combines policies restricting tobacco use, support for tobacco cessation, communication strategies to increase awareness of the tobacco-free policy and available tobacco cessation resources, and also monitoring the impact of tobacco use and cessation.

Findings from the ***Texas Employers Benchmarking Survey: Tobacco Use Policies and Programs – 2014*** indicate that employers are taking steps to improve their population health with a broad array of creative policies and programs. They are helping employees, and often family members, reduce the devastating toll of tobacco use with comprehensive tobacco- and nicotine-free worksites, access to cessation counseling programs, an assortment of benefits (e.g., no or low cost prescription and over-the-counter tobacco cessation products), incentives for achieving goals related to tobacco cessation, and creative utilization of various communication media.

EMPLOYER DEMOGRAPHICS

More than 80 employers, representing over 13 different industries with operations across Texas, participated in TBGH's web-based survey in April and May, 2014. Survey participants employ approximately 400,000 workers in the United States, of whom over 176,000 reside in Texas. These companies provide health benefits for more than 266,000 Texas-based employees and family members. Large employers (2,500 – 25,000 employees) represented 41% of all respondents; medium size employers (500 – 2,499 employees) represented 48%; and small employers (under 500 employees) represented 11%.

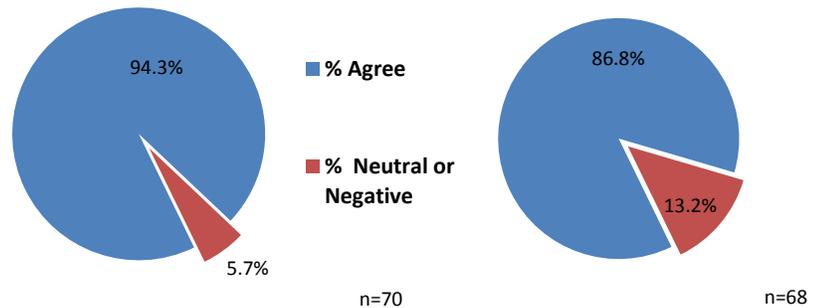
Given the impact of tobacco use on healthcare costs, it is somewhat surprising that most participating employers indicated that they do not monitor tobacco use or cessation, and therefore, did not report the percentage of tobacco users in their workforce. Identifying the number of tobacco users in a company is an important step toward determining the impact that tobacco cessation will have on the health of employees and on the employer's bottom line. About 15% of those employers who did report a tobacco use rate estimated that 21% - 40% of their employees use tobacco, a rate higher than the state average of 18.2%.

SURVEY RESULTS

Attitudes toward Tobacco’s Impact on Employee Health, Productivity and Healthcare Costs

Texas employers, like many companies across the country, are seeking outcomes-based, cost-effective disease prevention strategies. Figure 1 shows survey participants’ responses to questions about the impact of reducing tobacco use in the workplace. The majority agree that reductions in tobacco use would improve employee health and result in lower health-related costs. Most respondents also agree with the statement “Non-smoking employees have better morale, fewer sick days and are more productive employees.”

FIGURE 1: Employers Value Reductions in Tobacco Use



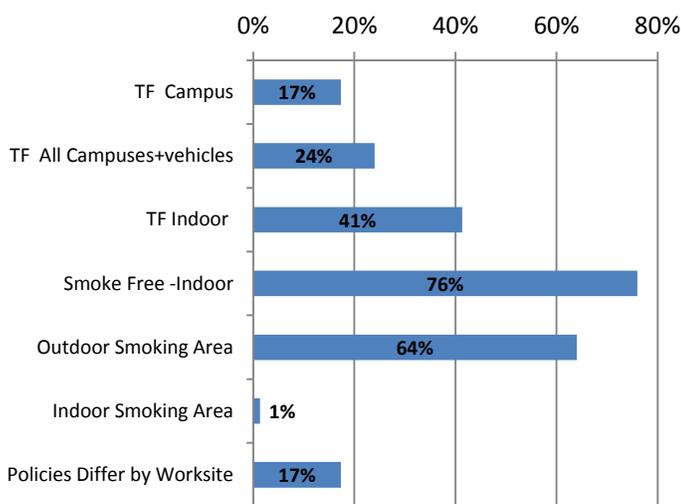
Establishing policies or programs that promote tobacco cessation would improve our employees' health.

Worksites with fewer employees using tobacco have lower health insurance costs

**Note: Survey participants were allowed to skip any question, therefore “n” represents the number responding to each question.*

Worksite Tobacco Policies

FIGURE 2: Types of Tobacco Policies



TF=Tobacco Free

Almost 90% of surveyed employers indicated that they have policies restricting tobacco use. Although the types of policies vary, Figure 2 shows that the majority of respondents limit the use of tobacco and smoking products indoors. It is noteworthy that a smaller, but still sizeable, number of Texas employers have adopted comprehensive campus-wide policies. Comprehensive tobacco-free (TF) campuses are recommended as the best way to support employees who are attempting to quit and the best way to protect others from second-hand smoke. Additionally, 71% of participating employers restrict the use of electronic nicotine delivery systems, such as e-cigarettes, hookah pens, etc.

Employer Sponsored Tobacco Cessation Resources

Texas employers demonstrate their investment in health and productivity with an array of programs and services to help employees and their family members end a tobacco habit and to help comply with tobacco-free campus policies. Figure 3 shows the types of tobacco cessation services and programs the surveyed employers offer in Texas. Prescription medication is offered by the majority of employers surveyed. About half of these employers provide subsidized support for over the counter (OTC) medication. Referral to a state or company sponsored “quitline” is also offered by the majority of these employers. Quitlines provide telephone or web-based tobacco cessation counseling. The **Texas Quitline** (<http://www.yesquit.org/about-the-program/>) provides free web-based tobacco cessation counseling to all Texans and telephone counseling to the uninsured and those referred by a health care provider.

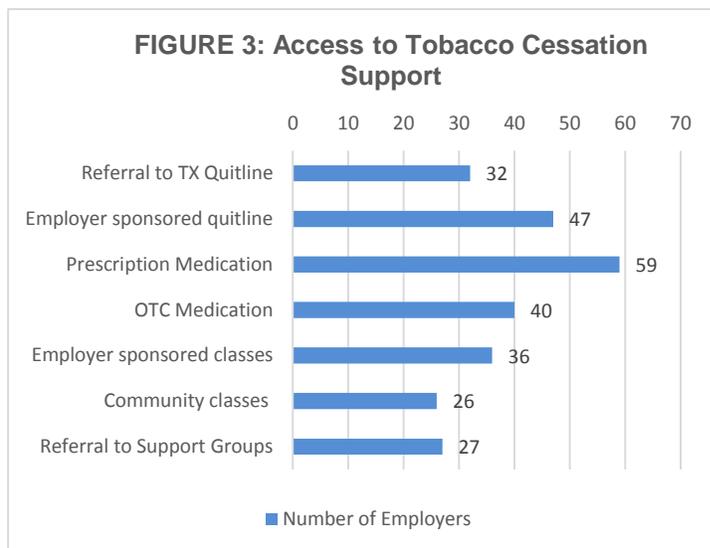
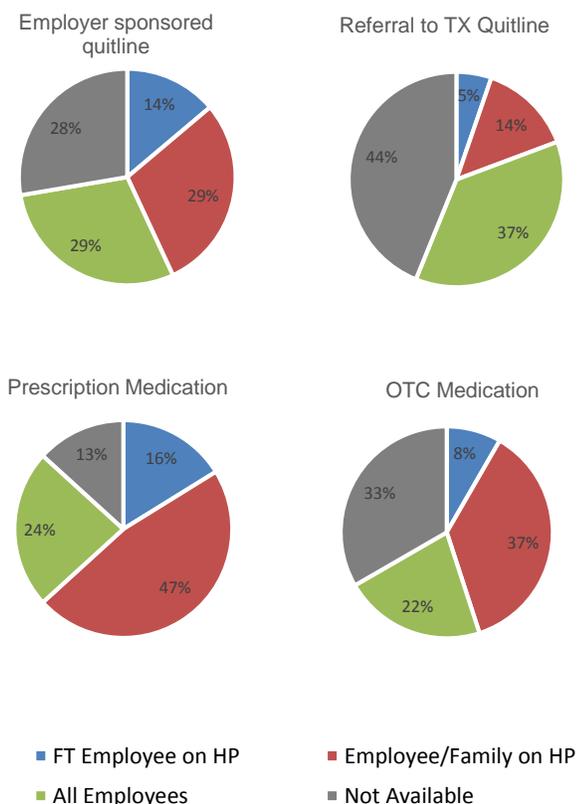


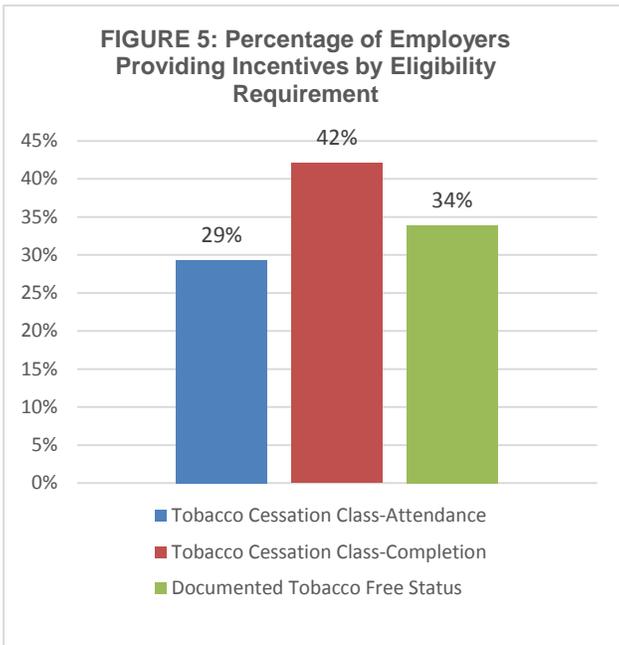
FIGURE 4: Types of Tobacco Cessation Support by Eligibility



The majority of survey participants reach beyond employees enrolled in company health plans, and also provide tobacco support services to covered family members, and to employees not enrolled in the health plan (see Figure 4). Access to a telephonic or on-line counseling service is the most common tobacco cessation support program offered to all employees regardless of their membership in the health plan.

Prescription medications are more likely to be offered to employees and family members enrolled in a health plan. Many employers provide low or no-cost access to over-the-counter medications, such as nicotine replacement patches, gum, or lozenges in accordance with the U.S. Public Health Service recommendations. Sixty-four percent of respondents reported using two or more types of providers for tobacco cessation support services. Although the company’s health plan is the most common provider of tobacco cessation resources, these services also are offered through wellness programs, employee assistance programs and occasionally, direct contract with tobacco cessation specialists.

In May 2014, the U.S. Departments of Labor, Health and Human Services, and the Treasury issued additional guidance to address confusion regarding preventive coverage in the Affordable Care Act (ACA) for tobacco cessation interventions. The guidelines emphasize the use of evidence-based clinical practice guidelines, noting that a group health plan would be considered in compliance with ACA if it covers, without cost sharing, screening for tobacco use for all plan members and, for tobacco users, four counselling sessions and access to all FDA-approved cessation medications prescribed by a health care provider for at least two quit attempts per year.⁷

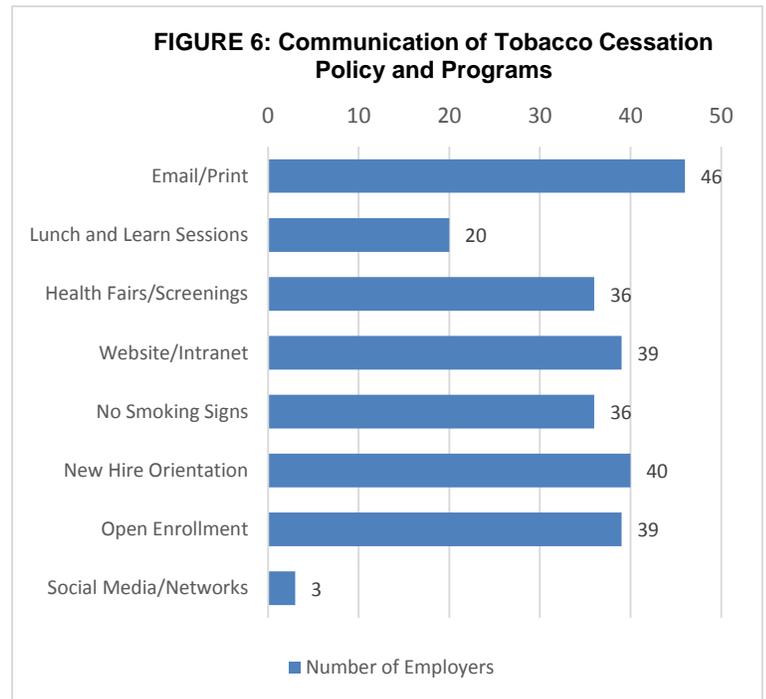


When asked about the number of quit attempts supported by their tobacco cessation resources, the majority of surveyed employers indicated that they currently cover cessation counseling (56%) and/or prescription medication (54%) for at least two quit attempts. Forty five percent indicated that they cover over-the-counter (OTC) medication for at least two quit attempts per year.

Some Texas employers also provide financial incentives for employees who are tobacco free. Almost 30% of respondents indicate that incentives are available for employees, and sometimes for family members, who enroll in tobacco cessation programs. Another 42% indicate incentives are available to those who successfully complete a program. Thirty-four percent indicate incentives are available to employees who are tobacco free. (See Figure 5.)

Employer Communications Strategies

Texas employers communicate their policies and programs in multiple ways, with the primary communication method varying by employer size. While almost all survey participants use email and print messaging, small employers are most likely to use email/print, new hire orientation and open enrollment to communicate tobacco policies (see Figure 6). Most mid-size employers indicated that tobacco messages are part of on-site health fairs or screening events. Websites are used more often by large employers. None of the small or mid-size employer respondents and very few large employer respondents reported using social media networks at this time, although this may be a changing trend.



SURVEY IMPLICATIONS AND RECOMMENDATIONS

Recommendations for Comprehensive Tobacco Policies and Cessation Benefits

- ✓ *Implement comprehensive tobacco-free campus policies.*
- ✓ *Identify employees who use tobacco and provide comprehensive tobacco cessation support.*
- ✓ *Communicate tobacco-free policies and the availability of cessation support.*
- ✓ *Provide a Health Savings Account (HSA) contribution for nonsmoking employees or reduce the High Deductible Health Plan deductible for nonsmoker.*
- ✓ *Use data to monitor the impact of tobacco use and tobacco-free policies/programs in your workplace.*
- ✓ *Purchase healthplans that reimburse primary health care providers for using tools for referral for tobacco cessation counseling.*

NBGH⁸ and CDC⁹

While the benefits of tobacco cessation may be obvious, the design and implementation of an effective strategy are filled with choices and challenges. The adoption of outcomes-based wellness incentive programs was considered the top benefits challenge by over half of the Texas employers surveyed earlier this year by the Texas Business Group on Health and the Dallas-Fort Worth Business Group on Health.

The National Business Group on Health (NBGH) and the CDC recommend that employers should work with their health plans and other service providers to support tobacco-free worksites^{8,9}. (See box at left.) These survey results confirm that Texas employers are actively using their health plans, wellness vendors, employee assistance plans, and specialty providers to help employees make one of the most difficult lifestyle changes – to stop using tobacco.

Unfortunately, there is no ‘quick fix’ to this problem. However, there are many resources and tools available to help employers develop comprehensive, integrated, evidence-based tobacco cessation programs and policies and to communicate and implement them successfully. Surveys like this identify what other employers are doing. It is also useful to know what leading employers are doing that has proven successful. A valuable follow-up to this survey would be for TBGH to share success stories of Texas employers who have implemented effective policies and programs to reduce tobacco use in the workplace.

The Department of State Health Services’ Community and Worksite Wellness division offers a number of resources, including the [Tobacco Free Workplace: Healthier and More Productive Toolkit](#) and the Texas Quitline (www.yesquit.org). The toolkit has a framework for evaluating the impact of tobacco use and cessation efforts on healthcare expenditures, guidance on devising effective tobacco-free campus policies, including sample policies and implementation strategies, which encourage employee “buy-in”.

Protocols for preventive health care may make it easier for employers to track the rate of tobacco use and, in turn, the impact of their tobacco cessation initiatives. As questions about tobacco use become a standard part of the annual preventive physical exam, employers will have more useful data upon which to build evidence-based comprehensive tobacco cessation policies and programs.

For more information about this survey, please contact Judy Hoffman, TBGH Project Manager, at 214-382-3037.

REFERENCES

¹ Smoking-Attributable Mortality, Years of Potential Life Lost, and Productivity Losses --- United States, 2000—2004 *Morbidity and Mortality Weekly Report (MMWR)* November 14, 2008 / 57(45);1226-1228
<http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5745a3.htm#top>

²Tobacco Free Kids (updated June 20, 2014), Toll of Tobacco in Texas
http://www.tobaccofreekids.org/facts_issues/toll_us/texas referenced on July 7, 2014

³ Musich S, Napier D, Edington D. The association of health risks with workers' compensation costs. *JOEM*. 2001;43(6):534-541. Referenced on the National Business Group on Health website on July 7, 2014
<https://www.businessgrouphealth.org/tobacco/return/index.cfm>

⁴ *Tobacco –Free Workplaces: Healthier and More Productive*, Department of State Health Services, Tobacco Control Program http://www.livetobaccofreeaustin.org/docs/DSHS_Worksite_Toolkit.pdf

⁵Behavioral Risk Factor Surveillance Survey 2012
<http://apps.nccd.cdc.gov/brfss/display.asp?cat=TU&yr=2012&qkey=8161&state=TX>

⁶ Systems Change: Treating Tobacco Use and Dependence: Based on the Public Health Service (PHS) Clinical Practice Guideline—2008 Update. December 2012. Agency for Healthcare Research and Quality, Rockville, MD.
<http://www.ahrq.gov/professionals/clinicians-providers/guidelines-recommendations/tobacco/decisionmakers/systems/index.html>

⁷ FAQs About Affordable Care Act Implementation Part XIX; The Center for Consumer Information & Insurance Oversight http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs19.html, last referenced July 7, 2014

⁸Tobacco: The Business of Quitting An Employer’s Website for Tobacco Cessation, National Business Group on Health
<http://www.businessgrouphealth.org/tobacco/benefits/index.cfm> last referenced July 14, 2014

⁹ Workplace Health Promotion: Tobacco Cessation, Centers for Disease Control and Prevention
<http://www.cdc.gov/workplacehealthpromotion/implementation/topics/tobacco-use.html> last referenced July 29, 2014

RESOURCES

Tobacco–Free Workplaces: Healthier and More Productive

Department of State Health Services, Tobacco Control Program

http://www.livetobaccofreeaustin.org/docs/DSHS_Worksite_Toolkit.pdf

Tobacco: The Business of Quitting An Employer’s Website for Tobacco Cessation

National Business Group on Health <http://www.businessgrouphealth.org/tobacco>

Healthier Worksite Initiative: Implementing a Tobacco-Free Campus Initiative in Your Workplace

The Centers for Disease Control and Prevention

<http://www.cdc.gov/nccdphp/dnpao/hwi/toolkits/tobacco/index.htm>