



BlueCross BlueShield of Texas

A photograph showing a hand in a green nitrile glove holding a cigarette on the left, and a hand holding a broken cigarette on the right. The background is a blurred blue and white gradient. A large green diagonal shape is overlaid on the left side of the image.

Tobacco Costs to Employers

Bert Marshall, President

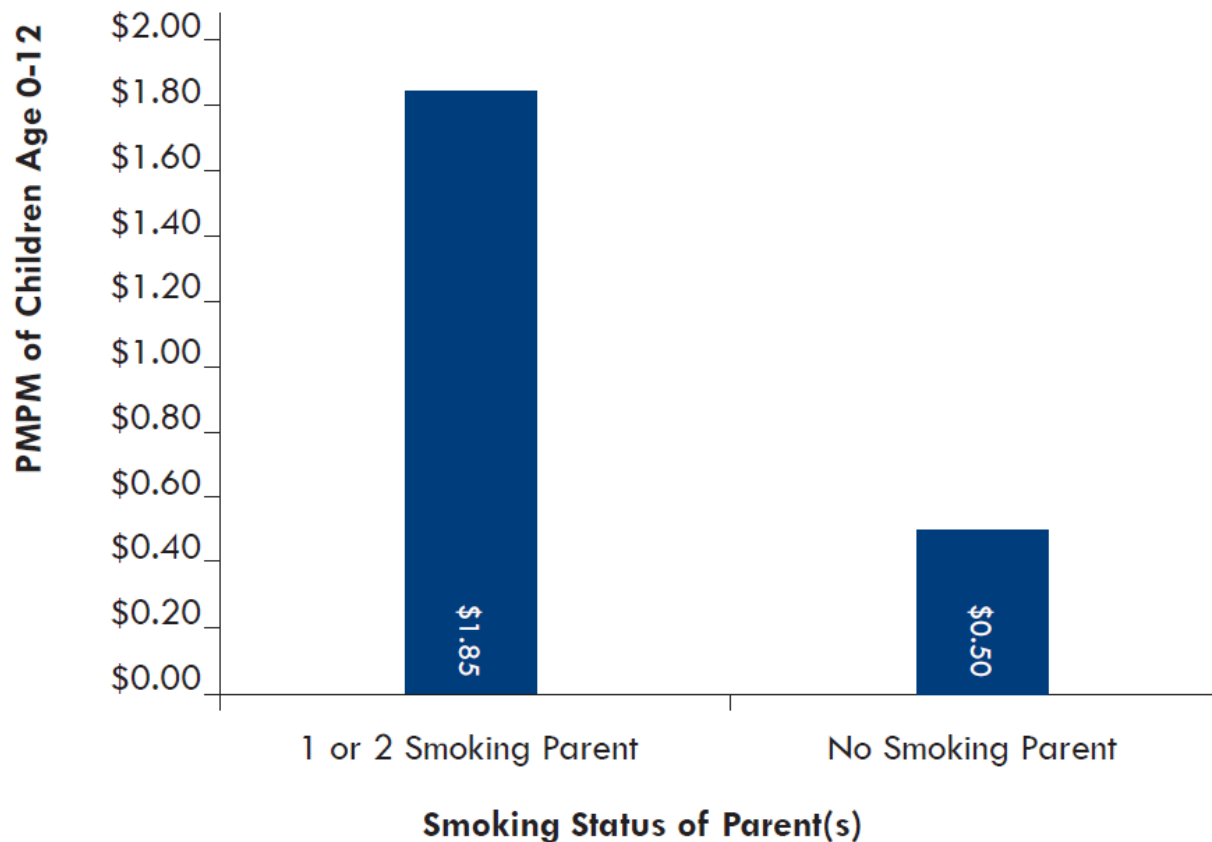


Annual Costs to Employers

TYPE OF COST	ANNUAL COSTS (PER SMOKER)
Absenteeism	\$517
Presenteeism	\$462
Smoke breaks	\$3,077
Health care costs	\$2,056
TOTAL COST:	\$5,816

Impact on Children's Health

Cost Associated with Lower Respiratory Infections, Pneumonia, Bronchiolitis and Bronchitis (inpatient, outpatient, and ER visits) For 0-12 Years Olds



Seeing the Savings

Smoking cessation programs are **low cost**



A comprehensive and effective program usually costs less than **50¢ per member per month**.



These programs see **immediate results**

Each employee or dependent who quits smoking reduces annual medical and life insurance costs by at least **\$210 almost immediately**.



Employee Incentives & Disincentives

*Financial **incentives** can increase tobacco cessation program enrollment rates, completion of programs and abstinence rates. Employers are also using **disincentives** to motivate healthy behaviors.*

Incentives:

- Benefit enhancements
- Lower deductibles
- Reduced premiums
- Flexible benefit credits
- Cash incentives

Disincentives:

- Surcharges
- Hirer premiums
- Higher copays and deductibles
- Refusal to hire
- Tobacco-free campus



Employer Hiring Policies

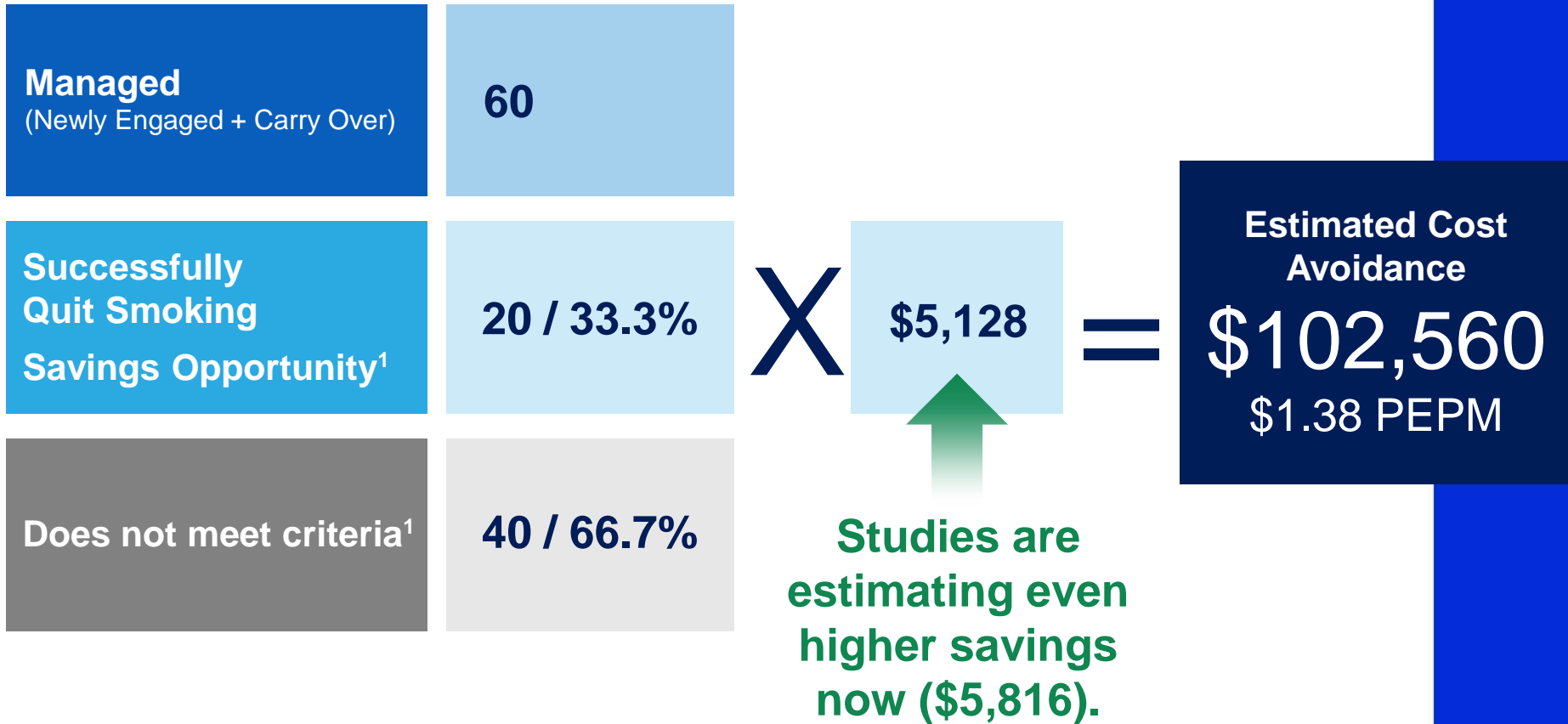


- Started new policy in 2012
- Not hiring tobacco users
- No tobacco in any form
- Additional surcharge for employed smokers
- Smoking cessation program available
- Rescinded more than 1 in 6 job offers



Employer Examples

Lifestyle Management Tobacco Outcomes



¹Each smoker costs an employer an additional \$5,128 a year in health care costs and lost productivity.

Source: Centers for Disease Control and Prevention~ Morbidity and Mortality Weekly Report

Note: Study updated using National Health Expenditures Trend

Employer Examples

I Care.

I Don't Care.

iCare Program details:

- Replaced smoking lounge with a gym
- “I Care” vs. “I Don't Care”
- Higher health care rates for “I Don't Care” employees
- iCare Toolbox with smoking cessation campaign information

Employer Examples



Motiva Presents:

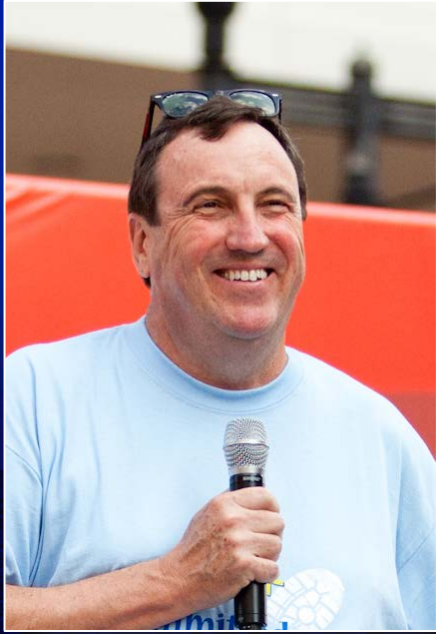
Stop Tobacco
Use Quiz



Take The Quiz >>

Blue Cross and Blue Shield of Texas:

- Inspired by the “Great American Smokeout”
- Operates a smoke-free workplace
- Provides an outcome based wellness program
- Implemented higher premium rates for tobacco users
- Enforces that all program activities must be complete for fee to be waived



The greatest
wealth is
HEALTH